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HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIRST SESSION—THIRTY-SECOND PARLIAMENT

31 Elizabeth II

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HOUSE OF COMMONS

Friday, May 21, 1982

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF NEW CHAIRMAN—MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, whereas the appointment of the new chairman of Canadian National Railways should not go unnoticed by the House, I move, with apologies to, but seconded by, the hon. member for Red Deer (Mr. Towers):

That in the opinion of this House:

The cowboy from Crowfoot called Jack,

Went through the House doubled-tracked,

Trudeau's his protector

But CN directors

Are saddled with Jack, and the flak.

Some hon. Members: Oh, oh!

Madam Speaker: The hon. member for Red Deer.

* * *

THE PRIME MINISTER

MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise under Standing Order 43 to observe that, in the light of certain appointments and selections regarding architects and railroads, the Prime Minister's office has assumed the roles of placement agency, hiring hall, staffing commission, and veto authority over public service recommending agencies. You do not need merit when you have friends in high places. I move, seconded by the hon. member for Lincoln (Mr. Mackasey):

Once upon a time, to get the job you needed merit;

Now all you do is join the Grits and wait and grin 'n bear it.

Plums and pork don't usually mix,

But they do when friend Pierre handles the fix!

Madam Speaker: There could be no better time for poets in the House.

Some hon. Members: Oh, oh!

INDIAN AFFAIRS

DEMAND THAT MINISTER MEET MANITOBA INDIAN LEADERS—MOTION UNDER S.O. 43

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, whereas since Wednesday of last week Indians from the Peguis reserve in Manitoba have been demonstrating peacefully outside the DIAND offices in Winnipeg to protest the long-standing critical housing shortage on their reserve, and whereas more than half of the Manitoba bands have now joined the demonstration in support of the Peguis and to protest their own housing needs, I move seconded by the hon. member for Churchill (Mr. Murphy):

That this House direct the Minister of Indian Affairs and Northern Development to reverse the answer he gave to me privately two days ago and go immediately to Winnipeg to meet with the Indian leaders involved to solve this matter before frustrations turn to anger and then anger to violence.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE ECONOMY

SUGGESTED INTRODUCTION OF NEW BUDGET—MOTION UNDER S.O. 43

Mr. Albert Cooper (Peace River): Madam Speaker, in view of the statement of the Minister of State for Economic Development in the other place earlier this week, to the effect that the Minister of Finance speaking on behalf of the government at the Summit meeting in Ottawa, expressed "the deep concern that this government has for the distress it is creating," I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That the government adopt measures, such as withdrawing the budget of November 12, 1981, and presenting a new one in its place, in order to alleviate the distress it is creating.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

SOCIAL AFFAIRS

GOVERNMENT VOLUNTARY ACTION POLICY—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): Madam Speaker, yesterday the Undersecretary of State amazed the Standing Committee on Communications and Culture by describing the Secretary of State as the "advocate minister to the voluntary sector". The minister, however, for the second time failed to meet the committee to discuss his departmental estimates on this subject, and has been silent on the government's intentions regarding Canadian volunteers.

Since the consumer price index is 11.3 per cent higher than April, 1981, and Canadians therefore have less money available to support vital charitable and voluntary programs, and since the Undersecretary of State confirmed yesterday that departmental work has been completed for cabinet on the comprehensive federal government voluntary action policy, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the government announce immediately its long-awaited policy with regard to the voluntary sector, including the acceptance of the give and take tax proposals.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1110)

POLITICAL PARTIES

COMPOSITION OF PROGRESSIVE CONSERVATIVE PARTY—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, the hon. member for Prince George-Peace River (Mr. Oberle) is quoted in a news story today as saying, "When you have people all the way from Genghis Khan to Karl Marx, you cannot expect them all to stand up behind the leader and support him." I therefore move, seconded by the hon. member for Beaches (Mr. Young):

That since it is fairly simple for anyone to pick out a Genghis Khan, that the hon. member for Prince George-Peace River rise in his place and identify which one of his caucus colleagues he would classify as a Karl Marx.

Some hon. Members: Oh, oh!

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

THE DISABLED AND THE HANDICAPPED

DEPARTMENTAL RESPONSES TO "OBSTACLES" REPORT—MOTION UNDER S.O. 43

Mr. Bruce Halliday (Oxford): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The Secretary of State responsible for coordinating the implementation of the "Obstacles" report on the disabled and handicapped, indicated on March 23, in response to a question from the hon. member for Brandon-Souris (Mr. Dinsdale), that he planned to table further responses from various departments within 30 days. As of tomorrow 60 days will have passed since that commitment. I therefore move, seconded by the hon. member for Fraser Valley East (Mr. Patterson):

That this House urges the Secretary of State to table forthwith any further responses now available to the report, "Obstacles".

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

POLITICAL PARTIES

SUGGESTED MERGER OF PROGRESSIVE CONSERVATIVE AND LIBERAL PARTIES—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, as has already been noted this morning in the press, a very distinguished member of the Conservative Party, the hon. member for Prince George-Peace River (Mr. Oberle), revealed that the Conservative Party lacks coherent principles, and that the average political science student could not tell the difference between a Conservative and a Liberal. Therefore, and in light of the cynical appointment of "Jumping" Jack Horner, the most famous Liberal-Conservative of them all, as chairman of the CNR, an act which is the epitome of a lack of principles, I move, seconded by the hon. member for Regina East (Mr. de Jong):

That the PCs and the Liberals move to rationalize the political system through a merger of their parties, thus saving money, lessening confusion, and making clear who really are the fellow travellers in this country.

Some hon. Members: Oh, oh!

Madam Speaker: The hon. member for Western Arctic.

* * *

FINANCE

ESTIMATED GOVERNMENT EXPENDITURES—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, as the Liberal recession worsens it becomes evident that the predictions made at the time of the last budget will be way out

of line. Public revenues are much lower than expected, expenditures are higher, and economists are now predicting a $17 billion deficit for this fiscal year. Therefore I move, seconded by the hon. member for Waterloo (Mr. McLean):

That the Minister of Finance table the latest departmental estimates of the expected financial requirements of the government which will likely exceed twice those forecast in the budget.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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POLITICAL PARTIES

RESIGNATION OF SENATOR FROM LIBERAL PARTY—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, in view of the fact that another distinguished Liberal, one of a vanishing breed, Senator Cook, has resigned from the Liberal party because the Minister of Justice (Mr. Chrétien) has acted with great impropriety in going directly to the Supreme Court of Canada with a reference on the offshore issue at a time when it has been referred to the Newfoundland Supreme Court of Appeal, thereby insulting the Newfoundland court, I move, seconded by the hon. member for St. John's West (Mr. Crosbie):

That this House congratulates Senator Cook for his courage and dedication to the public good, and for his defence of our federal system, and further that this House encourages other distinguished Liberals, if such there be, to follow suit.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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VETERANS AFFAIRS

PLIGHT OF EX-MEMBERS OF WARTIME RESISTANCE MOVEMENTS—MOTION UNDER S.O. 43

Mr. Neil Young (Beaches): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that the War Veterans Allowance Act does not apply to ex-members of various resistance movements, and that omission does a gross disservice to many individuals who actively fought for the allied cause during World War II, and who now live in Canada, I therefore move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House requests the Minister of Veterans Affairs to bring forward amendments to the War Veterans Allowance Act that would give full recognition to those individuals who gave so much of themselves to the allied cause during World War II, and who now require financial aid in their retirement years.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1115)

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

REQUEST FOR STATEMENT OUTLINING NEW GOVERNMENT POLICIES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is for the Minister of Finance. It concerns today's inflation figures which show that Canadians are suffering all the grief from the minister's policy but are getting none of the relief that he has been promising for the last 12 months. The anti-inflation policy of the government is simply not working. We are stuck at the 11 per cent to 12 per cent inflation rate. Hundreds of thousands of Canadians are losing their jobs because of the minister's policies. Thousands of businesses and farms are being destroyed. The confidence level of the Canadian people has been completely shattered by the government. Canadians are desperate. Will the minister give a commitment today to the people of Canada to make a statement outlining some new economic policies before the middle of June?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think the hon. member ought to have acknowledged that there has been a drop in the year-to-year inflation rate. It is the lowest year-to-year increase for 16 months. I believe that is something which ought to be acknowledged. The peak inflation rate for this country was 13 per cent which occurred in July, 1981, I believe. The rate has dropped, and I think the hon. member ought to acknowledge that year-to-year drop recorded in today's statistics. It is a hopeful note. As well the month-to-month increase is the lowest since last September.

The hon. member, in dealing with the very serious problem of inflation, which is undoubtedly serious, should acknowledge at least that there has been a continuing downward trend, not only on a month-to-month basis, but on a year-to-year basis.

Mr. Wilson: Madam Speaker, the minister did not answer my question again. I am getting used to that, however. He never answers questions. But the minister should also acknowledge the fact that in the United States over the same period we have seen the inflation rate drop from about the same level to the current level of approximately 6.5 per cent. Clearly things are not working here in Canada, and we are suffering the same pain and the same problems as they are in the United States, without any of the benefits.

Oral Questions

HOUSING

REQUEST FOR CHANGES IN GOVERNMENT POLICIES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my supplementary question is for the minister responsible for housing. In this field also the government's policy is not working. The mortgage renewal program has been used only by about 1,000 Canadians. The incentive program for new rental units is simply inadequate. That fact has been expressed to us by many people in the country. In the early part of this year, single family housing starts, as I said yesterday, have dropped 58 per cent. Housing construction is the most labour-intensive industry in the country. I have a simple question for the minister. Does he not realize the damage his lack of housing policies are causing? Will the minister encourage his colleague, the Minister of Finance, to include some changes in housing policy if, as, and when, he brings in a new economic program?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, on the contrary, I believe the government's policy on housing is working.

Some hon. Members: Oh, oh!

Mr. Cosgrove: As a matter of fact, the announcement by the government of $30 million going into rehabilitation housing was so successful that the demand for that program was taken up in one week. That program not only put $30 million into rehabilitation but drew $60 million from the private sector. We have encouraged Canadians to take money out of the banks. We know that Canadians are putting money into banks in unparalleled amounts. This program will take $60 million out of the banks to be matched by $30 million from the federal government. It will be used to get Canadians working in the trades that have been hit by unemployment in about 50 centres across the country.

Mr. Wilson: Madam Speaker, I notice there is only scattered applause on the other side. I think there is a very good reason for that. Single-family housing starts are down 58 per cent. That is a fact. That statistic comes from the minister's own department. He said that it is working. If it is working according to his objectives, we must wonder what are his objectives.

• (1120)

Madam Speaker: Order. Order. The hon. member must be reasonable and go to his question; he is making speeches.

Mr. Wilson: Madam Speaker, I am frustrated. I think many, many Canadians are frustrated.

Some hon. Members: Question.

Mr. Wilson: All the members of the minister's caucus are also frustrated.

Madam Speaker: Order!

THE ECONOMY

REQUEST FOR CONFIDENCE INSTILLING POLICIES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, since so many members of the government caucus, the group of ten and the economic development committee, have gone public with their concerns and have gone to the Parti Québécois for advice, would the Minister of Finance explain to Canadians why he will not say today that he will bring in some new economic policies to give Canadians some hope and some sense of confidence that there is direction in the Government of Canada to lead us out of the problems we are facing?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, because I disagree totally with the preamble to the hon. member's question. I do not see its relevance at the present time.

* * *

ENERGY

QUERY RESPECTING POSSIBILITY OF ASSISTANCE TO DOME PETROLEUM CORPORATION

Mr. John Thomson (Calgary South): Madam Speaker, I have a question for the Minister of Finance. Now that the government has destroyed the Canadian oil and gas industry by virtue of its disastrous National Energy Program, could the minister tell the House whether it is the government's intention to provide financial assistance to Dome Petroleum? Has the government made any commitment, or is it in the process of considering any commitment to provide financial assistance to Dome Petroleum?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the problems relating to the oil and gas industry are obviously under constant consideration by the government, as are problems relating to other sectors of the economy. When any decisions arising from these considerations are made, I assure the hon. member that they will be announced in the regular way.

GOVERNMENT POSITION

Mr. John Thomson (Calgary South): Madam Speaker, when will the Minister of Finance answer a simple, straightforward question in the House? When on earth can we obtain an answer? Let me just put my question to him one more time. I would like a simple answer. Will the government provide financial assistance to Dome Petroleum, or will it not? It is a simple, straightforward question. Will the minister please answer it?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the same answer stands. If and when a decision is taken on the matter, it will be announced.

Miss MacDonald: Conditionally.

Mr. MacEachen: I do not intend to fall into the obvious trap which the hon. member is attempting to set.

* * *

HEALTH

FORMALDEHYDE GAS LEVELS

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question is directed to the Minister of National Health and Welfare. It concerns a very serious health problem which is becoming more and more evident. Recently a study released by Dr. Yves Alary, who is head of the School of Environmental Medicine at the University of Pittsburgh, indicated that the level of formaldehyde gas in homes established at 0.1 parts per million was far too high. His figures indicated that there was serious health damage with a level as low as 0.03 parts per million. Is there any indication on the part of the government that it is willing to reduce to this established level of 0.03 parts per million as the safe level in homes? Of course the minister must realize that this would dramatically increase the number of Canadian home owners with urea formaldehyde foam insulation who would qualify for the government's program if it were to do so.

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, the scientific data used by my department to determine what UFFI gas level is harmful to a person's health are in our view extremely sound and very much on the conservative side, since ample allowance is made for the individual's state of health, even for those suffering from allergies. We have therefore no reason to change or lower the standard we have set.

• (1125)

[*English*]

Mr. Skelly: Unfortunately, the evidence gathering on this subject indicates to the contrary. The study by Bruce Small, the study by Alfred Nantel, and now the study by Yves Alary indicate clearly that there is a problem and that those norms were set too high. The Ontario Department of Health study also indicates that those norms were too high.

DEPARTMENTAL STUDIES

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, I would ask the minister whether or not the government would be prepared to consider conducting studies that would either confirm or at least shed more light on the matter. Will she be prepared at this time to tell the House what studies her department is doing to determine whether or not this norm of 0.1 parts per million is adequate? Also, has she looked into substantiating the work that has been done by three other competent individuals in this field?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, studies are constantly being done on the alleged effects of urea formaldehyde foam. The hon. member is referring to newspaper articles about certain studies that were published very recently. A number of conclusions were made, and they should be considered and compared with many other studies which do not necessarily support these results. As for the Canadian studies I have just approved under the National Health Research Development Program, I would have preferred to receive notice of his question, in which case I would gladly have given him the information verbally. In the circumstances, I shall send him a letter with a list of the approved studies and a brief description of the field covered by each study.

[*English*]

Mr. Skelly: Certainly I believe the common knowledge of what is being done is one matter, but I express deep concern about the health question involved.

PROVISION OF DISASTER EMERGENCY FUNDING

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my supplementary question is directed to the Minister of Public Works responsible for housing. There is information which comes from statements by officials of the Government of Canada indicating that where a province is willing to avail itself of the provisions available under national disaster programs to put up moneys to assist victims of urea formaldehyde foam insulation, the federal government would come forward and add an equivalent amount. There are groups who are now talking to provincial governments about this matter. There has been no clear statement from the federal government on whether it was serious, or whether this was just another off the wall comment. Would the minister clarify whether or not there has been serious consideration given to discussing, with the provinces and home owners, a method of implementing that particular idea?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, that is a matter which was administered by the Minister of Consumer and Corporate Affairs. On a couple of occasions he indicated in the House that he had already contacted the appropriate ministers in the provinces and asked for their co-operation. My recollection is that the co-operation from the provinces has not been forthcoming. However, I will take the hon. member's question under notice, discuss it with the minister, and perhaps he can get back to the member.

Oral Questions

EXTERNAL AFFAIRS

FALKLAND ISLANDS—REPORTED LANDINGS BY BRITISH FORCES

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Secretary of State for External Affairs. It concerns the very serious situation in the Falkland Islands. I call them the Falkland Islands, not the Malvinas, or Falkland-Malvinas like the government does. Can the minister bring us up to date on what is happening in that area?

We understand that United Kingdom forces are landing at various points in the Falkland Islands. Will the minister tell the House what we have done since April 2 to assist in that situation, either to get a negotiated settlement in accordance with the United Nations resolution, or to assist Britain in carrying out this action on behalf of world order and the principle of resisting armed aggression? What have we done in a negotiating sense? What have we done to assist in reaching a conclusion? What have we done to assist the United Kingdom? What is the present situation?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, to begin, I should emphasize that we had absolutely no advance or private knowledge of the military aspects of the British position. The newspaper reports which I have seen indicate that the actions which are occurring are probably not an invasion, as such, but perhaps preliminary actions that are being taken.

• (1130)

With respect to what we have been doing in the last two months, the record is almost entirely available to the public. We have met every request which Britain has made of us. We have engaged in extensive consultations with the United Kingdom. I spoke to Mr. Pym this week. I had a meeting with Lord Moran, the British High Commissioner, last night. We have been in very close consultation with the Secretary-General of the United Nations, and we have made offers of service and offers of facilitation. We gave tentative approval to a peace initiated by Peru, which was stillborn, overtaken by events and by actions of the Secretary-General before it became operative. I would add for the information of the hon. member that, in this bilingual country, he might want to note that in French the term for the Falkland Islands is Les Malouines. It is that term we use in describing, when we want to do so in a bilingual form, a place to which we are having reference.

Mr. Crosbie: This is an English release I am looking at with "the Falkland-Malvinas Islands" on it because the government will not state that the Falkland Islands are a United Kingdom dependency. It is an English release.

NATURE OF SUPPORT FOR UNITED KINGDOM

Hon. John C. Crosbie (St. John's West): Madam Speaker, last Friday the Prime Minister said finally that the government is giving the United Kingdom 100 per cent support. What does that support consist of, and what steps are we taking? I am not asking what did the United Kingdom seek. The United Kingdom is trying to enforce a world principle to resist armed aggression. The British are not invading the Falklands. They are re-occupying their own possession, not invading. The invading was done by Argentina. What steps are we taking to give materiel assistance and, in particular, are we now going to stop business as usual on the Argentina Candu reactor contract and stop the sending of nuclear fuel bundles while the conflict is under way in that area?

Hon. Mark MacGuigan (Secretary of State for External Affairs): As the hon. member knows, we are not engaged in business as usual with Argentina.

Mr. Crosbie: We certainly are.

Mr. MacGuigan: The import restrictions which Canada and other nations have imposed are an important part, I believe, of the international action of making Argentina realize that the rule of force is not to be tolerated in international law. We have, of course, imposed a ban on the shipment of military materiel, as is well known to Argentina.

The hon. member knows that the reason we have not imposed a ban on past contracts is that no country that I know of has done so. In our case, we have extra reasons for not doing so because, first, there is no relationship between the fuel bundles and the present conflict. Second, we have an agreement with Argentina which provides, on one side, that we will complete our obligation and, on the other side, that they will observe their obligation that they will not use any Canadian nuclear technology or material for non-peaceful purposes. We value the provisions of that contract. We do not intend to depart from it.

Mr. Crosbie: A supplementary question—

Madam Speaker: The hon. member for South Shore.

Mr. Crosbie: You would have sent it to Hitler during World War II as well. What tripe! Give it some backbone. What kind of government is this?

Madam Speaker: The hon. member for South Shore.

* * *

FISHERIES

REFUSAL OF LICENCES TO EAST COAST FISHERMEN

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans. Following the imposition of the 200-mile limit, we in Atlantic Canada were promised that once our over-fished stocks had been restored, only fish that was surplus to our needs would be allocated to foreigners. Since the minister has stated that the main problem in the industry is the over-expansion of fish processing capacity, why is he refusing licences for inshore and offshore Canadian ships, which would provide fish for the existing plants and, if the resource will not stand increased

fishing pressure, when is he going to implement his promise and allocate to foreigners only those fish that are surplus to our needs?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I do not have the statistics at my fingertips, but surely the hon. member knows that the vast majority of the species in which we have an interest are very much taken by Canadian fishermen. In the case of the European community, to a number of countries—Spain and Portugal come to mind—we have allocated very small amounts in recognition of other advantages, especially some presence in their markets. This was done following consultation and discussion with the industry. For the hon. member to say that some fish plants are having trouble because of the allocation of a very modest amount of fish to other countries is really stretching the truth.

Mr. Crouse: When it comes to the truth, Madam Speaker, I do not need to take any lessons from the Minister of Fisheries.

QUERY RESPECTING PROTECTION OF EAST COAST INDUSTRY

Mr. Lloyd R. Crouse (South Shore): The Minister of Fisheries knows that the state of the industry is a direct result of his mismanagement over the years; 23 million pounds of capelin allocated to the Russians last year, 11 million pounds of squid to Cuba, and 33 million pounds to Japan, while Russia only bought something like $4 million worth of fish from this country. Let us have a little truth from that side. Since the minister stated on May 5 that Ottawa will step in, and those are his words as quoted in the press, to save the east coast fishery—that is what he said—and since fish quality and marketing are two of our major problems, what steps does he plan to take to present this valuable resource-based industry from going down the drain, aside from his statement that some of the fish processing plants in Atlantic Canada must be allowed to fold, as they are now doing?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, the hon. member illustrates one of the real difficulties we have when we discuss fisheries matters by wanting to have it both ways. On one hand, he takes a dog-in-the-manger attitude that there should be no allocation of fish to any foreign country. On the other hand, he complains that we cannot break our way into the markets of the world. I simply ask him what he intends to use as currency to try to get access to markets where we have traditionally not been successful? It is for that reason, when there is fish surplus to our needs—the hon. member knows very well that Canadians will not take all the surplus that there is in squid or capelin, for example—if we allocate it and in exchange try to get commercial advantages like access to markets, I would at least expect support from him.

[*Translation*]

AIRPORTS

TRANSPORTATION BETWEEN DORVAL AND MIRABEL—ANNOUNCEMENT DATE OF MINISTER'S DECISION

Mr. Maurice Dupras (Labelle): Madam Speaker, my question is another in a long line of questions which my hon. colleagues have put previously to the Minister of Transport, and it of course concerns with the future of Mirabel. Since July 1980, the minister has been giving us the assurance that following a report by his departmental officials, a decision would be made and announced in a matter of months. Not long ago, last February, he gave 33 mayors from the Montreal area the assurance that a decision would be made and announced on May 18 of this year—in other words, last Tuesday. Therefore, I would like to know what the minister intends to do to protect the credibility of his department and when he is going to make a decision on the intended use of Mirabel.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I agree with the hon. member that some direction should be given and indicated. I am prepared to give that direction in the very near future to my cabinet colleagues. The issue is extremely complex, as everyone knows, and it is one of those questions where the minister himself has to penetrate the issue from within. In doing so, I have collected a tremendous mass of material, facts, impressions and perceptions, and it will take me a few days to boil all this down into a comprehensive paper. During the long weekend I will have an opportunity to give my undivided attention to this subject.

* * *

[*English*]

HEALTH

TESTING OF PHARMACEUTICAL PRODUCTS

Mr. Simon de Jong (Regina East): Madam Speaker, my question is directed to the Minister of National Health and Welfare. As the minister knows, the U.S. Food and Drug Administration in a random sample of 10 per cent of their pharmaceutical testing facilities found 127 laboratories in the United States to be in serious violation of regulations. It also found that 43 doctors were suspended and another 234 are under investigation. The minister knows that the *Edmonton Journal* has revealed serious deficiencies in the chemical trials of at least 16 drugs which are also used in Canada today. Can the minister give us the assurance that faulty tests are not the basis for registering pharmaceutical drugs or pesticides and other chemical products in Canada today?

• (1140)

Hon. Monique Bégin (Minister of National Health and Welfare): Yes, Madam Speaker, to my knowledge I can give that assurance. The problem about which the hon. member is

questioning me today has been thoroughly discussed in the Standing Committee on Health, Welfare and Social Affairs of the House, and I have written to the hon. member confirming that the Americans have found that the rate of deviation from adherence to good investigation protocol is about 25 per cent, but in practice the rate of serious deviation is considered to be 10 per cent. The same type of deviation probably exists in our country, but mechanisms are in place to control that and to withdraw immediately products from the market with which we learn there are specific problems.

I have also assured the hon. member of the link we have with the United States respecting information on specific problems regarding certain chemicals, which is passed on to us as confidential information.

REQUEST FOR REVIEW OF TESTING PROCEDURES

Mr. Simon de Jong (Regina East): Madam Speaker, I appreciate what the minister is saying, but the minister also knows that an Oakville woman almost died because the Upjohn Company in the United States knew, five or six years before we in Canada did, that the particular drug she took caused serious side effects. It took five or six years after it was known in the United States for us to hear about it. Surely the minister must admit that the time is long overdue to re-examine the whole process of testing chemicals and their registration in Canada. Will she at least agree to a review of this whole process?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, the case concerning Clindamycin and the woman to whom the hon. member refers who almost died after taking this product, put on the market by the Upjohn Company, is at least 12 years old. All the facts were given to the hon. member in detail in a letter. Since that time changes have taken place in all procedures. I thought we had explained that.

Two problems remain. The hon. member wants every chemical to be fully assessed before it reaches the market. This is not the case in any country. I have explained often to the hon. member that I am not sure any country has found a solution to this problem. On the other hand, the hon. member, like many of us, presses for the eventual development of a project of great interest to Canada, and probably to western Canada in particular, namely, the development of one or more centres for toxicological studies here in Canada. That surely will be a very happy development, but in the meantime our procedures in Canada assure the safety of products for Canadians to the maximum extent possible.

AGRICULTURE

EFFECT OF HIGH INTEREST RATES—REQUEST FOR CHANGE IN BUSINESS DEVELOPMENT BOND

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, I would like to direct a question to the Minister of Finance. Yesterday in the House in answer to a question by the hon. member for Halton the minister stated that the change in the business development bond had made available $100 million in loans to the agricultural community. He advised the CFA of this, but that federation advised him of the fact that in the period 1978-81 interest charges alone as a cost to agriculture rose by $1.25 billion.

In view of the fact that the $100 million represents 8 per cent of the three-year interest increment for agriculture, and represents less than 5 per cent of the total agricultural interest cost, would he now agree to adjust the business development bond so that he can use the word "significant" in a meaningful way when addressing himself to farmers, rather than assisting them with less than 5 per cent of their interest costs?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member misunderstood, obviously, the purpose of the Small Business Development Bond when it was initially introduced by the hon. member for St. John's West. It was never intended to achieve the purpose the hon. member now seems to think was its purpose. However, I am aware, as he is, that the impact of high interest rates is affecting a portion of the agricultural population of Canada in a very difficult way. It affects all, of course, but some are much more hard pressed than others, and it is to that group that the revisions of the small business bond were directed and the provision that was made in the last budget to make lower interest rates available through the Farm Credit Corporation. The Canadian Federation of Agriculture made some proposals at its meeting with me last week which I undertook to consider in conjunction with the problems the Federation laid out.

FARM CREDIT CORPORATION BORROWING AUTHORITY

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, I would like to direct my supplementary question to the Minister of Agriculture. The same document presented by the CFA made the statement that the FCC proportion of long-term lending is down from 70 per cent to less than 20 per cent of the farm requirement. In view of the authority recently granted to the Farm Credit Corporation to borrow money on its own, and in view of the total lack of concern and understanding of the Minister of Finance, would the Minister of Agriculture explain to this House how he plans to use the new borrowing capability of the FCC to provide money to the agricultural community at the 10 per cent interest level which the Federation feels is the maximum producers can afford to pay under existing economic circumstances imposed by the Minister of Finance?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Canadian Federation of Agriculture made a

presentation to myself and several of my cabinet colleagues, and I stated at that meeting—as I state to the hon. member now—that even if we financed some producers at 10 per cent, there is no light at the end of the tunnel for some of the operations in which they are involved. We have to have better marketing programs, etc. We are moving as fast as we can with the Farm Credit Corporation. I am surprised that the hon. member is so concerned because the bill was waiting in this House for two weeks while the bells rang, and nothing was done. We could not go ahead with the bill.

Some hon. Members: Oh, oh!

* * *

ENERGY

DEVELOPMENT OF PEACE RIVER TAR SANDS

Mr. Albert Cooper (Peace River): Madam Speaker, in the absence of the Minister of Energy, Mines and Resources I would like to address my question to his parliamentary secretary. In the past few weeks the department has received several telegrams from people in the Peace River country who are concerned about the development of the Peace River tar sands project. I would like to know what the Department of Energy, Mines and Resources is doing to see that this particular program goes ahead.

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Madam Speaker, in response to the hon. member's concern about that particular project, yes, the department has received the telexes. At the present time it is considering the purport of the suggestions made in those telexes, and when we complete our consideration of this particular problem, the hon. member will be notified in due course.

Mr. Cooper: Madam Speaker, Canadians desperately need jobs right now, and this particular megaproject would provide several thousand jobs for Canadians.

TIMING OF DECISION

Mr. Albert Cooper (Peace River): Madam Speaker, my supplementary question is directed to the parliamentary secretary. How quickly can we expect some kind of response?

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Madam Speaker, I would like to be able to give a response today; however, when the consideration is completed, the hon. member will be notified in due course.

NATIONAL RESOURCES

FILING OF PRESS RELEASE WITH REFERENCE TO SUPREME COURT ON OWNERSHIP OF HIBERNIA OIL FIELD

Hon. Erik Nielsen (Yukon): Madam Speaker, I have a question for the Minister of Justice, if he will stop hiding behind the curtain and come into the House.

An hon. Member: Here he is.

Mr. Cousineau: Go ahead.

Mr. Nielsen: My question to the Minister of Justice concerns the propriety of the government in the filings it made before the Supreme Court of Canada with respect to the reference by the governor in council concerning the Hibernia field off Newfoundland. I have in my hand a copy of the notice of motion filed May 20, which sets forth that an application will be heard next Friday or as soon thereafter as counsel may be heard. Together with that notice of motion, for which no provision that I am aware of exists in the rules of the Supreme Court of Canada, is filed a government press release which sets forth the government's propaganda on why it is taking this action.

• (1150)

Under what authority did the government file a copy of its press release with the documents usually permitted for filing in the Supreme Court of Canada, and what purpose did it have in filing the press release? Does the minister not now think that the contents of that two-page press release may well prejudice the hearing of the notice of motion when it comes before Mr. Justice Ritchie?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I am not aware of this detail. As way my duty as Attorney General of Canada, I filed the petition in the Supreme Court of Canada. On the question of the sustaining documents, if there is an explanation of why it is called a press release—I do not know if it was filed but I will check that. I think it was very important to proceed in that matter. Now the court will decide, so I have no further comment to make.

As to the remarks of the hon. member, everyone knows that he likes to engage in dirt so I will not speak at his level.

Mr. Nielsen: Madam Speaker, I will overlook the intemperate remarks of the minister.

REQUEST THAT PRESS RELEASE BE REMOVED FROM COURT DOCKET

Hon. Erik Nielsen (Yukon): Madam Speaker, I have in my hand a copy of the press release dated May 19, cited at St. John's Newfoundland, bearing the stamp of the Supreme Court of Canada and filed May 20, 1982, under number 17096, which is the number of the Supreme Court of Canada docket.

In the absence of any provisions in the rules of the Supreme Court of Canada for filing such documents, does the minister not think that the action the government took in filing that press release was highly improper? Even at this late stage, will he not issue instructions to whomever does his filing for him in his department, to have that document removed immediately from the Supreme Court of Canada docket?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I think the Supreme Court judges can handle these matters quite properly and it is not for me to debate them in front of the House of Commons. I said I was not aware of the filing of that document and I will inquire about it. If there is something improper about it, I am sure the judges of the Supreme Court of Canada know the rules and do not need the advice of the House of Commons, especially from this member.

* * *

EXTERNAL AFFAIRS

EL SALVADOR—REPORTED SUSPENSION OF LAND REFORM PROGRAM

Mr. Dan Heap (Spadina): Madam Speaker, my question is directed to the Secretary of State for External Affairs. Would he tell us whether the government is concerned about the fact that the Constituent Assembly of El Salvador, under the presidency of the notorious right wing Major Roberto d'Aubuisson, decided on Tuesday to suspend the long-promised land reform program for up to four years? This would cut half the peasant population off from opportunities promised to them. If this is the case, has the government expressed its concern to the Government of El Salvador and the Government of the United States and, if so, what is their response?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, as yet we have only the same newspaper reports on which I presume my hon. friend's question is based. We have not received an analysis of what actually happened in the El Salvador Assembly. We are concerned about the preliminary reports and are trying to find out the exact implications of what has happened. When we have that analysis we will be in a position to make any representations which we believe to be appropriate.

UNITED STATES ARMS SHIPMENTS TO EL SALVADOR

Mr. Dan Heap (Spadina): Madam Speaker, my supplementary question concerns the background to the suspension of land reform, namely, the decision of the United States government to send more arms to El Salvador. In light of the fact that both the Canadian and the United States government's policies toward El Salvador were based partly on the promise of land reform, and in light of the fact that the reported decision to suspend land reform followed only five days after a United States decision to send $60 million worth of arms to the government led by Major Roberto d'Aubuisson, is the Canadian government now prepared to reconsider its policy? Will it condemn the farcical right-wing elections held in El Salvador on March 28? Will it condemn the rising violence under that new government? Will it condemn the increase in the supply of U.S. arms to Major Roberto D'Aubuisson, and will it condemn this brazen betrayal of the promised land reforms?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, as my hon. friend knows, we have long been opposed to the supplying of arms by the United States to countries in that situation, just as we have been opposed to the supplying of arms from countries on the left.

I am sorry that my hon. friend's remarks are so intemperate. They indicate a bias which I think is unworthy of him and his party with respect to a democratic election which has taken place in El Salvador, and which everyone else in the world has widely accepted as the genuine voice of the people in El Salvador.

* * *

FINANCE

REQUESTED REFERRAL TO COMMITTEE OF PERSONAL AND CORPORATE TAX STRUCTURE

Hon. John M. Reid (Kenora-Rainy River): Madam Speaker, my question is addressed to the Minister of Finance. I know that the minister and his department have been intensively studying the tax cuts passed by the United States government which will come into effect on July 1. There has been a great deal of publicity about the tax cuts on the personal side, but I understand that there are also significant tax cuts on the business and corporate side.

Will the minister arrange a reference for the Standing Committee on Finance, Trade and Economic Affairs and would he and his officials appear before it with their documentation, so that over the summer the committee may study the relative rates for personal tax and corporate tax before budget bills come down in the fall?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member's question is obviously of interest. We have been examining the relativity or comparability of corporate rates in the United States and Canada. Obviously it is of importance to the Canadian economy to ensure that relative tax burdens are in line as much as possible. It is our conclusion that our taxing regime for corporations is as favourable as that in the United States.

The hon. member added a request for a special reference to the Standing Committee on Finance, Trade and Economic Affairs. I know that committee has a great deal of work before it at the present time. I am not sure whether it would be possible for it to handle a new reference when so many burdens have already been laid upon its very capable members.

EMPLOYMENT

CREATION OF SUMMER STUDENT JOBS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is directed to the Minister of Employment and Immigration. As he will be aware, this weekend is graduation weekend for many thousands of students across Canada. Many of them, and many still in the school system, will be unable to find jobs this summer. They face a very bleak summer. The situation is reaching crisis proportions.

Given that an estimated 200,000 Canadians students will be unable to find jobs this summer, and given that this will very seriously impair their chances of returning to university in the autumn, will the minister tell us whether the government considers the situation a crisis situation, which it really is? In that event, has the government prepared contingency plans to deal with the situation and, if so, what are they over and above the measures already announced?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, the government has always considered the employment of young people to be a major concern and a major priority. I would point out that well over 50 per cent of the people who use the wide variety of services that my department provides are under the age of 24 years.

• (1200)

In terms of special efforts for students this summer, we have not only established the Summer Youth Employment Program which will employ well over 55,000 students, but we have also established a network of close to 400 offices across Canada operated by students themselves, and which are designed to provide areas where students can register and where job placements from the private sector can be entered.

My plea, Madam Speaker, to all members of this House is to co-operate with us as we try to encourage businesses and individuals to put their job applications in those centres to provide the maximum opportunity for students. We are undertaking a major advertising campaign and making major public appeals, but if members of this House joined us I am sure we could develop a broad range of job opportunities for students.

REQUEST THAT MINISTER MEET PROVINCIAL COUNTERPARTS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, what I want to register with the minister is that there are 200,000 students who are going to be out of work this summer, a great many more than last year. Student summer unemployment has increased from 11 per cent last summer to an estimated 16 per cent this summer. In my own constituency there are 2,000 students unemployed, up considerably from last year.

In the face of this crisis, Madam Speaker, I ask the minister if he would consider calling together his provincial counterparts in an all-out effort to design new job-creation programs for students this summer so that students will not have to face returning to university this fall—if they can—with higher tuition fees and costs which they cannot possibly meet because they have been unable to make the necessary money this summer?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would like to provide one caution in terms of the remarks of the hon. member, which is not to predict what the unemployment rate will be until we have made an honest, sincere and effective effort to develop jobs for people this summer. If we start prophesying beforehand, that will defeat our purpose. At this point in time we should be maximizing our efforts to have job openings placed in those centres. Certainly I regret that many provincial governments have in fact cut back on their job efforts when the federal government has gone ahead and added job requirements through the federal public service and community groups. We will continue our efforts, but rather than harbouring great prophecies of doom it would be far more effective if members of this House got together and talked to businessmen in their constituencies to find jobs for their students.

* * *

[*Translation*]

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented on Thursday, May 20, 1982, and finds that they meet the requirements of the Standing Orders as to form.

* * *

[*English*]

PRIVILEGE

MISS MACDONALD—ALLEGED MISLEADING STATEMENT OF MR. OUELLET

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I have given you notice of a question of privilege based on the remarks of the Minister of Consumer and Corporate Affairs (Mr. Ouellet) in the House on May 19. I am prepared to go ahead, Madam Speaker, but in the absence of the minister I was wondering if it would be preferable to file another notice of privilege on Tuesday when he would be back in the House?

Madam Speaker: I would prefer that the hon. member expose her question of privilege. If I feel a reply or rebuttal or some other intervention on the part of the minister is required, I can defer my decision. A question of privilege is, in essence, a very urgent matter and would prevent the House from proceeding to other business, so it has to be heard at the earliest possible time. Therefore, I will hear the hon. member and I may defer my ruling or judgment on it.

Miss MacDonald: Madam Speaker, it is my contention that the House has been misled by the minister's reference at page 17592 of *Hansard* where he referred to a two-year delay in imposing jail sentences on operators of small retail food stores who have not adopted metric measurements. That has to be compared with the letters being sent out to those same small food store operators by officials from the weights and measures section of his department. I presume they are being sent with the authority and approval of the minister. There is no mention in those letters of a two-year delay in the imposition of a jail sentence. Such a letter was sent to a Mr. and Mrs. Menikefs of Kingston which states that the conversion period for their store was from January 4, 1982 to March 3, 1982. It goes on to say:

> It is now an offence in this location under Section 7 of the Weights and Measures Act and Section 339 of the regulations to use a weighing device that does not measure in metric units of measurement.
>
> This department will enforce the Weights and Measures Act which provides for penalties of a fine not exceeding $1,000 and/or imprisonment up to six months for each offence.

There is absolutely nothing in that letter, Madam Speaker, about a two-year delay in the imposition of a jail sentence. It states instead that the recipient of this letter must contact the district manager of that department as soon as possible to—

Madam Speaker: Order, please. I have listened to the hon. member for about five minutes and it seems to me that she might have a grievance. She might have found some discrepancy or lack of clarity in certain instructions as compared to what the minister has said in the House. That is a matter which the hon. member might want to clarify in the future through other means at her disposal, but it certainly is not a question of privilege and I have to rule on the basis of what the hon. member has been telling me for five minutes.

MR. DE JONG—REPLY OF MISS BÉGIN DURING QUESTION PERIOD

Mr. Simon de Jong (Regina East): Madam Speaker, the Minister of National Health and Welfare (Miss Bégin), in a reply to me during question period, suggested that Mrs. Stavro was dead. To the best of my knowledge, the lady is alive. In fact, she settled out of court with the Upjohn company in March—

Madam Speaker: Order. Whether someone is dead or not is not very much a matter of debate, but the hon. member is debating the question and it is not a question of privilege.

MR. CROSBIE—ALLEGED IMPROPRIETY RESPECTING DOCUMENTS FILED WITH SUPREME COURT OF CANADA

Hon. John C. Crosbie (St. John's West): Madam Speaker, it is a privilege to be alive sometimes! I want to give notice of a question of privilege arising out of question period. There has been a most serious lapse of propriety by the government through the Department of Justice and—

Madam Speaker: Order.

Mr. Crosbie: Madam Speaker, this is a matter which deals with the administration of justice.

Madam Speaker: There is no need to give oral notice of a question of privilege. The hon. member can raise a question of privilege which arises from today's proceedings, but the hon. member rises and says he is giving notice. I have said several times in the House that oral notice is not appropriate; I must be given written notice of a question of privilege.

Mr. Crosbie: Madam Speaker, my question of privilege, of which I am not giving notice, arises out of question period. There has been an apparent serious interference with the judicial system of this country which just came to our notice this morning when we had a search made at the Supreme Court registry to see what documents were filed in connection with this offshore reference. Three documents were filed: a notice of motion on May 20 by the Department of Justice; an order in council on May 19; a political press release of the Minister of Justice (Mr. Chrétien) dated May 19 in St. John's, and filed on May 20. It is headed "Statement by the Minister of Justice and Attorney General of Canada, the Hon. Jean Chrétien, on the Newfoundland offshore reference".

It then gives a series of alleged reasons why the government is filing this reference before the Supreme Court of Canada. It gives arguments why the federal government is ignoring the fact that the provincial government had recently filed a reference to the provincial Court of appeal dealing with the same series of matters, saying that they are too complex and much broader, and giving the alleged reasons why the government is proceeding as it is.

• (1210)

It is totally improper to file a document in the Supreme Court of Canada containing a series of political arguments by a minister who is a politician, where the judges can see the document. I know the hon. gentlemen opposite do not think there is any impropriety in this or that the matter is a question of privilege, but in any event I will make my point.

This is an interference with the judicial system by a member of the government. It is a breach of the privileges of members of this House. The matter has to be dealt with by this House. This kind of impropriety has to be stopped either on the instructions of the Speaker, the House or someone else.

In all my years as a lawyer, I have never experienced such a blatant attempt to influence a court by filing political press releases in the court docket in a place where judges could see them if they ask to see the file, as no doubt they will. The docket number is on the document as well; the number is 17096.

I put this matter before the House. In my view, it is a breach of privilege and it should be referred to a committee, although I am certainly prepared to hear other suggestions as to what should be done about it.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, it cannot be denied that the hon. member for St. John's West (Mr. Crosbie) has failed to abide by the rule so clearly put in Beauchesne, which says that questions of privilege are to be raised very seldom, and then only in exceptional cases where the freedom of expression and speech of members is at stake. In the circumstances, I feel it is clear that the message he has given us today if purely political, namely, that he is not happy about the fact that certain documents have been submitted to the highest court in the land, the Supreme Court of Canada. In fact, the proceedings before a court are totally independent of the proceedings in this House. The justices of the Supreme Court are quite able to determine what is acceptable and what is not, in the case of documents that are submitted to their tribunal. It is not up to us to tell them what to do, and I feel that the attitude of the hon. member for St. John's West is an insult to the justices of the Supreme Court of Canada. It is certainly out of place as far as Parliament is concerned, since the documents in question have been submitted to a court, where members' privileges are absolutely irrelevant.

Madam Speaker: I have the clear impression that the question, as it was put to me, falls within the purview of an entirely different authority, and certainly not mine. I am not convinced that a member's privileges have been breached. Hon. members may have comments and even grievances regarding the situation over which the Chair personally has no control and, above all, should not be asked to rule. I do not believe it is a question of privilege, and consequently, I declare at this time that I cannot accept it as a question of privilege. Perhaps the hon. member would like to seek redress from other authorities.

[*English*]

Mr. Crosbie: Thank you, we will, Madam Speaker. We will not allow the judicial system to be interfered with. It is jackboot justice and it is an interference with the courts. It is disgraceful, and I say to members opposite that they must clean up their act.

ROUTINE PROCEEDINGS

[*Translation*]

LABOUR, MANPOWER AND IMMIGRATION

PRESENTATION OF FIFTH REPORT OF STANDING COMMITTEE

Mr. Jean-Claude Malépart (Montréal-Sainte-Marie): Madam Speaker, I have the honour of tabling the fifth report of the Standing Committee on Labour, Manpower and Immigration.

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

[*English*]

PETITION

MR. PATTERSON—RECONSIDERATION OF GUN CONTROL LEGISLATION

Mr. Alex Patterson (Fraser Valley East): Madam Speaker, I have the duty to present the following petition. To the honourable the House of Commons of Canada in Parliament assembled, the petition of the undersigned of the Abbotsford Fish and Game Club in the province of British Columbia, who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your honourable House will therefore provide a remedy, humbly sheweth that the private member's Bill C-451, regarding gun control legislation which deals with the number of firearms in Canada; wherefore the undersigned, your petitioners humbly pray and call upon Parliament to oppose this legislation and deal directly with the present laws which are cumbersome, expensive to administer, and ineffective except to harass law-abiding people. And as in duty bound your petitioners will ever pray.

* * *

BANK ACT

AMENDMENTS RESPECTING FORECLOSURE PROCEEDINGS ON PROPERTY

Madam Speaker: Introduction of bills. Mr. Yurko, seconded by?

Hon. Erik Nielsen (Yukon): Madam Speaker, I rise on a point of order. We are confronted with a rather unique situation here where the only independent member of the House of Commons is attempting to introduce a private member's bill, which is not going to be discussed in any event until this session prorogues and we commence another one.

It has been a tradition in the House that private members on all sides nevertheless have their business introduced, at any rate; whether or not it arises for discussion is another matter. I think if you were to request it, there might be a disposition, on the basis of that tradition—that is, the right of every private member—to give unanimous consent for the introduction of this private member's bill.

Madam Speaker: Is there unanimous consent for the introduction of this bill?

Some hon. Members: Agreed.

Madam Speaker: Mr. Yurko, seconded by Mr. Kempling.

Mr. Bill Yurko (Edmonton East) moved for leave to introduce Bill C-655, to amend the Bank Act to provide a

minimum one-year period of notice in the event of foreclosure proceedings on property that is the principal place of residence.

Mr. Nielsen: Madam Speaker, the reason I rose on a point of order was to provide the facility through unanimous consent to dispense with the seconder that is normally required. I suggest that the record be allowed to show that there was no seconder but that there was unanimous consent in order to facilitate the right of any private member to have his matters presented to the House. I emphasize that it is a private member's right. Simply because we have a single independent member sitting here, regardless of his politics, where he sits or what are his beliefs, the tradition is that every private member should have a right to introduce private member's business. It was on that basis that I was seeking the consent of the House.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, enough of this procedural nit-picking. We are willing to let the hon. member for Edmonton West (Mr. Yurko) introduce his bill. I feel this kind of discourse is totally useless and wastes the time of the House.

[*English*]

Madam Speaker: I am in a bit of difficulty because one hon. member indicated he would second the bill.

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, once upon a time many years ago Mr. Allard, who I believe was a member of the social Credit party, was caught in the House one day, and I seconded his motion to introduce a bill for debate in the House. Somehow or other I survived that experience. I believe I can survive the experience today. Therefore, I am prepared to let my name stand as the seconder of the hon. member's bill.

Mr. Pinard: Madam Speaker, may I draw to your attention that the motion has already been seconded by the whip of the Conservative party.

• (1220)

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I should like to observe on this Friday that there was a seconder. We were prepared to give unanimous consent and in fact we did. We have had a seconder in the initial case, and now we have a second seconder from the Conservative party. Therefore, I think that the bill of the hon. member for Edmonton East (Mr. Yurko) is not only introduced, but it is seconded and thirded.

An hon. Member: Explain.

Mr. Yurko: Madam Speaker, I wish to thank all hon. members of the House for being so generous on this Friday afternoon with regard to the seconding of my bill. It is a very important bill and I want to take a few minutes to tell the House what it is about.

Basically its intent is to amend the Bank Act as follows. A bank has no right of action by virtue of a mortgage or hypothec held on the principal residence of a debtor who is in default of payment, unless it gives at least one year's notice in writing to the debtor of its intention to exercise its right of action.

Second, a bank shall give notice of its intention to exercise its right of action to the debtor in default of paying the sums owing by registered letter sent to his domicile.

It is a very simple bill. It provides home owners a period in which they can recover from a debt structure which indeed imperils their homes. I believe all hon. members would wish to give serious consideration to this type of legislation when, as a result of mortgage renewals, mortgages are coming in at 18 per cent to 21 per cent and a substantive number of home owners across the nation will be in danger of bankruptcy.

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

* * *

PRIVILEGE

MR. CROSBIE—ALLEGED IMPROPRIETY RESPECTING DOCUMENTS FILED WITH SUPREME COURT OF CANADA

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): I think Madam Speaker is aware of some questions which were raised in the House of Commons about the filing of the order in council in the Supreme Court of Canada. I checked with the Supreme Court of Canada a moment ago and found out that the only document which the government filed with the Supreme Court of Canada was the order in council and that the communiqué which the hon. member had in his hand was not filed by the government. There was an error made by a clerk at the Supreme Court of Canada, and I should so like to inform the House of Commons.

Madam Speaker: Order, I have already ruled on that particular question of privilege and therefore cannot accept any further interventions.

Mr. Chrétien: Well, I think he should apologize.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE ACT, 1971 (N0. 2)

AMENDMENT RESPECTING EXTENSION OF QUALIFYING PERIOD

Hon. Yvon Pinard (for the Minister of Employment and Immigration) moved for leave to introduce Bill C-114, to amend the Unemployment Insurance Act, 1971 (No. 2).

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

NATIONAL TRAINING ACT

MEASURE TO ESTABLISH

Hon. Yvon Pinard (for the Minister of Employment and Immigration) moved for leave to introduce Bill C-115, to establish a national program for occupational training.

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

* * *

PRIVILEGE

MR. CHRÉTIEN—ALLEGED IMPROPRIETY RESPECTING DOCUMENT FILED WITH SUPREME COURT OF CANADA

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I wish to rise on a matter of personal privilege at this point, because with respect to the member for St. John's West (Mr. Crosbie), you said there was no case for a question of privilege. On the other hand, the hon. members for Yukon (Mr. Nielsen) and St. John's West stated several times in the House that the Minister of Justice of Canada had done a specific thing, and I am not referring to what happened at the Supreme Court. I feel that my privileges were breached because I was accused of doing something which I did not do. They accused the Minister of Justice, and not the Supreme Court. Therefore, my personal privileges as a senior government official and a member of this House have been breached by the member for Yukon and the member for St. John's West.

And since the charge that there was some negligence on my part has no basis in fact, I feel, Madam Speaker, that my privileges have been breached and that the hon. members who made the charge should apologize, because they wanted to create the impression, with great fanfare, that I had made a mistake on behalf of the government. So I called the Supreme Court on the telephone, and the Registrar of the Supreme Court informed my deputy minister that the only document the government had filed was the order in council, and that if another document was put in the file, this was done by an official who made a mistake at the Supreme Court. So instead of accusing me of not having done a good job, I feel that if the opposition members have any feeling for the honour and dignity of this House, they will admit that they made a mistake. I do not accuse them of doing so deliberately. If they had inquired at the Supreme Court, they would have found out the reason. However, there are rules and sometimes mistakes are made or things are said, not always deliberately, but if the member for St. John's West or the member for Yukon had been more thorough, they would have tried to find out exactly who filed the document before accusing the Minister of Justice.

That is why I feel they breached my privileges as a member of this House and a member of the government. The document

was filed by the Clerk of the Privy Council, as is customary, and not by the Department of Justice on the instructions of the Minister of Justice. No press release was put in the file by the Government of Canada. So, in view of these facts, I demand that the member for Yukon withdraw his accusation and that he agree—if he refuses to take me at my word, what can I do? I asked my deputy minister, Mr. Roger Tassé, to get in touch with Mr. Hofley at the Supreme Court, and Mr. Hofley confirmed that the only document filed was mine, namely, the order in council, and that we did not file a press release. So I would ask the opposition members to withdraw their charges and apologize.

[*English*]

Hon. Erik Nielsen (Yukon): Madam Speaker, the minister has a very weird idea of ministerial responsibility. He is responsible for the actions of his deputy minister and all public employees in the Department of Justice.

Mr. Peterson: But not those of the Supreme Court of Canada.

Mr. Nielsen: He is asking us to believe that the Supreme Court of Canada somehow manufactures press releases on the letterhead of the Department of Justice about a filing.

Mr. Chrétien: How ridiculous can you be?

Mr. Nielsen: He is asking us to believe that that press release on the stationery of the Department of Justice somehow magically found its way into the hands of a clerk of the Supreme Court of Canada who then made a mistake. I am willing to accept that a clerk of the Supreme Court may have made a mistake, but let the minister not ask us to believe anything other than it was an official of his department or counsel retained by his department who transported that departmental press release to the Supreme Court of Canada where it was accepted. Otherwise it would not bear the stamp of the Supreme Court of Canada dated May 20, which it does, and it would not bear the docket number. That is, the press release has on it the Supreme Court stamp and the docket number. The only way that press release could have got there would have been on the minister's instructions.

• (1230)

Mr. Chrétien: You accused me of filing it.

Mr. Nielsen: It has been filed. It has been filed either at the direction of the minister's department or by the neglect of the minister or his department officials. It found its way on to the docket and it is on the docket very, very improperly.

I am willing to accept it if the minister tells me that there has been an admission by the Registrar of the Supreme Court that a mistake was made at their end; but I am also suggesting to the minister that there was a mistake made at his end for that press release, which is entirely government propaganda,

ever finding its way on to the Supreme Court file in the first instance.

Madam Speaker: I believe we have had a debate; that is quite clear to me. I think the House will agree that both parties have made their point, and the House will also agree that I was wise in letting it take place.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,340, 2,341, 2,342, 2,826, 2,836, 2,883, 2,954, 2,971, 2,974, 3,609 and 3,901.

[*Text*]

HOUSE OF COMMONS—AUDITOR GENERAL'S REPORT

Question No. 2,340—**Mr. Cossitt:**

1. Will the government, in keeping with the Auditor General's comprehensive audit of April, 1980, released in the Standing Committee on Public Accounts on February 5, 1981, introduce "specific legislation" in this session to legalize, regularize and authorize appointments of the officers of the House since repeal of the Civil Service Act by unilateral application of the system of orders in council?

2. Will all such orders in council be tabled for examination and report by the Standing Joint Committee on Regulations and other Statutory Instruments?

Hon. Yvon Pinard (President of the Privy Council): 1. No. 2. No. The standing joint committee examines only regulations and statutory instruments as defined in the Statutory Instruments Act. Orders in council making appointments are not included in the definitions in the act.

Question No. 2,341—**Mr. Cossitt:**

In the light of the higher salaries recommended in the comprehensive audit by the Auditor General, for what reasons were officers of the House appointed by the government at salary levels below the minimum paid to their respective predecessors, as disclosed by the Auditor General, and below those authorized and paid by the House to incumbents of positions several responsibility levels lower?

Hon. Yvon Pinard (President of the Privy Council): The government has appointed no officers of the House since the Auditor General's 1980 report was released.

Question No. 2,342—**Mr. Cossitt:**

Did the Auditor General recently convey to the government, as have his predecessors since 1870, that the management and regulation of the internal affairs and control of staff of the House of Commons without interference from the executive is the undoubted right of the House of Commons?

Hon. Yvon Pinard (President of the Privy Council): No. The Auditor General's report to the House of Commons for the fiscal year ended March 31, 1980, made certain observations and specific recommendations to the House concerning appointment, classification and compensation related to senior House officer positions. The government is aware of these observations and recommendations.

DND—EDUCATION LEAVE COSTS

Question No. 2,826—**Mr. Clarke:**

1. With reference to the education leave costs recorded by the Department of National Defence at page 13.6, volume I of the 1979-80 Public Accounts of Canada, what guidelines were used to determine (a) which employees should obtain educational leave and whether such employees should be granted (i) leave with pay (ii) travel expenses (iii) payment for tuition (b) whether the skills to be acquired were needed on a permanent basis?

2. What percentage of the education leave cost of $186,385 was necessitated by the acquisition of new equipment and by the need to have new skills in order to use the equipment?

3. What percentage of the education leave was necessitated by reason of job redundancy because of the (a) acquisition of equipment (b) change in the role of the employing agency (c) change in the capabilities of employees?

4. What percentage of employees granted such leave in the past three years have subsequently left the public service?

Mr. George Henderson (Parliamentary Secretary to Minister of National Defence): 1. (a) and (b) The guidelines concerning educational leave are listed in the Personnel Management Manual published by the Treasury Board—chapter 110, sub-chapter 110-5 "Conditions governing education, training and development including subsidization". These guidelines in conjunction with pertinent management recommendations formed the basis of decision for educational leave.

2 and 3. None.

4. It is 13.24 per cent.

PUBLIC SERVICE COMMISSION—EDUCATION LEAVE COSTS

Question No. 2,836—**Mr. Clarke:**

1. With reference to the education leave costs recorded by the Department of the Secretary of State for the Public Service Commission at page 13.6, volume I of the 1979-80 Public Accounts of Canada, what guidelines were used to determine (a) which employees should obtain educational leave and whether such employees should be granted (i) leave with pay (ii) travel expenses (iii) payment for tuition (b) whether the skills to be acquired were needed on a permanent basis?

2. What percentage of the education leave cost of $159,740 was necessitated by the acquisition of new equipment and by the need to have new skills in order to use the equipment?

3. What percentage of the education leave was necessitated by reason of job redundancy because of the (a) acquisition of equipment (b) change in the role of the employing agency (c) change in the capabilities of employees?

4. What percentage of employees granted such leave in the past three years have subsequently left the public service?

Hon. Gerald Regan (Secretary of State): I am informed by the Public Service Commission: 1. (a) and (b) Please refer to Treasury Board Policy, Personnel Management Manual, chapter 110-5, "Conditions governing education training and development, including subsidization".

2 and 3. Nil.

4. Of the seventy-three employees granted education leave in the last three years, 11 or 15.06 per cent, have left the public service.

CHIEF ELECTORAL OFFICER

Question No. 2,883—**Mr. Clarke:**

With reference to the professional and special services recorded by the Privy Council Office for the Chief Electoral Officer at page 32.26, volume II of the 1979-80 Public Accounts of Canada, with particular reference to other types of services (a) how does the Chief Electoral Officer explain the 1,155 per cent increase in expenditure for the item over that for 1978-79 (b) what was the name of each type of service (c) what was the amount paid for each service and, for contracts over $2,000, to whom was it paid?

Hon. Yvon Pinard (President of the Privy Council): (a) Increase due to payment of expenses of thirty-first and thirty-second general elections in 1979-80 compared with expenses of 15 by-elections in 1978-79.

(b) and (c) Conduct of thirty-first and thirty-second general elections

Security services at Office of Chief Electoral Officer Canadian Corps of Commissionaires, Ottawa	$ 2,981
Security services and constables at polling stations (no payment exceeding $75)	$590,248
Interpreters at polling stations and translation of election documents for Returning Officers	4,095
Storage of election material and ballot boxes	46,684
Auditors' fees for auditing candidates' election expense returns pursuant to subsection 63.1(3) of the Canada Elections Act (no payment exceeding $250)	330,802
Microfilming of election documents, Public Archives—Canada, Ottawa	8,150
Conduct of seminars on election expenses for candidates, official agents and auditors, Supply and Services Canada, Hull	$ 14,800
Total conduct of elections	$997,760
Administration of Chief Electoral Officer's Office including fees for membership in professional organizations, hospitality, and training of Publlic Servants	6,177
Total	$1,003,937

DND—PROFESSIONAL AND SPECIAL SERVICES

Question No. 2,954—**Mr. Clarke:**

With reference to the professional and special services recorded by the Department of National Defence at page 32.20, volume II of the 1979-80 Public Accounts of Canada, with particular reference to other types of services (a) what was the name of each type of service (b) what was the amount paid for each service and, for contracts over $2,000, to whom was it paid?

Mr. George Henderson (Parliamentary Secretary to Minister of National Defence): (a) and (b) In accordance with Receiver General directions and commencing with fiscal year 1979-80, only payments of $25,000 or over are reported for inclusion on the page referred to in this question. This is a change because in previous years, contracts amounting to $2,000 and over were reported.

The data requested concerning type of service, to whom it was paid and the amount expected are all contained in the following list.

Name	Type of Service	Payment
Air Transport Association, Ottawa, Ont.	Scholarship Training	191,245
Bradson Personnel Services, Ottawa, Ont.	Personnel	29,267
British Airways, Montreal, Que.	Facilities at Gatwick, G.B.	130,252
Cal-Van Canus Catering Ltd, Vancouver, B.C.	Food	771,439
Canada Catering Company Ltd, Toronto, Ont.	Food	58,142
Canadian Engineering Publications, Toronto, Ont.	Technical Training Film	26,187
Collège de Jonquière, Jonquière, Qué.	Food	177,682
Custom Machine & Tool Company, Mount Uniacke, N.S.	Tech Training Film	45,239
Dalmar Food Ltd, Toronto, Ont.	Food	408,407
Domaine de la Jeunesse Inc, Arvida, Qué.	Food	43,028
National Film Board, Montreal, Que.	Technical Training Film	404,443
Job Earn, Ottawa, Ont.	Personnel	27,234
Graphic Films Ltd, Ottawa, Ont.	Technical Training Film	35,664
La ligne navale de Cap-Chat, Gaspé, Qué.	Food	76,214
National Nimbus Film Ltd, Ottawa, Ont.	Technical Training Film	39,009
Nothmount Camp Services, Vancouver, B.C.	Food	116,930
Overseas Indigenous Labour	Personnel	19,148,617
Royal Bank of Canada, Ottawa, Ont.	Miscellaneous*	28,367
Royal Canadian Flying Club, Ottawa, Ont.	Scholarship Training	122,798
Williams Catering, Saskatoon, Sask.	Food	297,797

*Miscellaneous payments of other types of services to individuals such as civilian officiating clergymen, paid in cash through a public imprest account with the Royal Bank of Canada.

DND—UNINSURED LOSSES

Question No. 2,971—**Mr. Clarke:**

1. With reference to the uninsured losses of more than $1,000 of miscellaneous items recorded by the Department of National Defence in footnote No. 10 at page 13.4, volume 1 of the 1979-80 Public Accounts of Canada, under what circumstances was the equipment lost and (a) who was culpable (b) were any convictions made and, if so, what sentences were imposed (c) are any trials or appeals pending (d) was the equipment replaced (e) did the department undertake steps to ensure that such losses did not recur and, if so, what were they?

2. What use does the department make of the musical instruments?

3. How does the department account for the balance in the amount of $195,451?

Mr. George Henderson (Parliamentary Secretary to Minister of National Defence): 1. The items listed in footnote No. 10 at page 13.4 volume I of 1979-80 Public Accounts of Canada represent over 60 different thefts which were added together and assembled under different headings. The information requested in parts (a), (b), (c), (d) and (e) is not readily available and the department does not have the necessary resources to review over 60 investigation reports at various locations.

2. Musical instruments are used by authorized bands of the regular and reserve forces.

3. Miscellaneous losses

less items listed in footnote 10:		$220,050
Radio sets	$ 2,774	
Stores clothing & equipment	15,040	

less items listed in footnote 10:		$220,050
Camera equipment	1,192	
Musical instruments	5,293	
Landing boat	1,000	25,299
		$194,751

This balance is accounted for as follows:

Damage to DND property caused by mobile support equipment	$ 93,000
Material written off inventory as being outdated or obsolescent	94,447
Material lost in transit	7,304
Total	$194,751

DND—UNINSURED LOSSES OF VEHICLES

Question No. 2,974—**Mr. Clarke:**

With reference to the uninsured losses of more than $1,000 of vehicles recorded by the Department of National Defence at page 13.4, volume 1 of the 1979-80 Public Accounts of Canada (a) how does the department explain the loss (b) under what circumstances were the vehicles lost and (i) who was culpable (ii) were any convictions made and, if so, what sentences were imposed (iii) are any trials or appeals pending (iv) was the equipment replaced (v) did the Department undertake steps to ensure that such losses did not recur and, if so, what were they?

Mr. George Henderson (Parliamentary Secretary to Minister of National Defence): (a) and (b)(i), (ii) and (iii) The information requested is not readily available and the department does not have the necessary resources to review hundreds of accident reports at more than 50 bases and stations. (iv) Only the equipment still required by the forces is replaced. All losses and damages to public property are investigated to determine cause and responsibility. Remedial action is taken dependent on the situation and when negligence is determined disciplinary and/or recovery action is taken.

ELECTRONIC EQUIPMENT AT EMBASSY OF U.S.S.R.

Question No. 3,609—**Mr. Cossitt:**

1. To the knowledge of the government, does the Embassy of the U.S.S.R. located at 285 Charlotte Street, Ottawa have electronic gear on the roof and, if so, what is the purpose of the equipment?

2. Are any of the items considered to be listening devices for the purpose of obtaining information from such sources as the Canadian Armed Forces and Canadian security organizations?

3. Are any of the items directional antennae and, if so, in what direction are they pointed and what government sources are they trained on?

4. Has the government ever complained to the Embassy about anything whatsoever to do with this general subject?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. The government is aware that electronic apparatus consisting of antennae is located on the roof of the Embassy of the U.S.S.R. at 285 Charlotte Street, Ottawa. Any comment on the purpose of the antennae would be purely conjectural.

2. The antennae would appear to have the capability of monitoring various types of electronic emissions.

3. Some of the antennae appear to be directional and capable of covering a range of radio frequencies including microwave.

4. There is no record of any complaint having been made by the Government of Canada to the Embassy of the U.S.S.R. on this subject.

INMATES SERVING INDEFINITE SENTENCES

Question No. 3,901—**Mr. Lawrence:**

How many inmates in Canada are serving indefinite sentences as (a) dangerous sexual offenders (b) habitual offenders and, in each case (i) for how long have the offenders been serving their sentence (ii) how many offenders are currently on parole?

Hon. Bob Kaplan (Secretary of State): In so far as the Correctional Service of Canada is concerned: (a) There are 51 inmates presently serving indefinite sentences as dangerous sexual offenders. (i) See table below. (ii) There are currently 33 dangerous sexual offenders on parole.

(b) There are 38 inmates presently serving indefinite sentences as habitual offenders. (i) See table below. (ii) There are currently 63 habitual offenders on parole.

As a result of amendments to Part XXI of the Criminal Code which were proclaimed October 16, 1977, the categories of dangerous sexual offenders and habitual offenders were replaced by the new category of dangerous offenders.

The answers to the above questions with regard to dangerous offenders are as follows: There are 19 inmates presently serving indefinite sentences as dangerous offenders. (i) Date sentenced: See table below. (ii) There are currently no dangerous offenders on parole.

Dangerous Sexual Offenders

Case Number—Date Sentenced

1	18.11.1953
2	23.11.1953
3	07.02.1958
4	12.04.1972
5	17.09.1965
6	22.08.1962
7	25.10.1965
8	01.11.1974
9	11.03.1969
10	17.04.1964
11	24.08.1962
12	28.01.1966
13	04.09.1956
14	14.06.1976
15	09.03.1967
16	23.06.1961
17	15.03.1971
18	10.07.1975
19	31.01.1956
20	27.02.1970
21	24.08.1964
22	21.12.1964
23	13.02.1961
24	02.06.1971
25	13.06.1966
26	02.11.1972
27	28.03.1973
28	06.10.1966
29	05.12.1968
30	03.07.1956

31	30.07.1957
32	08.10.1964
33	05.11.1965
34	26.04.1963
35	27.08.1975
36	22.01.1975
37	19.01.1973
38	03.02.1975
39	21.02.1969
40	02.07.1970
41	07.11.1966
42	16.02.1977
43	29.01.1971
44	18.11.1966
45	12.12.1975
46	09.05.1977
47	30.10.1970
48	19.07.1976
49	06.05.1977
50	20.12.1962
51	01.05.1973

Habitual Offenders

Case Number—Date Sentenced

1	09.01.1964
2	05.02.1973
3	21.09.1973
4	25.06.1969
5	11.10.1963
6	18.03.1970
7	23.05.1952
8	21.08.1952
9	06.09.1968
10	12.03.1976
11	17.10.1974
12	03.10.1962
13	18.12.1968
14	01.06.1977
15	15.02.1972
16	12.01.1968
17	14.12.1970
18	03.04.1967
19	29.05.1964
20	11.07.1975
21	12.05.1969
22	25.06.1964
23	13.02.1970
24	02.02.1965
25	21.05.1970
26	01.12.1969
27	23.09.1971
28	07.04.1966
29	11.10.1967
30	19.06.1972
31	22.11.1963
32	14.11.1973
33	12.12.1956
34	02.10.1967
35	25.09.1970
36	06.04.1971
37	17.02.1961
38	18.02.1974

Dangerous Offenders

Case Number—Date Sentenced

1	06.02.1981
2	17.11.1981
3	11.08.1980
4	14.07.1981
5	23.11.1978
6	29.02.1980
7	30.09.1980
8	18.12.1980
9	15.05.1981
10	22.03.1979
11	29.11.1978
12	19.05.1981
13	02.03.1979
14	12.12.1980
15	29.05.1980
16	21.09.1981
17	27.02.1980
18	31.03.1978
19	02.03.1979

[*Translation*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered.

* * *

[*English*]

STARRED QUESTIONS

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, would you be so kind as to call starred question No. 3,462?

[*Text*]

*CANADA POST CORPORATION

Question No. 3,462—**Mr. Young:**

1. Does Canada Post intend to move the location of its philatelic services from Ottawa to Antigonish?

2. How many employees currently employed in the unit are (a) physically disabled (b) mentally handicapped?

3. Are measures being taken to place such employees in other employment and, if so, what are such measures?

[*English*]

Mr. Smith: Madam Speaker, I apologize but the parliamentary secretary with that answer seems to have disappeared. Perhaps it can be answered next week.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

Mr. Smith: On a point of order, Madam Speaker, consultations have taken place between the parties and I believe there is agreement to go to Bill S-25 and deal with it in all stages today.

Mr. Nielsen: Madam Speaker, there is consent of the House to go to Bill S-25, but one very vital element was left out by the parliamentary secretary. We have consented to deal with

all three stages of the bill today on the basis of one speaker per party.

Mr. Smith: That is correct, Madam Speaker.

Madam Speaker: Is there unanimous consent of the House to proceed to Bill S-25?

Some hon. Members: Agreed.

PRIVATE BILLS

[*English*]

THE ARMY, NAVY AND AIR FORCE VETERANS IN CANADA

Mr. Dan McKenzie (Winnipeg-Assiniboine) moved that Bill S-25, to amend the act of incorporation of the Association known as The Army, Navy and Air Force Veterans in Canada, be read the second time and referred to a Committee of the Whole.

He said: Madam Speaker, fellow members, I have the honour of presenting Bill S-25, an act respecting the Army, Navy and Air Force Veterans in Canada, for debate here in the House of Commons. As presented by the hon. Senator Jack Marshall, Bill S-25 will receive all-party support here in all three stages. This is not a controversial bill; in fact, just the contrary is just the case.

I would like to begin by giving my most sincere congratulations to the four witnesses representing The Army, Navy and Air Force Veterans at the Senate Health, Welfare and Science Committee. Stan Stillwell of Winnipeg, who is president of Dominion Command of The Army, Navy and Air Force Veterans in Canada; Albert Bianchini of Edmonton, who is the vice-president of Dominion Command; John C. McArthur who is secretary-treasurer of Dominion Command; and Shannon Howard Martin, their legal adviser, all made excellent contributions to the deliberations.

The purpose of this bill is simple. It makes amendments to the act incorporating the association known as The Army, Navy and Air Force Veterans in Canada. Its purpose is to allow those people supporting the purposes and objectives of the association to become eligible for membership. This expanded eligibility is necessary in order to maintain membership levels and will also serve another very useful purpose. It will allow the continuation and perhaps the expansion of the many noteworthy projects undertaken by The Army, Navy and Air Force Veterans across Canada. I will expand on this in a moment.

The belief that this bill will mean that The Army, Navy and Air Force Veterans would cease to be a veterans' organization is simply not true in the spirit of the proposal. The admirable work carried out by this group represents a united veteran brethren working on behalf of others who are less fortunate than themselves. Would this noble goal be lost just because others of the same mind would be permitted to aid in that endeavour? I do not think so. Would the participation in hundreds of local events such as parades, community barbecues and bazaars be lost because those who wanted to help but were not veterans were admitted to the army, navy and air force team? I do not believe this would happen. Would the canteens in place across Canada suddenly close their doors, or would the feeling of patriotism ever present in this collection of individuals diminish as a result of the entrance of people who agreed with the aims and objectives of the veterans' association? None of these events would happen.

It is my belief that the veterans who are now running the show would pass on the traditions, the practices and the spirit to new members, just as a grandfather passes on old stories to his grandchildren. The legend would be enhanced in the telling and the example set would be a goal to be strived for.

New members would not detract from the tradition set by veterans' organizations. They would be expected to live up to and even improve upon it. The witnesses assured the Senate committee studying this bill that all persons applying for membership are subject to a careful screening process. They made it clear that it is unlikely that former veterans would tolerate the membership of men and women who had fought against Canada, or who were known to be opposed to the principles and objectives of a free, democratic society. What this bill does is legalize what is already a policy enforced by The Army, Navy and Air Force Veterans in Canada, as it did in the case passed last year of the Royal Canadian Legion.

The Army, Navy and Air Force Veterans Association in Canada has a rich history and I would be remiss in not mentioning it. Some Canadians may think that there is only one organization representing veterans in Canada, the Royal Canadian Legion. There are, however, several organizations and The Army, Navy and Air Force Veterans Association in Canada holds the distinguished position of being the oldest veterans' organization in the country.

Documentary evidence shows that the organization was in existence in 1840 under the title of "Army and Navy Veterans." There is reason to believe that units of the association were active even before that time. Membership in the earliest units were recruited from the ranks of veterans of the war of 1812-14 and migrating veterans of the navy and Wellington's army. It is even possible to assume, therefore, that some form of this organization was in existence in the city of Montreal in 1840 and that date is abitrarily accepted as the time of its founding.

Soldiers who served in various campaigns abroad, such as the India mutiny of 1858, along with other battles during that period, formed through their achievements a sense of comradeship borne of dangers faced together. Ever-increasing membership grew from this comradeship in the oldest of all Canadian veterans' organizations.

When the country was confronted by the grave crisis of August, 1914, members of the army and navy veterans in Canada of that day were foremost in volunteering their services and in aiding the authorities to recruit men for the

first contingent. As an instance of this effort, reference was made to the history of the Princess Patricia's Canadian Light Infantry which, as everyone is aware, was a famous regiment that served in the wars fought by Canada.

• (1240)

The activities of the association in World War II are of recent memory. Added to the numbers of those who served in the army and navy from the outbreak of hostilities to the eventual collapse of Germany and Japan was the very large contingent which fought in the RCAF. By act of Parliament passed in 1946, the name of the association was changed to the Army, Navy and Air Force Veterans in Canada.

Veterans of the Korean conflict and those who served in the special forces in peace-keeping missions have added to the membership of the association. There are now 40,000 members across Canada and there are units in most major and minor communities throughout the country. One in which I have the honour to be a member is Unit 283.

I would like to say a little about Unit 283 in my home constituency of Winnipeg-Assiniboine. I am very proud to have been a member of this unit for the past 17 years. Its president, Joe Henderson, and his executive have done a great deal of invaluable work in co-ordinating the units activities on behalf of the community. Also, the manager of the club, Bob Delaney, and his staff have done an excellent job over the years. The club is lucky to have them.

The ladies' auxilliary also provides valuable services. They have dinners for senior citizens at the club. They provide Christmas hampers for needy people and give donations to high school groups. The ladies' auxilliary president, Mrs. Anne George, should be heartily commended for her co-ordinating work.

The army, navy and air force veterans also make regular visits to Deer Lodge hospital, one of the few veterans' hospitals left, to give candies and cigarettes to the residents. We are also proud to have the Army, Navy and Air Force Veterans Association national president, Stan Stillwell, as a member of Unit 283.

It would take me more time than is available to a member in a debate of this sort to list all the unit's activities, but here are just a few examples. This coming Monday, May 24, Victoria Day, will see Unit 283 participating in Manitoba's annual Buffalo Barbecue and parade. Each year the unit enters a band which invariably adds to the parade's habitual success.

Here are other examples of the work of some of the unit's community work. Local 283 has financially assisted the following organizations: students attending citizenship courses; the Lions telethon; the Deer Lodge Hospital day care patients; the Manitoba Lung Association; St. Amanth Society; the shut-in fund on CJOB Radio; the variety club which raises funds for crippled children; the Girl Guides; the Timmy dance committee at Portage la Prairie; the Oddfellows; the Navy League; and the Manitoba Heart Foundation, to name a few.

Another program the army, navy and air force veterans are actively involved in is the citizenship training program which is designed to assist the youth of Canada to accept the challenge of leadership and acquaint them with responsibility and to gain a valid concept of the operations, goals, ideals and functions of the government.

Another is the leadership training program at the Royal Military College in Kingston, Ontario in which youths sponsored by the army, navy and air force veterans are taught to be the patriots and leaders of tomorrow. They are taught through the method of learning by doing.

The association belongs to the National Council of Veterans' Associations of Canada which is comprised of most of the leading veterans' associations and which makes representations to the government on behalf of all veterans. This group makes these representations even on behalf of those groups which do not belong to the association, such as the National Prisoners of War, the War Amputees, the Hong Kong veterans, the Jewish veterans of Canada and the Dieppe veterans.

The Army, Navy and Air Force Veterans Association can be proud of its membership in the National Council of Veterans' Associations. Just recently, for example, the national council presented an excellent submission to the Standing Committee on Veterans Affairs. Among the many recommendations made in the submissions, three are of special note and importance to all Canadian veterans. First, the council expressed concern that there was an inequity in the way in which pension increases do not reflect the principle of parity with the average wage of five unskilled categories of public servants or the increase in the consumer price index, whichever is greater, and that this principle is not entrenched in the Pension Act.

Second, the council proposed that the phasing in of WVA-CWA rate increases for single recipients under the age of 65 be abandoned and that the benefits be increased immediately to the proposed income support level identified in Bill C-40.

Third, but not the last of their recommendations, the National Veterans' Council felt that a complete review should be carried out of the eligibility requirements currently in place which veterans must meet in order to take advantage of the aging veterans' programs.

These are just a few examples of what this group presents to the government each year. The many groups including the army, navy and air force veterans which make up the National Council are responsible for persuading the government to introduce much of the legislation it does. As a team, the National Veterans' Association, together with the Conservative party, have pressured governmental action, such as Bills C-40, C-82 and C-79. We are hoping for even bigger and better things in the future. I correspond with thousands of veterans each year and can safely say they appreciate the work being done on their behalf by the veterans' associations and other advocates.

Internationally the association is also a member of the World Veterans' Federation, which consists of veterans'

associations from every continent and has a total membership running into the millions. Among the principal aims of the federation are the establishment of permanent relations between associations of veterans, aid to veterans through the exchange of information on legislation and rehabilitation, and promotion of international peace and security through support of the United Nations Charter.

Working individually, through the National Council of Veterans' Organizations and on an international level, The Army, Navy and Air Force Veterans Association deserves much credit. Without a doubt, work will be continued after the passage of Bill S-25. The government has been making slow but steady progress in dealing with the special needs of veterans. There is always work left to accomplish and new ideas to consider. The Army, Navy and Air Force Veterans Association can and does contribute substantially to this process. Passage of this bill will guarantee that this constructive input both to community and veteran needs will continue.

This bill is simple in terms of legislative complexity, but it signifies a great deal to the army, navy and air force veterans. Their future depends on the passage of this bill. All Canadians will benefit from the continuation of this organization's fine work.

Mr. Neil Young (Beaches): Mr. Speaker, it gives me great pleasure to say a few words on behalf of the members of the New Democratic Party caucus on this bill.

As the House knows, the hon. member for Winnipeg North Centre (Mr. Knowles), who is in the House today and who wanted to be here because he knew this bill was being brought forward, has been a formidable fighter on behalf of veterans over the years to improve not only pension benefits for veterans, but to improve the lot of those individuals who fought so hard on behalf of Canadians and their families.

Veterans are a constant reminder to all Canadians of what true patriotism is all about and, in fact, what the meaning of Canada is. It gives me the greatest of pleasure to give unanimous consent on behalf of my caucus to this piece of legislation.

Mr. Roland de Corneille (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I listened to the explanation given by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie). I would point out that Senator Marshall, in his eloquent presentation, called for the passage of Bill S-25, respecting The Army, Navy and Air Force Veterans in Canada.

The Minister of Veterans Affairs (Mr. Campbell), on behalf of the government, is enthusiastically supportive of Bill S-25, respecting The Army, Navy and Air Force Veterans in Canada. I assure hon. members he would very much have liked to be present to express his personal support for this bill, but because of various motions, questions of privilege and so on, he unfortunately had to dash away to catch a plane. However, as his parliamentary secretary it is my pleasure to speak on his behalf and to try as best I can to express his support for this bill and his views on it.

• (1250)

I think the purpose of this bill is, above all, to broaden the conditions of eligibility for membership in this association, which makes it possible for people to join and support the purposes and objectives of this organization for generations to come.

This bill is more important than just another bill which brings about a change of name or extends membership. In reality, it is a bill which would assist us to hallow and enshrine the sacrifices of those who fought, as well as those who died, in wars throughout Canada's history. By passing this bill we are ensuring that membership in this association will be open to those who will carry on the name, the work and goals of this association as well as its memories, and also make us sensitive to our past and our future.

We know that we must do many things to ensure monetary respect, recognition, reparation and protection for our veterans. This is done through various efforts to ensure that pensions are provided and to ensure that there are war allowances.

We also know that the minister and the government have sought to test a new program entitled the aging veterans program. This new program is designed to take still one step further to promote awareness of the important fact that we have duties to aging veterans. We must make sure they are given the considerations and comforts necessary to allow them to remain in their homes so that they will not have to be institutionalized.

I am sure this kind of program and any other program we could undertake would be valuable. There are things we can do with money, but much more important than merely providing money is that we remember. That is why this bill is so important. It is a recognition that we remember those who fought as well as those who died. By widening the terms of eligibility for membership in this organization, The Army, Navy and Air Force Veterans in Canada, we are making sure others may join the organization and that others will help make sure we remember. When a society no longer remembers, it is a society which is beginning to die. It is a beautiful thought to know that we can be part of this today and vote for this bill so that we can recognize and remember the work of our veterans, both those who have died and those who are with us today. That, as well as recognition for their families, is ensured by making certain this organization can continue and that its purposes are widened.

There is a phrase "Lest we forget". By passing this bill we will take one more step in making sure we will not forget; and on behalf of my colleagues in the government and in the Liberal Party, it is my pleasure to support the passage of this bill today.

The Acting Speaker (Mr. Blaker): The Chair is aware that the hon. member for Winnipeg North Centre (Mr. Knowles) might like to make a few brief remarks. Is there unanimous consent for him to do so?

Some hon. Members: Agreed.

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am very pleased to have this opportunity to support the statements which have been made by the representatives of each of the other parties, but I would like to let the House know that I am pleased to be here today, and I am very happy to support this bill which is being passed today.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

GOVERNMENT ORDERS

[*English*]

PUBLIC WORKS ACT
PUBLIC LANDS GRANTS ACT

MEASURE TO AMEND

Hon. Paul J. Cosgrove (Minister of Public Works) moved that Bill C-91, to amend the Public Works Act and the Public Lands Grants Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

He said: Mr. Speaker, Bill C-91, which we have before us today, provides for minor amendments to important statutes administered by the Department of Public Works, namely, the Public Works Act and the Public Lands Grants Act.

Before discussing the technical aspects of the amendments, I want to touch briefly on a couple of points. First, I describe the amendments as housekeeping measures. I say that because they relate more to procedures of Parliament than to the policies and practices of the department. The main reason I say that is that in part they provide a general authority in a statutory way for departmental procedures which have been in use by the department from time to time over recent years. They were formerly executed under the authority of individual vote word changes as each case arose.

I am sure hon. members will recall a ruling of Madam Speaker approximately a year ago pointing out that these procedures were, from an administrative and House point of view, not acceptable, and it is as a result of that ruling that the changes we have before us were prepared in the form we have them here today.

Mr. Nielsen: Mr. Speaker, I rise on a point of order. If the minister has it available, I wonder if he could cite the ruling so that I might look at it.

Mr. Cosgrove: Mr. Speaker, as the debate on the bill progresses, I would be pleased to provide the hon. member with the ruling to which I am referring. I thought the reference I was making was commonly recognized by hon. members, but I will obtain the specific date of the ruling and make it available.

Having pointed out the context in which this legislation is introduced, I want to deal briefly with the proposed legislation. While I have said that, from a parliamentary perspective, they have been introduced—

Mr. Speaker, it appears that I should call it one o'clock.

The Acting Speaker (Mr. Blaker): It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2:00 p.m.

Mr. Cosgrove: Mr. Speaker, in debating Bill C-91 which is before the House, a question was raised about the ruling of the Speaker to which I referred and a request was made that it be identified. I would refer hon. members to *Hansard* for June 12, 1981, at page 10546, where Madam Speaker said that Agriculture vote 30 and Department of Public Works vote L-70, among others, were not properly before the House and they were thereby ordered to be deleted therefrom. The effect of that ruling was that the vehicle for legislative support for the work which, as I have indicated, has been done for a number of years by the Department of Public Works had to be properly authorized by the House. Hence the amendments which are sought in this legislation before us today.

Before one o'clock I indicated that I was prepared to talk about the main body of the amendments that are sought. The amendments are minor from a parliamentary perspective, but they are nonetheless important to Public Works. They will ensure continuing progress in activities and projects affected by the legislation, and I hope without undue delay.

• (1410)

The first amendment to Section 9 of the Public Works Act will permit the department to perform work for other government agencies, including those which have statutory management of their own properties but may wish to use the services of Public Works. Although the department has for many years worked in such a capacity with many agencies, the incorporation of Canada Post highlighted a specific need, hence the legislation to clarify the role of Public Works. In order to allow Canada Post management and employees to concentrate on their particular mandate of efficient service, the corporation

intends to have Public Works manage and operate real property assets under an agreement between the two.

The second amendment to Section 9 of the act, Mr. Speaker, will permit the department to perform work on all properties adjacent to properties which are the subject of attention by the department and other ministries of the Government of Canada. It covers property not belonging to Canada but which, for example, may require an access road to a property in order to permit work and expenditure of moneys by Canada on those properties not owned by Canada. It goes without saying, of course, that such work would have to be with the consent of persons involved. This legislation demonstrates the need for continuing operational flexibility essential to the execution of contemporary complex commercial developments. I can think of many developments by the government in large urban areas where it is necessary to enter into arrangements with adjacent property holders in order for work to be done.

The third amendment affects both the Public Works Act and the Public Lands Grants Act. The amendment permits the department to dispose of property which may still be required for public purposes under a lease-purchase arrangement. The federal government has since 1974 used lease-purchase on a very limited basis as a means of providing accommodation. Its use has been questioned on two occasions by third parties involved in the transaction; that is, in the financing. Doubt has been expressed as to whether land could be leased when it was still required for public purposes. In both cases the doubt was overcome by a special vote wording in the estimates. Our purpose in coming forward at this time is to comply with the ruling which I identified by page number in *Hansard*.

The lease-purchase process is an important tool of real estate development. It is widely used internationally both in public and private sectors. As I indicated, Public Works has used it since 1974, with good results based on a comparison of costs per square metre of space. But this is only one aspect of lease-purchase. Also important is the fact that lease-purchase is a means by which the department can harness the skills of the strongest real estate development firms in the country—Canadian firms, Mr. Speaker. They are recognized internationally as the best in the business, and we need them to assist us with part, but an important part, of the evolving program of accommodation plans by Public Works. In most cases this involves complex projects in commercial and central core areas.

Mr. Baker (Nepean-Carleton): Do you use the tender system?

Mr. Cosgrove: The repeal of Section 39 of the Public Works Act and paragraph 4(1)(a) of the Public Lands Grants Act, and the substitution of the new provisions set out in Bill C-91, would enable the government to use federal property in order to facilitate lease-purchase of federal accommodation. I have already outlined that, although procedurally what gave rise to the legislation before you is in my opinion housekeeping, it does give an opportunity to talk about the development of the very complex and always changing area of commercial construction, especially in the cities. I thought I should touch briefly on the thinking behind these two department policies, how they are necessary in the context of the department's responsibilities, why they benefit the taxpayer, and how they fit into this rapidly evolving field of real estate development.

The office accommodation policies and practices, including lease-purchase and adjacent property improvements, which have evolved over the past ten years must be viewed in the context of the department's mission, which is a varied one. First of all, it must manage the existing realty interests of the federal government, both those which it owns and those leased from others. Secondly, it must arrange for new accommodation for federal departments and agencies. Third, an integral part of its mission is the responsibility to contribute to social, economic and environmental objectives. I think, for example, of the leadership Public Works has shown in the conservation of energy in public buildings, which has resulted in the benefit of haiving this expertise transferred to the private sector. This aspect of our mission distinguishes us, perhaps, from the more straightforward responsibilities of a private sector real estate operator.

However, as a provider of federal accommodation we must also operate as part of a larger framework—the real estate industry and its markets, customs, constraints and evolving commercial practice, in particular the fast changing downtown office building side of the industry. The reason is that part of our requirements involve the provision of space for agencies and departments which must be located in these areas of major metropolitan centres to better serve Canadians. This side of the industry has experienced rapid change in recent years, as I am sure many members know.

For a long time Canada has been an international leader in downtown redevelopment, starting, of course, with Place Ville Marie in Montreal almost 30 years ago. That was among the first and largest projects of its kind since the war. I might note, Mr. Speaker, that this innovative project was executed under an instrument called an emphyteutic lease which shares some of the features of the lease-purchase I talked about. For a variety of reasons Canada has had the good fortune to have the strongest and most sophisticated real estate development industry in the world. A small number of firms, perhaps two dozen, some of them giant enterprises internationally active and recognized, are world leaders in their field.

• (1420)

I say all of this not necessarily in praise of the real estate industry and certainly not as my main motive, but I do not mind saying that it is an industry of which Canada is proud and it deserves recognition and credit. But as it relates to the fact that we are a partner in this complex and developing industry, we must move along with our techniques, modify them and be able to compete and co-operate in a varied and complicated developing industry. Our department, Public Works, has had to keep up with the technical changes brought about by the industry generally. It is this evolution which is the

root of at least one of the amendments to the act proposed in the legislation before hon. members this afternoon.

In conclusion, I would like to indicate again that the reason for the changes that are before the House today, from a procedural point of view, stem from the ruling of the Speaker to which I referred, as reported in *Hansard* for June 12, 1981. The opportunity does permit me to talk about the fast-evolving complex but specialized and successful industry, of which Public Works has been a part.

I would like to point out that Public Works has been moving with the changing industry. Indeed, there are projects in ridings from coast to coast where this legislation will be of assistance, not only to the ministry and to the clients we serve, but as well to Canadians in metropolitan areas and in smaller communities. I hope that will be recognized by members on both sides of the House as they entertain discussion in examination of the legislation.

Mr. Scott Fennell (Ontario): Mr. Speaker, I am delighted to be here today. The Minister of Public Works (Mr. Cosgrove) and I were scheduled to be in my riding today, but I would much rather keep him here than allow him in my riding. There are not too many Liberals left in my riding and I would hate to have any pollution. As a consequence, I am delighted this bill came forward today.

First, I want to comment on a few of the minister's words. He talked about minor amendments. In my view, it is sad if the minister cannot read the legislation that is before us. However, I will deal with it. The minister talked about this bill being a housekeeping one. He said also that it was strictly a procedure for the chamber, and that we should get it right out of the chamber. That is the whole point. This bill removes the right of this chamber ever to get involved with these portions of the act. This bill takes the matter right out of the chamber. It is on this topic that I will be speaking very strongly.

The minister talked about Canada Post and having to get consent from Canada Post. There is no problem getting consent from Canada Post. All you have to do is tell the people they will not be getting their cheques next month. When it spends $600 million a year rising to $1 billion a year, they cannot say no. Therefore, that is a pretty poor argument of the minister's.

The minister got into a subject that we have been discussing here in the House the last few weeks. I thought it was amusing. The minister talked about how these lease-backs were building up the private sector. That reminds me of building up the architectural sector. I wonder if the same methods are used for selection of real estate companies, such as Bob Campeau's, as are used for architectural companies, such as Mr. Erickson's. It strikes me that the build-up in the private sector is nothing more than political pay-off. What it is is Liberal friends, Liberal pay-off. I cannot get too excited unless the minister can explain to us how the selection was made, whether it was done by tender or whether it was reviewed by committee and not cancelled by the Prime Minister (Mr. Trudeau).

We have lost a great deal of faith on this question of helping the private sector. It is not helping the private sector, it is just helping friends of the Liberal government. I was shocked that the minister would stand up in this House and state that; I think it is just a joke.

The minister talks about spending money to help the taxpayers. The taxpayers today are fed up with federal spending. They have had it right up to the eyeballs and more. This federal government has spent so much money that Canadians have been put in debt forever, including future generations of Canadians.

I will now deal directly with what this bill states. Clause 1 is an absolute disgrace. The minister knows my point of view about this. He agreed to an amendment and then backed off from it. The first clause reads:

> 1. Section 9 of the Public Works Act is amended by adding thereto the following subsection:
>
> "(3) The Minister may, with the approval of the governor in council, incur expenditures or perform, or have performed, services or work in relation to
>
> (a) properties belonging to Canada of which he does not have the management, charge or direction; or
>
> (b) properties not belonging to Canada."

Do you realize, Mr. Speaker, that that clause removes the need for expropriation? Let me expand on that point. I happen to come from a riding which was partially destroyed by this government several years ago. It expropriated land to build an airport which has never been built and will never be built. This government has really resolved the problem. It spent a lot of money buying the land at Pickering. This government can pick any site in Canada and build an airport on it. It is just tough bananas to the guy who happens to have an interest in that land.

The minister has acknowledged this and I would have thought he would have made a change with respect to that. The minister talks about consent but there is no consent in this bill. If I had a piece of property, I would have no rights. That is a good point because it begs the question: Does this follow through from our charter of rights where our government has not included property rights? When I see a bill like this it makes me very nervous. I think it is part of the government's plan. The government has put this bill before the House which says that the government can build anywhere, that it does not need to expropriate land. In other words, the government can build towers, airports, recreational centres, it can do anything, and the owner of the land has no rights. That coincides completely with the lack of property rights in our Charter of Rights and Freedoms. This is a very dangerous clause and our party will be voting against it.

The minister asked if we could get this bill through the House in one day. I asked him how could we, on behalf of Canadians, agree to pass this bill in one day? We cannot do that because it is a dangerous piece of legislation. It is giving far too much power to the monstrous bureaucracy in the Department of Public Works. This bill goes beyond all the

realms of possibility. It goes beyond the wildest dreams of Socialist International. It is taking away people's rights and property rights.

I get very upset by this type of legislation. Over the last two years I have sat in this chamber saying no many, many times. I have said no because every piece of legislation that goes through has a nasty, rotten thread running through it. It is a socialist thread to put all responsibility into the hands of the bureaucracy, to remove all responsibility from the House and, in turn, to remove all rights of the citizens of the country. This is a serious error. I pray to the Almighty that there will be an election soon and that we rid the country of that rotten mess which is destroying it.

• (1430)

Some hon. Members: Oh, oh!

Mr. Fennell: I hear laughing and joking on the other side. Wait until they are on this side of the House; they will see the results of what they have done. Perhaps it is only three or four of them who are trying to destroy the country, but when they are on this side of the House they will realize what they have done. The country is a ship without a rudder; no one is running it. There is a triumvirate—Michael Pitfield, Ian Stewart and Mickey Cohen—who are running government. Backbenchers opposite are in no worse a position than the second row of cabinet ministers; they are being run by a bureaucracy which is destroying the country.

Clause 2 of the bill deals with Section 39 of the act. If we vote for it, we are not representing the people of the country. I feel very strongly about it. The argument of the minister was not factual. I have checked up on titles and mortgages and have found that his argument is not factual. I maintain that this clause was included in order to give the Department of Public Works total control. In part Clause 2 reads:

—the proceeds of such sale or lease shall be accounted for as public moneys—

We do not know where public money goes. When it is mixed up in the general accounts, we lose track of it. We no longer have the ability in Parliament even to challenge ministers or to find out the facts. Public accounts have become somewhat a farce. We receive part of the truth and there is a whole battery of bureaucrats to protect the ministers' butts. There is no justification in that clause alone. It continues:

—but such public work shall be so sold or leased by tender or at auction after public advertisement—

This is reasonable, but then it goes on to indicate the classic inclusion in every bill—that Michael Pitfield can authorize with a rubber stamp. It reads:

—unless it is otherwise authorized by the governor in council.

That wipes out everything.

We have a problem in the country today about which I am worried. There is a shortage of money, there is a shortage of cash. Dome Petroleum is bankrupt. It cannot pay its bills, so the federal government will set up a Crown corporation and inject $1 billion to save Dome. Government members may need to find that $1 billion. They could travel around Canada and pick out particular office buildings—and there are hundreds of thousands of square feet of office space which could be sold—to be sold to Bob Campeau, at a very attractive price to him, and then lease it back. Some people would argue that that is a good solution, but it will increase the cost of government spending. It will increase the estimates, it will increase the debt, and it will get the country into more trouble.

I maintain that they cannot include such a clause and remove the one saving grace that they may not sell or lease land which is otherwise required for public purposes. If a piece of property is required for public purposes, it should be kept and used. They may be inefficient in the way they operate it, but we are straddled with that problem now. They should continue to use it. We should not give them the permission to sell any building they want, whether or not it is required; that is absolutely immoral and against the beliefs of every Canadian citizen. Heavens, the next thing they will do is go to the U.S.S.R., sell the Parliament Buildings to Russia and then lease them back. That could happen, that is their attitude; then we would be truly working in a communist hall. I am really worried about this. If a building is required for public purposes, I believe it should be retained by the government of the country.

Bill C-91 also refers to paragraph 4(1)(a) of the Public Lands Grants Act, the pride of the country. We are talking about all the national parks which have been built over the years and all the land rights under the Parliament Buildings. We are also talking about Dorval, which I want to use as an example. There is nothing in the bill to prevent the government from going out and selling the land rights at Dorval. No one would know anything about it. There could be a one-year lease, and then the government would announce in the House that the problem with Mirabel had been solved because Dorval had been closed and all airplanes were going into Mirabel. This is how broad the legislation is. This is an indication of the kind of damage the government could do. Perhaps it is not such a bad idea because Mirabel is a white elephant.

Government members tried to impose the same thing on my riding, but fortunately there was the group known as POP, People Or Planes, to fight these monsters. They did not get their way and the land is still in its original state. I should like to touch on that question later.

I plead with the minister to pay attention because there are 700 farmers in Quebec and I have calculated—believe me, it is difficult to figure out government estimates—that it is costing somewhere between $250 and $500 per year per acre to maintain the 80,000 surplus acres in the area. Most of that land was bought for $80 per acre, and it is now costing somewhere between $250 and $500 to maintain it. These farmers were thrown out of their homes, thrown off their land. They pleaded with the minister. They sent delegations to Ottawa to see the minister and to see their Member of Parliament. They have had absolutely no co-operation. Their first ray of hope was when they attended the tenth anniversary of POP, of which, incidentally, the minister used to be a member. They

had spoken with people in my riding who told them to talk with me because I had solved their problem.

I feel as dedicated to those farmers as I do to my own constituents who were ill-treated and mistreated by government. The government should do something for these farmers; I may lead them down here. The land should be sold back to them; they should be given the first opportunity. It should not be sold to corporations set up by the federal government under DREE grants. It should not be sold to friends of the government, and the money should not be lent by the government. There is an inequity in that area and the government had better start to realize that. My friends around Mirabel are starting to realize it. Just like the people in Pickering, they did not want the airport. Unfortunately, the people of Mirabel were not as well organized. If I had been around at that time I think I might have been able to help them.

• (1440)

While I do not believe in expropriation, it is preferable to what is provided for in Clause 1 of this bill where expropriation is not required. The reason I do not believe in expropriation is that families who have lived on farms for up to four generations, whose ancestors were the pioneers of this country, are removed from their homes which results in destruction of a whole sector of our culture. Not only does the government expropriate the land from those people but it taxes them for the right to expropriate their land. It is immoral.

More specifically, it is the attitude of the Minister of National Revenue (Mr. Rompkey) that the government can simply grab cash. The government's whole attitude is to get cash. it does not care about Canadians. The government only cares about itself and its friends in the ivory towers.

This bill is a typical example of a whole series of disastrous legislation. I hope we can get a large enough majority to wipe it all out. We will do it as quickly as possible under any means we can use.

This legislation gives the civil service a blank cheque with unlimited sums of money to spend. The reason there is an unlimited amount of money is that it comes from our cheques and will come from our children's and their children's cheques.

The people who are getting the power are those who have never had to earn an honest dollar. They have never had to get their hands dirty. We can use the people in Energy, Mines and Resources as an example. We have the finest experts in the oil industry sitting in Ottawa. They have never been in an oil field, have never been involved in the dirty work on the rigs and have never got their hands dirty. They are in their own esoteric world, learning the philosophies of the oil industry. They may have all the chemical and economic terms—which, incidentally, are all wrong—but they have never got their hands dirty.

My philosophy has always been never to ask someone to do something that I would not do myself. There are many members opposite who are asking many Canadians to go broke when they have never had to go broke themselves. This legislation only returns to the unacceptable legislation that those three who are running the country are imposing upon Canadians.

Mr. Nystrom: And now Jack Horner.

Mr. Fennell: That is one of the best examples. I could not agree more with the hon. member for Yorkton-Melville (Mr. Nystrom). I must admit that I agree on occasion with the hon. member in particular. We now have three examples to boot around the hall; Erickson, Horner and Campeau.

At this time the government has only one choice to make, and that is to resign. It should resign and call an election because there is no question in my mind that the government has lost its mandate. It has lost the mandate given to it by the citizens of Canada. If this situation becomes any worse the government will never return to power.

Some hon. Members: Oh, oh!

Mr. Fennell: Hon. members may laugh, but just talk to the people. They are hurting. They are going bankrupt. There are many people in the ridings of these members opposite who are being seriously affected by the National Energy Program. Those Liberal members signed their name to the document.

Mrs. Hervieux-Payette: Many are employed by Petro-Canada.

Mr. Fennell: Fine. There are many other people who do not work for Petro-Canada. Petro-Canada is a good example of people who have not really worked and got their hands dirty. I would like to see the chairman of Petro-Canada work on a rig in the west. That would be quite a joke. I do not think a rig would carry him, in the first instance.

Since the hon. member talks about Petro-Canada, I will stray from the subject of debate for a minute. We talk about Petro-Canada as the great benefactor for all Canadians. I suggest to hon. members that they talk to the small drilling contractors and the small service contractors to find out how much drilling Petro-Canada is doing in the west. That huge company of Petro-Canada is drilling three minor wells. I have nothing against the concept of Petro-Canada.

I would like to return to Clause 2 of this bill. I refer to the phrase "sold or leased by tender or at auction after public advertisement, unless it is otherwise authorized by the governor in council". I would call that phrase a pacifier with a hammer over your head. That is exactly how the government operates. It gives the people a pacifier and then suddenly hits them over the head with a hammer.

This legislation has gone too far and I do not know how much further the minister plans to go with respect to land. I know that many tourist operators would be delighted to purchase Parks Canada. There is nothing stopping the government from selling that land to Americans, Germans, Russians or whoever may want to buy it, because this bill does not contain the proper language and has been improperly drafted. So we can sell our parks to the highest bidder. Possibly it may

be an improvement to have them run by private enterprise, but the fact is that the parks belong to Canadians.

As evidence to show just how much even the provinces need more money, it costs more to go to a provincial park than to any privately-owned park in the United States. Therefore, it is my hope that the government does not use this legislation in the way I can see it being used, which would be to bail themselves out of the forthcoming economic disaster, unless the United States bails them out.

The government keeps saying that the United States has caused all our economic problems. However, when the United States interest rates go down the minister will not say that our interest rates will go down as well. The Minister of Finance (Mr. MacEachen) has used other people as scapegoats when he needs to, but he is not consistent.

I would like to make a couple of suggestions to the minister at this time. I realize that I could also make them to him in committee; however, I would like to relate them now for his consideration.

I originally made a suggestion in a letter to him and his department co-operated. There was a consensus on the suggestion that no services or work may be performed in relation to properties not belonging to Canada without the consent of the owner thereof. I can accept that and he accepted it, and he indicated that if he has a one-day debate he will put it through.

I have a second amendment which I would like to introduce to Clauses 2 and 3, but I will not move it right now. I am simply proposing it to the minister in the hope that he will deal with it in the proper vein. I would accept his choice as set out in what would be Section 39(a), that it be referred to the public works committee—and not to the House. The same clause under Section 4(1)(a) could be an extension of that, that it be referred to the Public Works committee. We are not being unreasonable. We are being reasonable in this instance. That is only one suggestion. I may come up with other ideas, but I would like the minister to consider this one as it is very important.

• (1450)

I have one other question to address to the minister. The minister's predecessor, the hon. member for Yukon (Mr. Nielsen), almost had in place an arrangement whereby the Department of Public Works could be turned into a profit centre. Isn't that exciting? It would no longer be a drag on the Canadian public. The Department of Public Works would assess rent to all other departments for the cost of service. It would have a zero budget.

A lot of the load in the budget and the cost of this government is landed on this minister's head when he is really only a maintenance manager. Therefore, I believe he should proceed with this proposal. The expenses should be charged to other departments and the Department of Public Works should have a zero budget.

The department could make a profit by charging a little more than the actual cost. This minister could say to other ministers that if he can show a profit, why can't they? Canadians would be very proud of him. We would finally have a department making money.

I would appreciate if the minister would consider and follow through what was started. Many members of the Department of Public Works are very positive toward this as they are always being criticized for being big spenders. Therefore, they would accept this proposal.

I could continue talking; I understand my time is unlimited. I think I have tried to stay with the subject, as I always do when you are in the Chair, Mr. Speaker. I think I have done an excellent job. I thank you very much for this opportunity.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to say a few words on this bill. I am not the Public Works critic for the party; our critic, the hon. member for The Battlefords-Meadow Lake (Mr. Anguish), had to be in his constituency today. I just want to flag one or two of the concerns we have about the legislation before us.

Before doing so, I cannot help but respond to my congenial friend from Ontario (Mr. Fennell). A number of the ideas he put forward in his remarks were not that bad, but he hurt his argument by using some very extreme rhetoric. He said that with the bill before us today, the Minister of Public Works (Mr. Cosgrove) would have the authority to sell the Parliament Buildings to Russia and then lease them back and we would all end up working in a communist hall. That kind of rhetoric is very damaging to all of us as parliamentarians and to our type of political system.

Mr. Cosgrove: It makes him look like a clown.

Mr. Nystrom: The minister said it makes him look like a clown. My principal concern is that these kinds of extreme arguments do not do any good at all to help win a case, to endear people to this institution, to get people to put more faith and trust in the political process and Parliament as an institution.

The other argument that concerned me was the whole connection of the purpose of the bill being tied to the property rights in the Constitution of Canada and that it is one of the big, sinister plots. I remind the hon. member for Ontario that I was on the Constitution committee. I was there for the property rights hearings and heard the arguments of the provinces. I saw very clearly in the Constitution of Canada that property rights are under the authority and jurisdiction of the provinces.

It was the provinces, led by Premier Lougheed, as well as the Conservative Premier of Prince Edward Island and Allan Blakeney of Saskatchewan, who wanted to maintain property rights under provincial jurisdiction in the Constitution of Canada. It has nothing to do with the crap he is trying to spread about this being a sinister plot.

If the hon. member wants to look at some authority, he should look to Premier Lougheed. Mr. Lougheed is now going around Alberta saying that kind of thing in response to the

Western Canada Concept, the separatist rhetoric in Alberta and other parts of western Canada. It strikes me as rather strange that the member for the riding of Ontario would be using western separatist arguments to try to discredit a piece of legislation which has holes in it. You do not do that by resorting to some kind of nincompoop argument that does not hold water, even with prominent Conservatives in Canada such as the Premiers of Alberta and Prince Edward Island.

My good friend from Yukon (Mr. Nielsen) muttered a second ago that this legislation goes beyond the wildest dream of Socialist International. Certainly it goes beyond the dream of Socialist International because democratic socialist parties are democratic. We want to have open government. We want government to be accountable to the people. We want to bring government closer to the people so that people can have a say about what happens in their lives. He said there is a socialist thread. I do not see a socialist thread. I see a Conservative thread. This legislation is basically set up for the contractors, the Campeaus of the world, the big boys, the big corporations.

My friend from Spadina (Mr. Heap) said to me privately a few minutes ago that, if anything, this bill is set up for the contractors, the big boys; it is very Conservative. If you look around the country and talk about centralized bureaucracy, I know of no province in this country with a bigger bureaucracy than Billy Davis in Ontario. He has a huge bureaucracy. Peter Lougheed has a huge bureaucracy.

Maybe that is why the Conservative Party defeated us in Saskatchewan. The Saskatchewan government had a lean, fit, fighting and trim bureaucracy and a balanced budget that started back in the days of Tommy Douglas. We had a party that came in and promised the moon, the stars, the sun, no gas tax, free phones for senior citizens, a four-lane trans-Canada highway, a mortgage of 13¼ per cent, etc. How do you get the money? You will probably have a huge deficit. Bill Davis has a huge deficit and a huge bureaucracy. Therefore, it strikes me rather strange that when we have a bill that shows some of these Conservative tendencies of huge bureaucracies, deficits and so on, we have these kinds of distortionist arguments made by the Conservatve Party of Canada.

It strikes me as a strange that they would see this kind of bill as a terrible, radical measure when one of the most eminent and sincere members of that party, the hon. member for Prince George-Peace River (Mr. Oberle), one of the more principled, forthright and honest members of that party, and he has been here for ten years, said, as reported in *The Globe and Mail*:

> There is, Mr. Oberle says, no intellectual basis to his party's policy. Tories talk only to Tories and very, very seldom to outsiders. The average student in the average political science class could not tell you the difference between a Conservative and a Liberal.
>
> The Conservatives' motto is "Don't offend anybody with policy or principle, and try to be all things to all people," but that's not working. For those who feel Joe Clark does not measure up to Pierre Trudeau, there is no alternative attraction in policies or principles.

He goes on—and this is very interesting; it was pointed out in the House today by my good friend from Mission-Port Moody (Mr. Rose):

> —"when you've got people all the way from Genghis Khan to Karl Marx, you cannot expect them all to stand up behind the leader and support him."

I wonder if my friend from Yukon is a Genghis Khan or Karl Marx.

Mr. Rose: "Erik the Red".

Mr. Nystrom: It strikes me as very strange, and belittling of the parliamentary process, when we hear the kinds of arguments we have heard today in light of the fact that the Conservative Party and the Liberal Party are the same. One of their most prominent members, one of the people who will be in an important leadership role in the years to come, said they are the same in principle as the party across the way.

That was proved yesterday with our good friend, "jumping Jack Horner". He was one of the most famous Conservative MPs to sit in the House of Commons. He was a leading spokesman for that party. He was the transport critic of that party and the chairman of the transport committee of the House of Commons for that party. He made a run for the leadership of the Conservative Party. He might have been leader of that party, and perhaps even prime minister. The Liberal Party named Jack Horner chairman of the CNR.

• (1500)

Mr. Cosgrove: A great westerner.

Mr. Nystrom: It is very hard to understand the song and dance we heard from the hon. member for Ontario. I do not at all think it was a reflection on the people of Ontario when he said today that this bill is dangerous because the government can now sell the Parliament buildings to Russia, lease them back from Russia and we will all be working in a communist hall.

Mr. Kristiansen: Sounds like Bill Bennett.

Mr. Nystrom: It might sound like Bill Bennett. I am not sure, but I would not want to reflect on the Premier of British Columbia.

Mr. Rose: You wouldn't? I would.

Mr. Nystrom: I think we should take this bill seriously. For that reason I am looking forward to our members on the committee putting questions at the committee stage and speaking about this bill later on around the theme of making sure Parliament makes the government more accountable and makes sure ministers across the way will not have as much power as they have today to govern by orders in council.

I cannot recall how many orders in council we have, but I know that compared with other parliamentary democracies we have literally thousands and thousands more orders in council.

Mr. Kelly: Why?

Mr. Nystrom: I do not know why. Perhaps it is arrogance. Perhaps it is because we have a government which has been in power too long.

Mr. Kelly: We waste time in this chamber.

Mr. Nystrom: Hon. members opposite have forgotten that they are responsible to the people. They think they govern by divine right, and perhaps it is time the party across the way was booted out of this House and booted out of Canadian politics forever. I think it is a sign of arrogance, but no matter what signals hon. members opposite get, they go on appointing jumping Jack Horners and appointing Arthur Ericksons to build embassies in Washington against the recommendations—

Mr. Pepin: How do they do it in Saskatchewan?

Mr. Nystrom: The Minister of Transport (Mr. Pepin) will have an opportunity very soon to rise and make a speech.

Mr. Kelly: Answer his question.

Mr. Nystrom: Of all ministers across the way the Minister of Transport knows of what I speak. A few years ago the Minister of Transport and John Robarts produced an excellent report about the future of our country and the unity of Canadians. They made many recommendations about bringing this country closer together and making sure that politicians and institutions are more accountable to the people of the country. That minister's ideas have been slammed down time and again by the Prime Minister of Canada (Mr. Trudeau). He is losing many battles in the cabinet and in the country. I wish him very well in trying to get the Prime Minister to come to his senses with respect to making this place a truly democratic parliamentary institution.

Our main concern is that we have more accountability and a strengthening of parliamentary committees so that we as the people's representatives can make sure that billions of taxpayers' dollars are spent properly. We as parliamentarians should not be here just as a bunch of people screaming, hollering and bellowing; we should have some input and legislative power over the direction of the government.

I know these ideas are really radical to hon. members opposite and to my right, radical because they are democratic ideas, but I think those are the ideas which will keep our country together. I noted yesterday a Gallup poll result, reported in the *Toronto Star*, which showed that confidence in Canada in terms of keeping our great nation together and in terms of Canadian unity is at a 37-year low. Gallup asked the question: "Do you believe Canada will stay together or break up?" Some 27 per cent of Canadians said our country will break up. That signals a warning politicians should take seriously. We must do whatever we can to try to bring the government to the people. The government must reflect the wishes of ordinary people. I believe that the Canadians values of equality, sharing, democracy and liberty exist. I believe those values are felt by the overwhelming majority, and I believe it is time the Government of Canada recognized that and governed for the people. In its contracting and leasing of government buildings the government should be more democratic and allow us as Members of Parliament to have an input so that the institutions of Canada, including the Government of Canada, could be a mirror and reflect the great people of this country.

Mr. John Evans (Ottawa Centre): Mr. Speaker, I would like to speak in favour of this bill on three grounds. First, I will touch briefly on the need, in general terms, for assuring that the Department of Public Works can enter into and continue to carry out the types of activities described in the bill. These activities are a general requirement in order to execute its mandate, and I think it is prudent to set out its powers to do these things on a clear and explicit basis.

[*Translation*]

I shall then discuss more specifically the major role played by one of these activities, namely the lease-purchase arrangements, in the National Capital Region in establishing four major federal complexes on a solid economic basis.

[*English*]

Third, I will refer to certain of the authorities set out in the bill in so far as they relate to the Rideau Centre project—of which all of us in the Ottawa region are certainly very proud—by way of example, as another demonstration of why the bill should be favourably considered in this chamber.

I think the Minister of Public Works (Mr. Cosgrove) has provided a good outline of the technical aspects of the bill, the legislative need for casting these departmental authorities in a statutory form and the background of Madam Speaker's ruling on vote word changes. Some of my colleagues will set out the desirability of making explicit the statutory authority of Public Works Canada to assist the new postal corporation in the administration of its property and premises. I will just add that I think the logic is clear for Public Works Canada to continue the real property services which it formerly provided to Canada's postal service when that agency was a department. Surely it is advantageous for Public Works Canada to continue these services rather than impose on the new Crown corporation the responsibility of immediately forming a large real estate management unit within the corporation. This is particularly true at a time when it has only just been formed and is more than fully occupied with upgrading postal delivery and with its labour-management relations concerns. If Canada Post were required immediately to assume management of its 2,000 buildings and 800 leases, this could obviously be an unnecessary diversion from its main task, unnecessary in the sense that Public Works Canada, as the long-time manager of these properties, already has in place this realty management capability and organization.

Certainly we have to say that Canada Post's prime objective at this point in time has to be the improvement of postal service, and it is well on the way to achieving that goal.

[*Translation*]

I would now like to come back very briefly to the first subject I mentioned, namely the general need for the department of Public Works to obtain, through a clear, explicit and unequivocal mandate, the power to undertake and carry out

the various property activities covered in this bill. Without discussing each of them in detail, I would like to make a few comments. There has been a considerable evolution since the time when the Public Works Act was passed, some 114 years ago, Mr. Speaker. No major amendment has been made to this legislation since. Of course, there has been a general evolution, but the changes which have occurred in the last 15 or 20 years only in the area of commercial or office buildings have been quite simply revolutionary. These changes include rehabilitation of urban centres, rational development of large areas with shared-ownership, the need to protect through new legal instruments ownership rights for new complexes, as well as the control by the owners, the wish to regroup multiple use premises in these complexes, such as offices, retail outlets, housing units and recreational facilities. These changes finally include the undertaking of marketing studies by promoters.

• (1510)

[*English*]

Because of the needs of the federal government for office accommodation, much of it in downtown and commercial areas, Public Works Canada is thrown squarely into the midst of a great variety of real estate activities which were never contemplated by the drafters of the department's statutes over a hundred years ago. It is not surprising, therefore, that many activities, now necessary for its mandate, are not explicitly provided in the legislation. We on this side want to ensure that these activities, even if not specifically precluded by the current legal provisions, are clearly authorized and set out in the legislation.

Having said that, let me illustrate the importance of using these new development techniques for the Department of Public Works and show how their use has already produced substantial measurable benefits. I refer to the four lease-purchase buildings in the National Capital Region: Les Terrasses de la Chaudière, L'Esplanade Laurier, the C.D. Howe Building on Sparks Street, and Place du Centre.

I will not go into detail on the principles of lease-purchase, its structure and its place in the spectrum of real estate development tools. I will leave that to my colleagues on this side.

Rather, I would like to focus briefly on these four cases. Part of my interest in them, like that of a number of other hon. members, goes back about five years when these projects and the method of lease-purchase received a great deal of attention in this chamber and also in the other place. There was much debate about these projects and their economy, as a method of providing federal office accommodation.

[*Translation*]

I recall that the debates were then rather stormy, and this, for several reasons. One of these reasons was that those buildings or complexes had not yet been operated long enough to make a proper assessment of their economic trend and their annual cost per square metre. Given the lack of sufficient data, doubts could only worsen because when the doors were thrown open these buildings did in fact cost more than if comparable "A" category accommodation had been leased through the conventional leasing procedure. Mr. Speaker, such was the situation a number of years ago. Nowadays the volume of evidence at our disposal is much more significant, based as it is on actual events drawn from the practical experience gained by Public Works Canada in the management and the actual costs of those buildings or complexes. It is important to compare those costs with the rates which Public Works must pay for accommodation leased in the usual manner, rates that have been recently under review. In 1981-82, the average cost of the four buildings or complexes built under the hire-purchase formula was $134 per square metre, whereas similar accommodation on the market can be leased for about $200 per square metre. If we apply the average savings per square metre to the total floor area of the four buildings or complexes, we find out that the annual savings amount to $23 million, Mr. Speaker.

[*English*]

I was glad, Mr. Speaker, to learn of this, because I was personally a bit uncertain about the merits of the lease-purchase system five years ago when we discussed this matter here at some length. Much of the confusion then, as I said before, arose from the fact that the initial couple of years under a lease-purchase were generally more expensive than the conventional lease market in the Ottawa-Hull region. I understand that the reason for this is that the cost structure of lease-purchase is more akin to ownership, and ownership costs are more expensive in the initial years but are cheaper in the long run, compared to leasing.

[*Translation*]

My third point is the Rideau Centre project, because it is a clear example of the complex aspects of present day real estate planning in general terms, and more specifically, of the participation of Public Works Canada in complex development projects. In fact, it demonstrates that the present act does not, but should, authorize Public Works Canada to operate in such situations. Mr. Speaker, I suppose a great many members of this House are well acquainted with this interesting and important project. However, it might be useful if I gave a brief overview of the project's background, structure and present situation.

[*English*]

You do not have to be an urban planner, or a retail market analyst to see that the central core of the Rideau Street area is badly in need of redevelopment. All you need to do is to have a look. This has long been recognized, since the early 1960s, going back to the study by John B. Parkin, the distinguished Toronto architect. This is the eastern downtown core, bounded on the west by the Chateau Laurier and the National Conference Centre, and it had been going downhill for probably a generation—a fate it has shared with many downtown core areas around the world.

For those who would require economic and statistical support for the evidence before their eyes, I have retail sales figures which demonstrate this trend in sharp terms. They show that since 1966, the downtown Rideau Street area's share of regional retail merchandise trade has declined steadily from 21 per cent 15 years ago to approximately 10 per cent today. This 50 per cent decline in the area's share of trade, needless to say, is reflected in the general lack of prosperity of the area, which in turn affects rental income, levels of maintenance, upkeep and so on, in a cycle of gradual deterioration over the years. The causes of this decline lie partly in the North American suburban migration of the last 20 to 30 years and the advent of shopping centres. There were 16 new major shopping centres built in the National Capital Region since 1971. The relocation of the Ottawa Union Station to Alta Vista also deprived the area of important trade.

[*Translation*]

Planning for the Rideau Centre took a number of years because of the scope and complexity of the project and the need to obtain the co-operation of various representatives of the public and private sectors. From the time cabinet approved the conceptual plan in 1973 until construction started last summer, eight years had passed, eight long years during which the project was sailing on very rough seas, appearing to be at times completely out of reach and at times a reality with a tremendous potential. From the very outset I have supported and promoted this project, and it was with great satisfaction and a sense of relief that I saw the concrete realization of this long process, when construction finally got under way last summer. The Rideau Centre is undeniably one of the most important projects undertaken in Ottawa since the war.

• (1520)

[*English*]

It will consist of four major elements, the first one being a 500-room hotel to be built and operated by Western International Hotels. The second element is a 250,000 square foot department store by Eaton's; the third, ancillary retail space totalling approximately 400,000 square feet; and the fourth major component is a full service convention centre, with a capacity of 4,000 people, to be built by the city of Ottawa. In addition to these main features, there will be a vast array of malls, pedestrian accesses, underpasses and bridges, parking garages and landscaped open areas and gardens.

If the physical scope and dimensions of the project are impressive, then the complex structuring of the over-all transaction is perhaps even more remarkable, that is, the order and disposition of the large array of interests and participants, both private and public, and the blending of retail and hostelry expertise, financial power and federal leadership.

[*Translation*]

I feel that it is necessary to stress the leadership role played by the federal government. It is, in fact, a federal project and has been since the very beginning, from the planning stage until its implementation. Public Works Canada and the National Capital Commission, who orchestrated the project since the beginning, are to be warmly praised for their work. As planning progressed, co-operation between the various levels of government, namely federal, provincial and municipal, proved to be a vital factor. Essential to the project and the initiative taken by the federal government was the innovative use Public Works Canada has made of twelve acres of property it owned in the area, the department acting as a catalyst to bring about the participation of all parties concerned in creating this vast integrated complex. The property in question was transferred to the principal promoter, Viking Rideau, Eaton's real estate branch, and to the municipal government of Ottawa and the regional municipality, for the purpose of carrying out the project.

[*English*]

In addition, it was necessary for the Department of Public Works to contribute to the project its share of the cost of infrastruture improvements. Since the land on which the infrastructure was to be built had already been transferred to the developer, the Public Works contribution was in relation to improvements to the property of others. Because the statute does not explicitly provide for such expenditures by Public Works, the amendments contained in Section 1 are designed to ensure that they are specifically authorized.

[*Translation*]

As far as economic benefits are concerned, at the construction stage the project will create 2,000 person-years of direct employment in addition to 1,000 person-years of indirect employment, which is greatly needed by the Ottawa area. As I said before, the project will revitalize the downtown core, since the central section of Rideau Street is expected to recoup most of the losses it suffered in retail sales. But more important still, the project will create a vital and dynamic downtown core.

[*English*]

I have described this project in some detail for two reasons. First, it illustrates the complexity of contemporary real estate development and shows the necessary involvement by Public Works in such complex projects. More particularly, it illustrates the necessity of ensuring, in an explicit way, that Public Works has the statutory authority to participate in such projects. Section 1 of Bill C-91 as it now stands does not give explicit authority to the Department of Public Works to provide its share of the federal contribution to the project. This amendment is required in order to set out such authority clearly.

In conclusion, Mr. Speaker, I would urge that hon. members consider this bill favourably and expeditiously. Delay is clearly our enemy in relation to such important projects as Rideau Centre.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome the opportunity to speak this afternoon on Bill C-91, an act to amend the Public Works Act and the Public Lands Grants Act. The bill is very small, some four pages, so there is

no excuse whatsoever for members not to have had the time to read it. However, after doing so I could not help but be appalled at the horrendous power which this bill seeks to transfer to the Minister of Public Works (Mr. Cosgrove). For example, in Clause 3 we see these words:

"(3) The Minister may, with the approval of the governor in council, incur expenditures or perform, or have performed, services or work in relation to

(*a*) properties belonging to Canada of which he does not have the management, charge or direction; or

(*b*) properties not belonging to Canada."

What a colossal fraud this bill hopes to perpetrate on the people of Canada! The government is now seeking authority to sell or lease any property, whether or not the government owns it and whether or not it is required for public purposes. This action reminds me of my air cadet training days when one of the men in our squadron had difficulty in landing without damaging the wheels or the tips of the airplane. On being reprimanded by our instructor, he replied, "Thank you, sir, but I am not worried. I do not own it and I am not going to buy it." That is about the way it is with this government in this bill. We do not own the property, we are not going to buy it, but we are going to claim the right to sell it.

My own concern is not so much with sales and lease-backs per se, but rather with the blanket authority granted in this bill to sell any land. It has already been said this afternoon what a horror story scenario that is. While the possibility of selling all the government property and any private property they fancy to foreign investors and then renting it back is highly unlikely to occur, in my opinion there still remains the need for parliamentary control. Unfortunately, this bill, if passed as it stands, is completely devoid of any parliamentary control. I say this because in Clause 2 it says that Section 39 of the act is replaced and the following substituted:

Notwithstanding anything in this act or in any other act, any public work may be sold or leased, under the authority of the governor in council, and the proceeds of such sale or lease shall be accounted for as public moneys; but such public work shall be so sold or leased by tender or at auction after public advertisement, unless it is otherwise authorized by the governor in council."

I want this House and the people of Canada to know that in one brief paragraph the words "governor in council" are repeated not once but twice. There is no mention in what I just read of the Parliament of Canada. Oh, no, it is simply the governor in council. I submit to you, sir, that this is simply too much power to place in the hands of one minister of any government. But then orders in council are, of course, the golden rule of this Liberal regime. For those Canadians not familiar with the term, an order in council is a device used by cabinet to approve certain regulations without subjecting the rule changes and new appointments to public debate. This device, if used properly and responsibly, can make the operations of government much more efficient. However, if it is used irresponsibly, the order in council method of government, I submit, can wreak havoc on parliamentary democracy. Three recent examples of improper orders in council usage are the VIA Rail cutbacks, the conversion to the metric system of measurement and the emergency planning order. These orders in council, unilateral government actions, have caused substantial public resentment and even anger. But since they were implemented through order in council, neither the public nor Members of Parliament had any recourse. I submit this is most important. People have no way of making their case at a public hearing or through parliamentary debate. The only way the government actions can be challenged is through the courts.

• (1530)

In my opinion, Canadians did not vote for a government that requires them, if they wish their views heard, to sue that government in a court of law. This would not be necessary if this government had any respect whatever for parliament and its members who are the people's representatives. However, this Prime Minister (Mr. Trudeau) and his colleagues have shown and are still showing a contempt for Parliament through the excessive use of orders in council. This has already been referred to this afternoon. I checked on this matter and I found that in the years under the present right hon. Prime Minister's administration, there were 39,048 orders in council passed. Just let me repeat that number, 39,048 orders in council, which is an average of 3,254 a year.

I say to the people in Canada, through you, sir, that Canadians should be wary of any government that abuses Parliament by misusing the order in council. But then we must remember that it was the present Prime Minister who held this entire institution up to ridicule when he said, referring to members of the opposition, "When they are 50 yards from Parliament Hill, they are no longer hon. members; they are just nobodies." I remind the Prime Minister of the words, "If you want to be respected, you must show respect." Unfortunately, his fuddle-duddle statements and his pirouettes in high places over the years would indicate that respect for anything is not his long suit.

And speaking of arbitrary rulings, I am pleased to see the Minister of Transport (Mr. Pepin) in his seat this afternoon, I received only yesterday another disheartening piece of news from the Department of Transport. It indicated that 136.60 miles of CNR tracks will not be used after August 1 to provide service between Liverpool and Yarmouth, Nova Scotia. Obviously, no consideration has been given by this government to the enterprises and employment opportunities of the citizens along the south shore of Nova Scotia who will be affected by this retrograde, reprehensible action, and I must protest the destruction of the CNR service in my riding in the loudest possible voice. However, we have no recourse. It is an action that has been taken by the Canadian Transport Commission, obviously with the agreement of the minister. This government cares only about the people of Nova Scotia when their members are down there seeking votes. But now, picture if you will, an entire area from Liverpool, Queen's County, to Yarmouth, Nova Scotia with absolutely no rail service. This is frightening. For the life of me I cannot understand what those people and the industries affected will do. In that particular area there is a tremendous amount of heavy industry which requires the use of flat cars and the CNR service.

Let me return to the bill. As I read it, I cannot help but note that it will provide the government with authority to perform works on property not even owned by the government. What does this power do to the rights of private citizens? Is there any haven left where the average Canadian can stand and say, "Though a large part of my earnings and savings have been taxed away by this government, at least my home and this land upon which I stand is mine"? The answer is it is not any more, Mr. Speaker, not if this bill is passed. If you doubt that statement, I will put on the record the explanatory note covering Clause 1 of the bill, which reads:

This amendment would empower the Minister of Public Works to be involved with properties belonging to Canada of which he does not have the management, charge or direction, and also with properties not belonging to Canada.

Many Canadians own property which, I submit, does not belong to the Government of Canada. As to the passing of this bill, their title to land will be as fragile as the fog which sometimes surrounds my native province of Nova Scotia. Speaking of Nova Scotia, where is the Minister of Public Works? I note that, unfortunately, he has had to leave.

Mr. Cullen: He left temporarily.

Mr. Smith: He is lucky.

Mr. Crouse: The hon. member over there says he is lucky, Mr. Speaker. I suppose it is a joke. He is laughing, sitting in his seat. Is it a joke that two years ago this September a fire destroyed a wharf in Riverport, Nova Scotia, the only place where the big fishing fleet can land its fish? This government has been dilatory in taking any action to rebuild it. That is a joke to that member over there. It is a joke to all the Liberals over there because they have taken absolutely no action to make the repairs and to recognize the needs of those people. That is a joke to them.

Mr. Smith: Keep your blood pressure down.

Mr. Crouse: My blood pressure is fine and it is under control. But I tell the hon. member not to sit there and make interjections from his seat when I am speaking. I do not even interrupt him, and I ask him not to interrupt me at any time because I will not tolerate it.

Mr. Cosgrove: What about your party?

Mr. Crouse: I do not interrupt any member when he is speaking. My record stands for 25 years. I am glad the Minister of Public Works has come back because I want to ask him, since he is responsible, when he is going to take action to build a federal public building in the town of Bridgewater, a building that was promised by the Hon. George McIlraith in 1968. He is now a senator, but he promised that building when he was minister of public works in this House.

Mr. Kelly: Spend, spend, spend.

Mr. Crouse: He promised that to me in writing in 1968. We on the south shore know the meaning of Liberal eternity. I notice the hon. member on the other side is enjoying himself and he is interjecting again. I say to him, do not do it. It is not acceptable in the House of Commons. The hon. member should learn some gentlemanly tactics and not be so rude. I am sorry, I will not name him but he knows very well to whom I refer.

I hope the Minister of Public Works will take my request seriously and take some action on a promise that has been delayed for 14 years. We have had no action for 14 years.

Generally, the powers of the federal government relating to the ownership of property are controlled by the heads of powers set forth in Section 91 of the constitution act of 1867, formerly known as the British North America Act. For example, the federal government, in the exercise of its power over navigation and shipping, something with which I am quite familiar, having operated a fleet of three deep-sea ships for 20 years. Under Section 91(10) could expropriate property in order to permit the erection of works for navigational purposes. It would seem to me that any federal ownership of land would have to be justified in relation to some head of federal power. If, therefore, the federal power to deal with land is limited to the subject headings in Section 91 of the constitution act of 1867, then the powers which are to be exercised under Clause 1 of Bill C-91 should also be limited by the subject headings of Section 91. However, as it is arguable that there may be a general federal land holding power unrelated to any of the subject headings in Section 91, it is possible that under this section the federal government would attempt to find the authority to make expenditures outside of the field of federal power, and by so doing possibly encroach on the provincial land-holding powers.

• (1540)

The powers given to the minister under Clause 1 seem to have no set criteria for their exercise. The decision of the minister is an arbitrary one and could have either a positive or negative effect upon properties not belonging to Canada. Because of the fact that it is a discretionary power, the property owner who would be the recipient of the services or work has no opportunity at all to contest the exercise of this power, and he has no forum in which to register a grievance. Furthermore, as no hearing is required, no complaint of the denial of natural justice can be made. This would seem to place a severe limitation upon the rights of the private property owner. His right of ownership could be interfered with in a negative fashion by the minister, and the owner has no recourse to a hearing under the amendments in question. This is considerably different from the case of the Crown interfering with ownership rights under the Expropriation Act. Under the Expropriation Act a public hearing may be requested by any person objecting to the intended expropriation, and the minister is under an obligation to order a hearing into the nature of the objection.

The implementation of this clause of Bill C-91 is an attempt—I do not want to impute motives—to circumvent the long proceedings required under the Expropriation Act, so that the minister may do as he wishes with a piece of property

which is privately owned, without the necessity of complying with the provisions of the Expropriation Act. It is also important to consider whether the newly-enacted Charter of Rights and Freedoms would have any effect upon this proposed legislation. There is nothing specific in the charter about the right to own property. However, Section 26 reads:

> The guarantee in this Charter of certain rights and freedoms shall not be construed as denying the existence of any other rights or freedoms that exist in Canada.

If it is interpreted that the right to own property is a right which existed in Canada at the time of the adoption of the charter, I suppose it could be argued, therefore, that that right is protected.

The problem which the non-inclusion of property rights in the charter creates is that anyone suffering as a result of the infringement of these rights would not have the opportunity to utilize the enforcement section, Section 24 of the charter, or have the benefit of the courts interpreting the new law in accordance with Section 1 of the charter, which reads as follows:

> The Canadian Charter of Rights and Freedoms guarantees the rights and freedoms set out in it subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society.

If property rights were specifically set out in the charter, the courts would then have to consider whether Clause 1 of Bill C-91, which gives the minister unlimited discretionary authority, is a reasonable limitation upon the right to hold property. At present, the only way in which property can be disposed of under the Public Works Act or under the Public Lands Grants Act is for the governor in council to declare that the public work or the public land is no longer required for public purposes. There are no criteria, as far as I can determine, as to how the determination will be made and under what circumstances property which is still required for public purposes will be disposed of.

Again, this is in direct contrast to the lengthy justification procedure to which the federal government is subjected if it desires to expropriate property for public purposes. The two major methods by which the government acquires property are through outright purchase and through expropriation. It seems unbelievable that the government should have to prove the necessity of acquisition for a public purpose after having made the acquisition through expropriation and then be entitled to dispose of the property, even though it may still be needed for public purposes, simply through a ministerial order.

On the information which is available to me and to the House at the present time, it is extremely difficult to determine the purpose of this particular bill. From what I have already stated, it is obvious that there are many matters contained in it which really deserve very, very close scrutiny. As I have stated, Clause 1 could be viewed as an invasion of provincial powers in relation to property and civil rights. There is absolutely no criterion in the exercise of the power contained in Clause 1 of the bill. Under this clause the minister can act in a total arbitrary fashion, as he is exercising a highly questionable discretionary power and there is no forum provided for the hearing of any objections which are made to the exercise of that power. If there is to be a forum in which a person aggrieved by the exercise of power as contained in either Clause 2 or Clause 3 of the bill may be heard, it would seem that the final authority for the exercise of that power should at least be given to Parliament. The people's representatives should have some say. It should not be done by order in council.

Perhaps the problems related to the bill could best be resolved by the establishment of a standing committee which could then examine and make recommendations concerning the exercise of power by the minister under the act. When Canadians realize the power the government is seeking through the passage of the bill, I personally feel certain that any confidence they may have left in Canada after the disastrous effects of the National Energy Program and FIRA will be wholly and totally shattered. Let us face it—the recession which led to the present depression has been triggered and intensified by a succession of federal measures and, to a lesser extent, by the provincial responses they evoked. Of course the breaking point came with the National Energy Program. When I hear the soothsayers of government attribute the present depression to the collective downturn of the business cycle in the developed countries of the world or, as we hear day in and day out, attribute it to high United States interest rates, I ask why they ignore the dominant role of energy among our natural resources.

Before the government brought in its National Energy Program, the strongly rising volume of investment in gas and oil exploration and development had been driving our whole economy forward. Every dollar invested by the petroleum industry multiplied two or three times through the economy in purchase of equipment and of services. Since the National Energy Program, the industry's investment in Canada has been drastically reduced by 30 per cent or 40 per cent through 1981 and by at least that much again this year. These are now unrecoverable funds which have either been committed outside Canada or absorbed by government.

For the better part of the last ten years the government has been reaching out to capture key elements in our economy and to transform them into Crown corporations for implementing its vision of what I call the "corporate state", a country in which political authority is ensured by control over investment and production. Of course in another way this is what is happening under Bill C-91. It is putting further power and control into the hands of a limited number of people—the executive and, in this instance, the Minister of Public Works.

If one wants to see an example of the corporate state toward which the government is working, one has only to look back to Mussolini's Italy of the late 1920s and 1930s. I should not have to remind the House of what happened to the individual rights and freedoms of those unfortunate people, but today we can consider what the confiscatory policies of government have so far cost us in forfeited economic growth. In the 25 years until 1971 Canada had an average annual real growth in gross national product of 5 per cent. We were the envy of all western

nations, with the possible exception of West Germany and Japan which at that time were rebuilding their economies. Canadian growth during those 25 years was achieved with an inflation rate measured by the consumer price index of an average 3.3 per cent per year. Unemployment, in spite of four recessions, averaged only about 4.3 per cent.

• (1550)

In the 1970s, as the numbed and befuddled hands of government extended deeper into our economy, average annual growth began to decline. During the last five years real growth has averaged only 2 per cent. As growth has slowed, inflation and its shipmate—a term we use in Nova Scotia—unemployment, has increased. In the last five years inflation averaged 10 per cent. It reached 12.5 per cent in 1981.

In the last five years unemployment averaged something like 8 per cent. Today it stands at around 9 per cent, with approximately 1¼ million Canadians unemployed. The number is rising daily.

Many explanations for Canada's fading economic performance were given throughout the 1970s. The most persuasive was that the economy, having passed through its development phase, has now reached maturity and that policy emphasis should be put on redistribution of wealth rather than on creation of new wealth. In other words, instead of making more pies this government has been busy cutting the pie we have in ever smaller pieces.

Some credence was given to this concept by the impact of rising oil prices and the desperate vision of a world rapidly exhausting its oil reserves. What was completely ignored, at least by this government, was the greatly enhanced economic value such a vision imparted to Canada's own resources of oil and gas. In fact, growth was slowed by other clearly recognizable and acceptable developments. One of these was the growing rift in confederation and the enforced reduction of first private and then government investment in an effort to bridge them. In my opinion, if investment had been free to flow to where it would have attained the maximum return, the benefits to all parts of the country could have been greater than the costs since incurred by present government policy. The government has not learned. It still brings in bills such as the ones we are debating today. As I say, these are bills which seek even more power. Instead of realizing that centralization, confiscation, controls and bills such as C-91 are destroying confidence in our economy, our Minister of Finance (Mr. MacEachen) daily blames high American interest rates for Canada's depression. I sometimes sit here and wonder if the Minister of Finance actually believes what he is saying, or are his statements comparable to those he made in the last election when he said, as he campaigned throughout Nova Scotia, "Vote Liberal. You will not have to pay the Tory 18 cents per gallon on gasoline." Well, I suppose this was the Liberal way of telling the truth. What he really meant was that the 18 cents which we proposed in the Crosbie budget was too little. What he really meant to say was, "Vote for us and once we get back in power we will lay it to you to the tune of 75 cents a gallon or more." That is what we are paying today. That is the Liberal way of deceit and deception in order to get back into power.

Just for the record, Canadian interest rates had stopped well short of the high American rates during the early changes in American policy. But that was before the National Energy Program diverted foreign investment away from Canada and domestic investment fled this country.

The introduction of the National Energy Program in the budget of 1980, followed by the fuddle-duddle method of closing loopholes in the budget of 1981, did more than simply cause investment to flee from Canada. It strengthened this government's control over the uses to which any remaining investment funds could be applied.

However, none of this was mentioned by the Minister of Finance when he was raking the Reagan administration's economic policies over the coals when he addressed the Conference Board in New York. Like the mother watching her son in the army marching past, "everyone seems to be out of step but my Allan." It was quite all right for our Minister of Finance to go down across the border and raise Cain and condemn the Americans, but he was incensed when an American diplomat tried to put his views on the record as they applied to Canada's economy. It is all right for us to go down there but we do not want to have them coming up here to say how we should run our country. What is sauce for the goose is sauce for the gander.

In the opinion of the Prime Minister, the Minister of Finance, the Minister of Energy, Mines and Resources (Mr. Lalonde) and the rest of the Liberal cabinet, they are right to pursue the policies of a corporate socialist state but, in their view, the rest of the world is entirely wrong if it does not try to help.

The emerging of the American economy from its recessions used to be the springboard for Canada's recovery. The United States is Canada's best market for our resources. Strengthening demand in the United States translates into new employment opportunities for our forest, mining and fishing industries whose products still constitute the largest proportion of our exports. However, I submit that strengthening American demands will not be enough this time to restore growth in our Canadian economy. What is needed are infusions of new capital in order to provide for new plant expansions, new machinery and new ships which are the sinews of development. It is something with which our people can work, and that is what is required.

Where will this capital come from? It certainly will not come from Canadian corporations. Those which can still afford to do so are diverting their capital into the United States. Others cannot divert their capital because they no longer have any reserves. Taxes and inflation have taken too heavy a toll.

Every day this government is looking to the United States recovery to initiate our own. The government forgets that the

channels through which renewed American growth are diverted into Canada have since been blocked by the Foreign Investment Review Act and by new ownership provisions. More than anything else, this depression in Canada was brought on by the constant and continuing extension of federal intervention by this government in the Canadian economy. The depression is now becoming the justification for still more intervention, still more intrusions and still more involvement by the government under terms such as those we see before us today in Bill C-91.

In conclusion, I cannot support this bill for the reasons I have given. I submit to you, Mr. Speaker, that neither can my colleagues support it. At this stage I can only express the hope that my views will be given serious consideration and that this government will give serious consideration to withdrawing this particular bill, because if it is implemented it could be one of the final blows to one of our basic freedoms, namely the inalienable right to all Canadians to own property in this country.

May I call it four o'clock, Mr. Speaker?

The Acting Speaker (Mr. Blaker): The Chair is obviously in the hands of the House. If it is the intent of the House to call it four o'clock, we should ascertain whether the hon. member for South Shore (Mr. Crouse) is calling it four o'clock with the intention of continuing his remarks.

Mr. Crouse: No, Mr. Speaker, I have finished my remarks.

The Acting Speaker (Mr. Blaker): Perhaps the Chair could extend the courtesy to the hon. member whom I see rising of recognizing him. Perhaps if I recognized the hon. member for Kootenay West (Mr. Kristiansen), that will be indicative of the fact that he will have the floor on the next occasion.

It being four o'clock, the House will now proceed to the consideration of private members' business.

PRIVATE MEMBERS' MOTIONS

[*English*]

TRANSPORT

SUGGESTED IMPLEMENTATION OF HALL COMMISSION RECOMMENDATIONS

The House resumed from May 2, 1980, consideration of the motion of Mr. Benjamin:

That, in the opinion of this House, the government should consider the advisability of implementing the Hall commission report, including major recommendations, to increase use of ports at Churchill and Prince Rupert, guarantee the Crow rate to the farmer, extend the Crow rate to the processed equivalent of raw materials, pay the railways directly for their losses, make the railways fix up their tracks and buy hopper cars, and give the Canadian Wheat Board more power to control grain movement.

The Acting Speaker (Mr. Blaker): The hon. member for Medicine Hat (Mr. Hargrave) had the floor, but since he is not present, the Chair will look to such other hon. members who wish to speak.

• (1600)

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, the debate being resumed today from May 2, 1980, calls upon the government to consider the advisability of implementing the Hall commission report, including major recommendations, to increase use of ports at Churchill and Prince Rupert, guarantee the Crow rate to the farmer, extend the Crow rate to the processed equivalent of raw materials, pay the railways directly for their losses, make the railways fix up their tracks and buy hopper cars, and give the Canadian Wheat Board more power to control grain movement.

As I said, the debate was begun more than two years ago. It is a simple motion calling on the government to implement the findings of the Hall report. As hon. members will recall, that report was written after one of the most extensive reviews of the grain-handling and transportation system in western Canada. It was prepared by former chief justice Emmett Hall, a man who has the respect and trust of Canadians across this country. This study more than any other previous study managed to tap the real needs and aspirations of users of the transportation and grain-handling system in western Canada. His recommendations are the most straightforward and realistic of any contained in the many reports and studies done before and since.

In reviewing what he said and what has gone on in the past few years, we note, as stated at the beginning of the motion, that some dredging has been carried out in the Port of Churchill. CNR tell us that within the next year the track will be upgraded to 100 pounds per foot rail. The problem of permafrost, which has always been a problem with the line to Churchill, is being studied. They think they may have some solutions and they propose to implement them within the next year or two.

In the interval since this debate began, there have been some developments at Prince Rupert. A site is being prepared at Ridley Island. We are presently awaiting the final decision of the consortium of grain companies which is proposing to add terminal space at that site. The Hall report recommended increasing the capacity at Prince Rupert to six million bushels of storage space so that it could become the second large grain port on the west coast.

The grain port at Prince Rupert is accessible throughout the year. It is fairly easy to get to that port which is at the end of the railway line. The mountain passes there have fewer snow slides. The weather permits year-round rail traffic service into Prince Rupert.

Some moves have been made with regard to building a tunnel through the Rogers Pass. Here is where we begin to see the difference between what Hall proposed and what this party supports and the approach that this government and the Tories before them appear to be taking.

The Minister of Transport (Mr. Pepin) pretends that the New Democratic Party is reactionary when it comes to transportation and grain movement in western Canada. I want to compare what he is proposing and now doing with what we propose, and the listener can decide which is reactionary and which is forward thinking.

We agree with Hall that an electrification process should be carried out on 10,000 miles of mainline trackage in western Canada, particularly through the mountains. There are a number of reasons for this. We are in an era of fuel shortages. Petroleum fuel is in short supply. Electricity could be generated from the waters in the mountains of British Columbia. The surplus there could be used to power trains.

The advantages of electric trains for mountain transportation are fairly numerous. The mode of power would be lighter. It would reduce the amount of energy required to move a unit up a grade. The generators and fuel would not be part of the engine and the train unit. The fuel is water or other forms of generating electricity, and the generator would be located elsewhere. The electricity is transferred to motors on what are now diesel units.

Another reason for using electric power, especially in mountain work, is that the unit travelling through the passes would be lighter. In places where they have been used, it has been proved that the speed increases by up to 50 per cent. Instead of a unit travelling at 20 miles an hour through a mountain pass, an electric unit could travel at 30 miles an hour.

By using electricity, it would be possible to gain a benefit on the downgrade. The force of the train going down the grade could be recycled through the drive motors of the engine. Reversing an electric motor makes it into a generator. It could be used to pump power back into the system to be used when going uphill. Approximately 40 per cent of the power requirement could be recovered by that method and result in further savings.

There is maybe an even more important benefit when it comes to the digging of long tunnels through mountain passes, something that we are now in the process of doing. The use of electric trains would do away with the problem of ventilating diesel fumes. A tunnel nine, ten or 12 miles long requires a very expensive ventilating system. This is necessary for the survival of the train crew. The system being put in the Rogers Pass requires a large ventilator stack. The most logical place for that stack cuts off the view of Rogers Pass from the highway. A stack will be in the way.

This ventilating system will require a continuously operating 11,000 horsepower fan, which will require more power than is required to move a train through that tunnel. In order to ventilate the tunnel, it will require a great amount of energy. This could have been avoided by a more sensible, forward, modern approach of electrifying the trains on the mainline through the mountain passes.

Instead of taking a progressive, modernistic kind of approach, the government has opted for a neo-capitalist approach. It intends to go back to the old days, making the current technology limp along for a few more years.

• (1610)

The railways have been insisting on a cost formula which Hall found quite unacceptable. They have been insisting on a recovery of costs which will give them many times the current Crow rate, and in some cases the figures which have been generated would even exceed the current so-called competitive rate.

As Hall said in his report, we are also saying that any public funds pumped into the railways should be accounted for as part of the public contribution. That seems to be fairly straightforward and to make ultimate common sense, but that is not the route the department and the government seem to be following when they put forward their cost survey and cost formula.

We note that branch line rehabilitation has continued. The purchase of hopper cars by provincial governments, farmers and the federal government has continued, and we note with some pleasure that the switch to hopper cars will increase rail capacity by about 40 per cent. The limiting factor on current trains is not the amount of weight transferred but, more properly, the number of cars being pulled. If we can put 40 per cent more grain or any other commodity on a car, we are increasing the total capacity of the train. The move to hopper cars and the enhanced ability of branch lines to handle those hopper cars will increase grain hauling capacity by 40 per cent. We are saying that on top of that we could add another 50 per cent to the rate of rail movement by electrifying the trains.

We note that there has been a lot of delay in the progress of implementing the Hall recommendations. The government has chosen not to implement a subsidy program so that the railways can cover the so-called losses they are encountering. There has not been a policy to consider as equity financing the public funds which have gone to the railways. They are always considered by the railways as just gifts from the government. The people of Canada have contributed money to the railways to enable them to build up their hopper car fleets, to improve their locomotives a number of years ago, to rebuild branch lines, to build tunnels through the mountains and to upgrade the track in that area of the country. At no time have the railways considered that as equity financing, but we think that would make very good sense. We think it is a progressive idea for those government funds to be considered as equity financing so that when dividends are declared, those funds become part of company dividends, and the country receives financial benefits. In addition, the country would have more influence on the boards of directors of the railways, particularly the CPR, of which we have little control now.

In spite of the moves which have been made on the Crow rate over the past winter and the implementation and setting up of the Gilson inquiry—I suppose we could call it a process—and in spite of the leaks which have come out of that process which indicate that there will probably be a very vast change in the rate structure farmers in western Canada will have, if we can believe the news reports which came out of Saskatoon yesterday, implementation of the Hall report would

still be a progressive move for Canada's transportation and grain handling system.

In line with the motion presented by my friend, the hon. member for Regina West (Mr. Benjamin), we say that Churchill upgrading should continue, that the storage capacity of Prince Rupert should be upgraded to six million bushels and that an increase in output by a multiplier of two to three should continue. We say that the branch line upgrading program should continue to be part of the system and that the hopper car fleet should be brought to its full complement of required cars. That process should be completed within the next three years if we continue to build 1,200 to 1,400 cars per year.

We also think that the Hall recommendation of developing the northern section of the railway system, particularly in northern Alberta and British Columbia, should go ahead. We particularly like the idea of electrification and the continuation of financing of the project, but on an equity basis so that the people of Canada who have done the financing will have some ultimate control over what happens to that financing.

As far as the farmers of western Canada are concerned, the main recommendation of the Hall report was to retain the Crow rate as it is. There will be a shortfall after the modernization of the railways is complete, but we must remember that modernization will make possible a 40 per cent increase in carrying capacity. Had the move to electrification been implemented, it would have increased by 50 per cent the volume of traffic moving through the mountains. The increase in efficiency would have been enormous had all of the recommendations of the Hall report been carried out.

Together with public financing, the increased efficiency which would have resulted had the recommendations in the Hall report been carried out would pretty well have covered the actual costs of moving grain. Instead, the government chose to go the old route, to stick with current technology and current economic thinking, which is simply to pass the costs on to the consumer, and to pay no attention to increased efficiency and reduced cost but, instead, to add the costs on to the charges the producer must pay. We think that is unfortunate. We still say it is not too late. The government still has time to implement the Hall report. Today we call on the government again to do so. We ask that the vote be taken immediately and that this motion be accepted by the House.

Miss Aideen Nicholson (Trinity): Mr. Speaker, the motion before us is a very wide-ranging one which covers a number of issues concerning grain transportation and is important not just to western members but to all Canadians who are concerned about the economy in general. The motion also has implications for the Ontario manufacturing sector.

This particular motion was debated just over two years ago, and what I intend to do today is to demonstrate that some of the recommendations in that motion have already been acted upon.

In the past two years record volumes of grain have been moving to export, and this crop year gives every indication of being the best yet. Unfortunately, international prices are down, but volumes are currently running significantly higher than at any time in the past. In recent weeks record unloads of cars have been achieved on the west coast. This is even more impressive, given that most cars now are the larger, more efficient hopper cars. Currently, export and domestic grain clearances from our principal ports are about 1.5 million tonnes above last year's levels. This is good news for the western farmer but also for the Canadian economy in general. So is the recent announcement by the minister responsible for the Canadian Wheat board of the largest long-term agreement for wheat sales ever entered into. This is with the People's Republic of China, and it is valued at over $2.25 billion at today's prices over the next three years. Some of these results are being achieved through the collaboration of all participants in the grain transporting and handling system. I am pleased to say that this spirit of co-operation is also being reflected in meetings that have been taking place in Winnipeg during the past several weeks on the Crowsnest Pass rate. It appears that progress is being made toward reaching an acceptable solution of the long-standing and vexing problem of the statutory rates. This will not be easy, but the framework in which the meetings are proceeding offers the potential for protecting the interests of producers and it also provides sufficient flexibility to reach a broad agreement.

• (1620)

There has been a lot of talk about guarantees at these meetings and there has been some criticism that the guarantees being offered favour the railways but not the producers. It may be useful, therefore, to look at those guarantees.

The government is prepared to offer the following guarantees to the producer. First, an expenditure of $3.2 billion related to the movement of grain for the four-year period 1982-86; second, a minimum $700 million branch line rehabilitation program begun in 1977 and continuing to 1986; third, a guaranteed rail line network of over 15,800 miles until the year 2,000; fourth, a legislated commitment to pay annually from 1986-87 an amount equal to the 1981-82 railway revenue shortfall for moving grain or about $600 million; fifth, to provide 11,280 Government of Canada hopper cars for the movement of grain and grain products; sixth, a basis in legislation for determining future rate increases; seventh, no variable rates unless sought and accepted in negotiations by producer representatives; eighth, specific railway performance and service guarantees negotiated by producer representatives related to grain transportation; and, finally, specific railway commitments related to investment programs to be undertaken to guarantee sufficient capacity to move grain to market.

This is a most impressive commitment and it clearly demonstrates that the government not only cares about the interests of the western producer but is prepared to make real efforts to ensure that western Canada, and the nation as a whole, will have an efficient rail transportation system appropriate to its needs, and especially the very specific needs of getting grain to the coast.

The announcement made on February 8, 1982, in Winnipeg by the Minister of Transport (Mr. Pepin) outlined a number of areas which this committee is charged with examining, including the future responsibility for paying grain transportation costs, the manner in which the government will spend its own contribution either to the railways or to the producers, the kinds of performance guarantees that should be sought from the railways and how they should be monitored, and the means whereby the economic distortions within the agricultural sector stemming from the statutory rates can be reduced.

The consultations are reaching a critical stage and I know that all members of the House will wish those involved well as they move toward achieving a just solution.

By implication the motion also referred to the branch line rehabilitation program insofar as the wording of the motion asks the government to "make the railways fix up their tracks". One of the most significant grain transportation programs is the branch line rehabilitation program. This ten-year program began in 1977-78 with a $30 million expenditure followed by allocations of $70 million per year until 1981. One of the concerns expressed at the time was that the work program only covered one year at a time and that this made it difficult to do sufficient planning.

Last year a multi-year work program was developed by departmental officials in consultation with the elevator companies and the railways. This should greatly facilitate advance ordering and preparation by the railways of ballast, ties, rail and other materials.

Last August the Minister of Transport announced that the government was prepared to enter into a three-year program of branch line rehabilitation work. Under this program the government has spent or will spend $77 million in 1981-82, $84.7 million in 1982-83 and $93.2 million in 1983-84.

The standard and quality of the rehabilitation work undertaken by the railways is being monitored in a number of ways. Under the direction of the Canadian Transport Commission, independent engineering consultants were engaged to review and inspect the work completed to 1980. The 1981 work program was also inspected and assessed under the guidance of the Canadian Transport Commission using both in-house and contracted engineering sources. The Department of Transport recently received a report it had commissioned from the Canadian Institute of Guided Ground Transport of Queen's University. This study provides an assessment of operating and construction standards for the rehabilitation program. It found that the operating and construction specifications are for the most part appropriate for the lines involved but should be applied flexibly to account for local variations. This is in line with the findings of the CTC-engaged consultants and confirms that the work is being carried out to appropriate standards for the moneys involved.

In addition, a firm of auditors was engaged to carry out a comprehensive audit of the expenditures incurred under the first three agreements. This is now in the final completion stages.

When the present agreement terminates at the end of 1983-84, some 3,780 miles of line will have been worked on, of which 1,840 miles should be fully rehabilitated out of a total of 5,675 miles currently eligible under this program.

The motion also asks the government to buy hopper cars, and the hon. member who spoke ahead of me also referred to hopper cars. The government certainly supports this idea. During the seventies the Government of Canada purchased 8,000 hopper cars and it has a long-term lease on an additional 2,000 cars. These investments reflect the government's ongoing commitment to ensure that sufficient rolling stock is available to meet our growing export demands.

With the addition of 2,000 Canadian Wheat Board cars and 1,000 cars each provided by Alberta and Saskatchewan, there was an adequate supply of cars to meet requirements. However, with the growing volume of exports, and with normal wear and tear and aging, additional hopper cars will be required in the future. The office of the grain transportation co-ordinator assessed the need for additional hopper cars, and advised that an additional 1,280 cars should be purchased this year. These orders will be useful to the western grain producer, but will also give a needed boost to the car manufacturing industry in eastern Canada. It is expected that this order will create 2,250 jobs.

• (1630)

Another issue addressed during the past two years was that of abandoned railway rights of way. In 1977 the then Minister of Transport and the railways entered into a gifting agreement which transferred to the Crown the rights of way following the abandonment to that time of certain prairie branch lines. There are about 26,500 acres of land covered by the gifting agreement. In August, 1981, the Minister of Transport signed agreements with the provinces of Alberta and Manitoba transferring land to those provinces. Prior to the recent election in Saskatchewan an agreement appeared near, and one must hope that such an agreement could be signed with the new provincial government in the near future.

There was reference, Mr. Speaker, to the ports of Churchill and Prince Rupert in the motion before us. The motion calls for increased use of these ports. The government's commitment to the Port of Churchill has been well demonstrated. Capital expenditure commitments of $20 million made for port development at the Western Economic Opportunities Conference in 1973 have been fulfilled through two Crown corporations, the National Harbours Board and the Northern Transportation Company Limited. Grain branch line subsidies paid on the Churchill line between 1971 and 1980 amounted to $11.75 million. By the end of this railway construction season, approximately $21 million will have been spent on the CNR-Herchmer subdivision with a further $10 million committed to 1983 under the branch line rehabilitation program. CN is now determining the feasibility and costs of building the rail line to carry fully laden hopper cars, following completion of research into the particular problem of supporting a railway over discontinuous permafrost.

In utilizing the grain terminal in the Port of Churchill the Canadian Wheat Board is cognizant of its responsibility to producers to export grain in the most economic way possible. Exports through Churchill during its short shipping season present particular problems in grain assembly. The preference of the board's customers for type of grain and port of loading has to be respected in what is now a highly competitive world grain market. In recent years, with the exception of 1980, Chuchill has handled some 500,000 tonnes of grain annually. The Canadian Wheat Board's over-all export target for 1981-82 is 26 million tonnes, increasing to 30 million by 1985. Churchill should therefore at least hold its traditional grain tonnage. Every effort has been made to seek assurances from the Canadian Wheat Board's producer-elected advisory committee for the continuous support of Churchill through the export of grain. It appears essential, however, that other traded commodities should be handled through Churchill if the port is to become viable. Prairie provincial governments have been asked to encourage the movement of any traffic under their control through the port, for example, Saskatchewan potash and Alberta sulphur.

Turning to Prince Rupert, Ridley Island in the Port of Prince Rupert is being developed as a major ocean bulk commodity port, including a grain terminal. Three of four construction contracts let to date are completed. They were for waste disposal site containment dikes, a rail embankment test fill, and site clearing. The contract for site grading and rail embankments was awarded in August, 1981, and is scheduled to be completed by February, 1983. British Columbia and the Government of Canada, through DREE, are cost-sharing the construction of an access road scheduled for completion in June, 1982. Design of other infrastructure is being done by the National Harbours Board whose financial involvement in site development for the grain terminal is estimated at $37.3 million. The consortium of grain companies which will build and operate the terminal is now evaluating the construction contract bid.

In sum, Mr. Speaker, since this motion was last debated two years ago great progress has been made in the development and improvement of the grain transportation and handling system. The Government of Canada, the Canadian Wheat Board, the railways, elevator companies, grain handlers and producers together have performed extremely well over the past two years in producing, transporting and marketing Canadian grain. With the promise of higher prices the future looks bright indeed.

Mr. Norman Kelly (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, this is a very important debate and for that reason I would like to take this opportunity to refresh the memory of the House by reading the motion.

Mr. Nickerson: You couldn't think of anything else to fill up the time with.

Mr. Wilson: You have 22 minutes.

Mr. Kelly: It reads:

> That, in the opinion of this House, the government should consider the advisability of implementing the Hall Commission Report, including major recommendations to increase use of ports at Churchill and Prince Rupert, guarantee the Crow rate for the farmer, extend the Crow rate to the processed equivalent of raw materials, pay the railways directly for their losses, make the railways fix up their tracks and buy hopper cars, and give the Canadian Wheat Board more power to control grain movement.

Mr. Nickerson: Now read it in French.

Mr. Kelly: Mr. Speaker, this omnibus motion has several interpretations. It could apply specifically to the Hall recommendation relating to the Crow, or it could apply to all the recommendations of the Hall commission. Let me assume the former for the purposes of this debate.

• (1640)

As you undoubtedly know, the Hall report has very little to say on the statutory rates: there is just over a page, found on pages 336 to 337 in Chapter 10, and four lines in summary on page 545. With such a small coverage, the actual conclusion is not clear. On page 336 of the report, it reads:

> Regardless of what rate may be set for the transport of grain to export position that rate must be statutory not variable.

There is nothing in the February 8 announcement that would contradict this, although it is not clear if the whole interpretation of the term "variable rate" is the same as is used on the prairies today. I am sure the House could use the guidance of hon. members opposite to help us clear up that misinterpretation or differences of interpretation. On page 336, we find the following:

> How the difference between the new rate and the Crowsnest Pass rate will be apportioned between the government and the producer is, of course, a matter for government decision. The Commission feels that the government must continue to subsidize the transportation of export grain and that the full cost, as deemed by the Commission on the Costs of Transporting Grain by Rail, must not be imposed on the producer.

Again there is nothing in the February 8 announcement that would contradict this. It should be noted that the commission implies that the producer should pay more than he is paying at the moment. The government does differ from the Hall commission in one important respect, however, in that it has opened a dialogue with the producer for determining how the additional costs will be apportioned rather than impose them without consultation.

I would hope that last statement of mine would give the lie to some of the claims we have heard in earlier debates this afternoon by members opposite who accuse this government of ignoring the interests or the wishes of the electorate. This is an excellent example of how this government tries its very best in all issues to seek the guidance of the public and in particular of the interests affected by the decision before that decision is made.

On page 337 of the Hall report, it states:

> The Commission recommends that the difference between the Crowsnest Rate and the rate determined through costs found by the commission on the costs of transporting grain by rail should be paid directly to the railway, and not to individual farmers.

Let me ask the hon. member who spoke this afternoon on behalf of the New Democratic Party and who asked us to implement the recommendations of the Hall report, is that a conclusion he would support? Is he asking us by implementing the Hall report, to pay the subsidy directly to the railway companies and not to the farmers? I would ask him, if this debate is reintroduced in the House at a later time, to clarify his position on what I think and others believe is the seminal issue of this re-evaluation and reshaping of the Crow.

If I may continue to quote the Hall report, it reads:

> The very idea of sending out cheques to 160,000 farmers is appalling.

Mr. Althouse: You have got it.

Mr. Kelly: The hon. member says that I have got it. I assume then that the money should be paid directly to the railway and not to the farmers.

Mr. Althouse: Let the farmers set the rate.

Mr. Kelly: I would point out that the west does not speak with one voice on that issue. There are others in the west who would disagree with the decision of the member opposite.

In an editorial which is found on the last page of the *Alberta Report*, written by Mr. Ted Byfield, who, I am sure, is as authentic a spokesman for the west as the hon. member opposite is, the author argues the very reverse. He argues that we should not be paying any money to the railways but we should be paying the money to the farmers. He believes that as adamantly as does the hon. member opposite believes in his argument. I quote now from the *Alberta Report*, dated May 10, 1982, as follows:

> —Mr. Pepin could choose instead to pay the subsidy, not to the farmers, but to the railroads, requiring them as a condition to leave the old Crow rate in place and thus continue working the ravages it has wrought in the past. This, of course, might appear politically attractive. But it would remain economically calamitous.

I have several other points on the Hall commission report. In an earlier section of the Hall report the statement quoted earlier from page 337 appears at variance with the suggestion that the producer should pay more to move his grain. Second, the question of payment to the railways or payment to individual farmers is again one that the government feels should be decided jointly with the producer, and this is another reason for establishing the Gilson process, the process I hope the hon. gentleman opposite will support whatever the conclusions might be.

We believe on this side of the House that potentially it is not a difficult task to send out cheques to a large number of people. It is not an option that we should disregard before the Gilson process has rendered its decision. We believe that because the Canadian Wheat Board already does this in the form of final payments, while family allowance cheques represent another good example of multiple mailings to many households.

• (1650)

Finally, the summary on page 545 of the Hall report indicated:

> The commission recommends:
>
> (1) The retention of the Crowsnest statutory rates.
>
> (2) That the difference between the statutory rate and the cost of transporting grain be paid directly to the railways.

This supports the statement on page 337 which, as has already been noted, is at odds with the earlier comments on the subject.

Depending upon the interpretation given to the Hall commission comments, it could be argued that the government is taking account of its recommendations in its policy on grain transportation as announced on February 8. The government has already stated clearly, precisely and firmly, that there will be statutory guarantees. The government will continue to subsidize grain transportation. Variable rates will not be allowed unless the producer agrees that they will not be prejudicial to his interest. Whether payment is made to the farmer or to the railways will be determined following consultation and negotiation with the parties involved.

Everyone in the House would agree that the comments of the Hall commission must be read taking into account the purpose of the commission. The terms of reference of the commission make it quite clear that the primary purpose of the inquiry was to examine the prairie railway branch line network and to make recommendations as to its disposal—either to be retained, abandoned or otherwise disposed of. The bulk of the commission report addressed this issue, and the Hon. Emmett Hall and the other four commissioners should be congratulated, having carried out such a comprehensive and exhaustive examination of the prairie rail network.

It has even been suggested that the comments on the statutory rates were in effect outside the terms of reference of the inquiry. This could be a somewhat harsh interpretation, although an examination of the terms of reference would suggest that the only part which could be used for comment on the statutory rate is No. 8 on page 11 which reads as follows:

> Without limiting the generality of the foregoing the commission may make supplementary recommendations which could relate to:
>
> (8) other matters which could relate to other matters relevant to the inquiry.

The Hall commission report contained a good chapter on economic development and pointed out the effect of a number of transportation distortions. It did not link these directly to the Crowsnest Pass rate, however. The conclusion and recommendations reached by the commission—and again they should be read in relation to its terms of reference —were by no means clear. For example, page 534 dealt with the flour milling industry as follows:

> —that the flour milling industry in Canada be permitted to enjoy the natural geographic advantage of locating in western Canada.

Page 535 dealt with the rapeseed crushing industry as follows:

—that freight rates on rapeseed and its derivatives be set at levels which do not discriminate against the natural locational advantage of prairie rapeseed crushers.

—that inequities in freight rates, such as those that exist on the movement of rapeseed meal through Vancouver and Thunder Bay be eliminated.

It should be noted that the federal government has a program which partially assists rapeseed crushers in the amount of $3 million annually. Page 536 dealt with the livestock processing industry as follows:

The commission recommends that freight rates on livestock and meat be set at levels which do not discriminate against the natural locational advantage of prairie livestock producers and processors.

Unfortunately it is not clear what this means. There was no indication of the cost of this proposal, which could be extremely expensive and would not solve the root cause of the problem.

Mr. Watson: Mr. Speaker, I rise on a point of order. I wonder whether the hon. member for Scarborough Centre (Mr. Skelly) would permit a question.

Mr. Kelly: Mr. Speaker, I would enjoy very much answering a question, but I ask the hon. member to wait until I have completed my remarks. If there is any time remaining, I will certainly do my best to answer his question, in the full knowledge that I have of this particular topic.

Finally, page 536 dealt with the malting industry as follows:

The commission recommends that:

—the malting industry be permitted to enjoy the natural geographic advantage of locating in prairie Canada.

That is the point I wanted to make, and that is why I illustrated my argument exhaustively with these examples. Each one of the foregoing recommendations is related, to some degree, to the statutory rate. They are wide-ranging, and it is difficult to identify exactly what the Hall commission had in mind. In any case, I would suggest to hon. members that it would not be prudent—

The Acting Speaker (Mr. Blaker): Order, please. I regret to interrupt the hon. member but his allotted time has expired. If there is unanimous consent, the hon. member could complete his remarks.

Mr. Nickerson: No.

The Acting Speaker (Mr. Blaker): If there is not unanimous consent for the hon. member for Scarborough Centre (Mr. Kelly) to continue his remarks, there may or may not be consent for the hon. member for Châteauguay (Mr. Watson) to pose his question. Is there unanimous consent?

Mr. Kelly: Mr. Speaker, I had only one more sentence before concluding, and once I have done so, I would gladly answer the question of my colleague, if I have the unanimous consent of the House.

Mr. Nickerson: No.

The Acting Speaker (Mr. Blaker): I am sorry to interrupt the hon. member but perhaps, as he has noticed himself, he does not have unanimous consent of the House. I assume that he does not have unanimous consent to answer a question by the hon. member for Châteauguay.

Mr. Kelly: The hon. member opposite wants me to answer the question.

Mr. Nickerson: No, I do not. Question.

Mr. Kelly: The only way the hon. member for Châteauguay (Mr. Watson) can obtain an answer is if I am allowed to continue my remarks for the next minute or two. Would that be possible?

The Acting Speaker (Mr. Blaker): I appreciate the point of the hon. member for Scarborough Centre, but the fact of the matter is that he has at least twice been refused unanimous consent either to continue his remarks or to answer a question. The Chair is bound by the decision of the House in that regard, and I do not think it would be fair to put the question to the House again.

Mr. Kelly: Would the hon. member not relent?

Mr. Nickerson: Question.

The Acting Speaker (Mr. Blaker): Should I put the question? The parliamentary secretary to the Minister of Finance.

Mr. Douglas Fisher (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I simply want to extend my congratulations to the Minister of Transport (Mr. Pepin) for being willing to undertake an attack on this historic perennial weakness in our railway system. It seems to me that the minister is bringing an extreme illness in the system under control and is providing a rail service which will offer a moderate costing service to Canadians throughout the west, regardless of the commodity they produce.

I should like to carry on with my comments a good deal further, but I see the day has ended. When the motion comes back before the House, I should like an opportunity to develop my argument further.

The Acting Speaker (Mr. Blaker): The hour provided for the consideration of private members' business has now expired. Accordingly, this House stands adjourned until Tuesday, May 25, at two o'clock pursuant to Standing Order 2(1). Best wishes for a good weekend.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, May 25, 1982

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

CANADIAN ARMED FORCES

CONDEMNATION OF NAVAL EQUIPMENT—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Recently the Royal Canadian Naval Association held a convention at which the considered opinion of the delegates was that the equipment of the Canadian navy was nothing more than a joke. In view of this opinion, expressed by the 1,500 delegates to the convention, I move, seconded by the hon. member for Peace River (Mr. Cooper):

That this House congratulate the Royal Canadian Naval Association for its forthright assessment of the Canadian navy, and further urge the Prime Minister to pay as much attention to the Canadian navy's need for ships as he does to his own need for ego tripping on the world stage.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AGRICULTURE

CALL FOR WITHDRAWAL OF BILL TO ESTABLISH CANAGREX CROWN CORPORATION—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Bill C-85 will establish a Crown corporation called Canagrex, and the present bill gives this corporation such broad powers that it could, subtly, take over all export business and monopolize same to the detriment of producers and the private sector that is doing a good job and which is capable of expanding to do anything necessary; therefore I move, seconded by the hon. member for Lethbridge-Foothills (Mr. Thacker):

That this House requests the Minister of Agriculture to withdraw the bill or alternatively to delete the clauses proposed in Section 14 and elsewhere in the bill which provide the opportunity for this corporation to become a complete monopoly in the export business.

Canada is a free enterprise country and free enterprise can do the job better than any Crown corporation.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

POLITICAL PARTIES

CALL FOR CERTAIN LIBERAL MEMBERS TO JOIN NEW DEMOCRATIC PARTY—MOTION UNDER S.O. 43

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Four months ago the first signs of the dissolution of the Liberal Party surfaced when ten Liberal MPs wrote an open letter to the Prime Minister (Mr. Trudeau) urging him to adopt new job-creation measures. Then another 15 MPs in a caucus economic development committee sharply criticized the government's economic policy. Now *La Presse* has revealed that the following Liberals have broken ranks: the hon. members for Sudbury (Mr. Frith), Gloucester (Mr. Breau), Laval (Mr. Roy), Thunder Bay-Atikokan (Mr. McRae), Sherbrooke (Mr. Pelletier), and York South-Weston (Mrs. Appolloni). Therefore I move, seconded by the hon. member for Comox-Powell River (Mr. Skelly):

That this House call on the above-named Liberal MPs to stand by their convictions and criticisms by joining the New Democratic Party in terminating the government's budget legislation and thereby terminating the government itself.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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NORTHERN AFFAIRS

NORTHERN CANADA POWER COMMISSION—SUGGESTED ADOPTION OF COMMITTEE RECOMMENDATIONS—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I rise to move a motion under the provisions of Standing Order

S.O. 43

43. It is now a month since the all-party report on the Northern Canada Power Commission was tabled in this House. So far no response has been forthcoming from the government to the recommendations which would substantially reduce the horrendous cost of electricity in northern Canada. Therefore I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That the Minister of Indian Affairs and Northern Development immediately move to implement the recommendations contained in the sub-committee report on the Northern Canada Power Commission.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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UNEMPLOYMENT INSURANCE

BENEFIT INELIGIBILITY OF FRESHWATER FISHERMEN—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. It is unjust that freshwater fishermen, who are obliged to pay into the unemployment insurance fund, cannot collect UIC benefits when unemployed. Thousands of freshwater fishermen are not only unable to collect UIC benefits, they are now unable to find work during the off season as a result of the government's total and complete mismanagement of the economy, which is causing severe unemployment across Canada and unbelievable hardship. Therefore I move, seconded by the hon. member for Pembina (Mr. Elzinga):

That this House be directed to remove immediately this discrimination against freshwater fishermen and amend the necessary section of the Unemployment Insurance Act so that freshwater fishermen who must contribute to the unemployment insurance fund may become eligible for UIC benefits when necessary.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE ECONOMY

ADVICE GIVEN BY MEMBER FOR GLOUCESTER—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. In view of the criticism of the Liberal government expressed by the member for Gloucester (Mr. Breau), who was quoted in *La Presse* on the weekend as saying:

In defending our policy by relying on the international situation, we don't really impress many people.

—I move, seconded by the hon. member for Skeena (Mr. Fulton):

That this House urge the Minister of Finance to heed the advice of the member for Gloucester and stop blaming others for his own economic incompetence.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1410)

CANADIAN ARMED FORCES

SUGGESTED EXPANSION OF RESERVE UNITS—MOTION UNDER S.O. 43

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, I rise under the provisions of Standing Order 43 on an urgent matter relating to youth unemployment. Unemployment among youth aged 15 years to 24 years, currently running at 16.6 per cent seasonally adjusted, and actually at 18 per cent, is one of the most serious concerns for Canadian society today. This represents nearly one fifth of the nation's vibrant potential lying unnecessarily idle and unproductive. Therefore I move, seconded by the hon. member for Victoria (Mr. McKinnon):

That the government institute a program, funded by the resulting saved unemployment benefit funds, to expand special summer armed forces reserves by at least an additional 25,000 recruits, thereby encouraging service to one's country and reducing unemployment in a sector that desires and requires productive employment.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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POLITICAL PARTIES

REPORTED STATEMENTS MADE BY TWO LIBERAL MEMBERS—MOTION UNDER S.O. 43

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the statements in *La Presse* this weekend by the Liberal hon. member for Thunder Bay-Atikokan (Mr. McRae), that the Prime Minister (Mr. Trudeau) should stay at his post for the moment as long as the economic storm continues and then should pass the mantle on to someone else, and also the criticism voiced by the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Frith) that the country cannot endure another winter like the one we have just

been through, I move, seconded by the hon. member for Skeena (Mr. Fulton):

That this House urge the Prime Minister not to put us through another winter like the one just past, but to pass the mantle on to someone else quickly, and further that the hon. member for Thunder Bay-Atikokan and the Parliamentary Secretary to the Minister of National Health and Welfare live up to their statements by voting against the government's inadequate and destructive policies, or resign.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

PRESSURE APPLIED BY LIBERAL MEMBERS—MOTION UNDER S.O. 43

Mr. Doug Lewis (Simcoe North): Madam Speaker, 17 Liberal members of Parliament met on May 18 with a sense of urgency to pressure the government into adopting a realistic interest rate policy for Canada. Therefore I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That this group of Liberal backbenchers and other dissidents broaden their objectives to urge upon the government not only a realistic interest rate for Canada, but also a realistic transportation policy, a realistic energy policy, a realistic foreign policy, a realistic housing policy, a realistic economic policy, and a realistic social policy.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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UNEMPLOYMENT INSURANCE

DELAY IN PROCESSING CLAIMS FOR BENEFITS—MOTION UNDER S.O. 43

Mr. Neil Young (Beaches): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that media reports indicate that unemployed Canadians are still running into bureaucratic foul-ups under the unemployment insurance plan, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That this House instructs the Minister of Employment and Immigration to speed up processing of unemployment insurance claims for unemployed Canadians.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

MEDICAL CARE

CALL FOR BANNING OF EXTRA BILLING BY PHYSICIANS—MOTION UNDER S.O. 43

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, in view of the fact that there is to be a federal-provincial health ministers meeting and that the Minister of National Health and Welfare (Miss Bégin) is finally getting around to doing something about the medicare crisis, I move, seconded by the hon. member for Beaches (Mr. Young):

That this House instruct the Minister of National Health and Welfare to include in her proposals for the revitalization of medicare, mechanisms for the banning of extra billing by physicians.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE JUDICIARY

POLICY GOVERNING COMMUNICATIONS BY CABINET MINISTERS WITH JUDGES

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my question is for the Prime Minister. I wonder whether the Prime Minister would reiterate or reconfirm that it is his government's policy that cabinet ministers should not attempt to communicate with judges about matters or persons coming before the courts.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the policy was stated several years ago, and it is along the lines repeated by the hon. member. I cannot recall the exact wording of it, but I could dig it out and make the hon. member aware of it, if necessary.

INTRODUCTION OF LETTER IN PEEL COUNTY COURT CASE

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my supplementary question is also directed to the Prime Minister. I wonder whether the Prime Minister is aware that last Thursday in Peel County Court in Brampton, Ontario, defence counsel tried to introduce a letter from the Solicitor General about a former campaign worker about to be sentenced for two armed robberies in a federal penitentiary under the jurisdiction of the Solicitor General. Does the Prime Minister share the judge's view that the introduction of such a letter was, and I quote, "in poor taste"? If so, is the Prime Minister going to discipline the Solicitor General in any way?

• (1415)

Right Hon. P. E. Trudeau (Prime Minister): The hon. member is putting me in an impossible position. He wants me to say whether the judge was right or wrong, and if I said the judge was wrong, then surely the hon. member would take me to task.

Mr. Lawrence: Madam Speaker, I think it is fundamental in our political system that there be a separation of the judiciary and the executive.

Some hon. Members: Hear, hear!

QUERY RESPECTING POSSIBLE RESIGNATION BY SOLICITOR GENERAL

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, we have had instances where Prime Ministers have accepted the resignation of cabinet ministers, Mr. Drury for one, and the present Minister of Indian Affairs and Northern Development for another.

Some hon. Members: Question.

Mr. Lawrence: I ask the Prime Minister has the Solicitor General submitted his resignation? If not, has the Prime Minister demanded that resignation?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member made a loud speech in his preamble about separation of the judicial, executive, and, presumably, legislative powers. He then asked me did I think the judge is right or wrong. Surely he is asking me to set aside that concept of separation of powers by asking for my judgment on the judgment of the judge.

Mr. Lawrence: I am asking about the Solicitor General.

CHARACTER REFERENCE GIVEN BY SOLICITOR GENERAL

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is to the Solicitor General who, as a lawyer, will know that the purpose of calling character evidence is to lend prestige to the accused through the person or office of the character witness. Will the Solicitor General please confirm that he sent a letter to the lawyer representing Mr. English to be used as character evidence in this particular case, and will he acknowledge the conflict because, as Solicitor General, he and his department are responsible for Mr. English who is now in a penitentiary?

Hon. Bob Kaplan (Solicitor General): The hon. member indicated quite clearly in his question that my representation was not made to the judge. I know the individuals concerned and my letter was sent to their lawyer. I told the lawyer that I would be prepared to give evidence on behalf of these people whom I know, and it was on that basis that the letter was put forward. Certainly there was no telephone call, private representation, or off-the-record representation to any court. The representation was made frankly, on the record, and on behalf of people whom I know.

Mr. Speyer: There is no doubt that it was on the record, and there is no doubt that the judge said it was in poor taste given the Solicitor General occupies the position he does.

CONDUCT OF SOLICITOR GENERAL

Mr. Chris Speyer (Cambridge): Madam Speaker, my supplementary question to the Prime Minister is: does he approve of conduct where a Solicitor General, who is responsible for a person sentenced to penitentiary on two counts of armed robbery, makes written representations in order to minimize the sentence? Will he not now ask for the Solicitor General's resignation in light of all the miscues he has made?

Mr. Nielsen: He is responsible for the parole board, too.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member is trying to make a clear case of one which is not very clear to me. Surely a minister, like anyone else—

An hon. Member: They are not like anyone else.

Mr. Trudeau: —should be entitled to give character references on behalf of someone he knows in order to ensure that justice is tempered with mercy. That does not seem beyond the limits of any human being.

Surely it is up to the judge to decide whether he wants to receive such representation or not. Apparently the judge did not. I think this is certainly not the case of a minister trying to influence a judge—

Some hon. Members: Oh, oh!

Mr. Trudeau: —in any way that any citizen is asked to give a character reference.

Mr. Nielsen: He is not any citizen.

An hon. Member: He is the Solicitor General.

Mr. Trudeau: He is also a human being.

Mr. Nowlan: Then he should not be in that cabinet.

Mr. Trudeau: If the judge does not want to take into account the testimony of this human being on behalf of one of his fellow Canadians, that is the judge's prerogative.

• (1420)

APPROPRIATENESS OF SOLICITOR GENERAL'S ACTION

Mr. Chris Speyer (Cambridge): Madam Speaker, if the Prime Minister does not acknowledge that there is a distinction between a person acting in his own private capacity and when he holds the position of Solicitor General, my question to him is this: since the Solicitor General is responsible for everyone coming into the penitentiary system, and because the

Prime Minister knows that the purpose of good character evidence is meant to minimize sentence, does the Prime Minister not acknowledge that it is inappropriate for a Solicitor General to be giving good character references on behalf of anybody?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, all I can say is that this is not a clearcut case as far as I am concerned. This is not a minister trying to, once again, in an inappropriate way influence a judge. This is a minister offering his opinion as a human being. It might have been, in view of the temper of the opposition these days, that he should not have done that, but I am not prepared to say this.

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THE ECONOMY

REQUEST FOR INTRODUCTION OF NEW GOVERNMENT POLICY

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is for the Prime Minister. Since February of this year there have been ten Liberal members from the Montreal area who have indicated that they think that the economic direction of the government is a disaster, 16 Liberal members of the Liberal caucus economic development committee who have expressed a similar concern to that of those ten Liberal members, the Solicitor General who wrote a letter saying that the government's economic policies were a disaster, and we now have the Minister of State for Economic Development reported in today's *Le Devoir* as indicating that the economic policies being followed by the government are a disaster.

Given that there now appears to be a sense within the Liberal party that what is happening in this country with respect to the economy is heading us in a direction which will cause untold chaos and hardship for tens of thousands of people, can we expect to see a policy put forward by the government before the end of this current session—before the end of June—that will begin to address the problems that confront the one and a quarter million to one and a half million people who are currently unemployed, and the tens of thousands of people who are presently looking to their jobs with considerable trepidation mainly as a result of the government's inability to implement an economic policy which is not a disaster?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, what surprises me, frankly, is that the opposition seems to be showing great interest in the views of this caucus with regard to the economic situation in Canada.

An hon. Member: Everybody is.

Mr. Trudeau: Indeed, as the hon. member from the opposition says, everybody is. It would be surprising if members of this caucus, Liberal as they are, were not showing great concern for the rate of unemployment, the high rate of inflation, and for the economic difficulties that the country is going through.

I appreciate the solicitude shown by opposition members for the views of members of this caucus. I have great interest in those views myself. They are made known to me several times a week, and certainly in caucus every week. Indeed, that is the way this government operates, by soliciting the views of our caucus members and trying to adopt policies which would be beneficial to the country.

REPORTED STATEMENTS MADE BY MINISTER FOR ECONOMIC DEVELOPMENT

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, would the Prime Minister care to respond to the statement by the Minister of State for Economic Development, the Senator in the other place? Does he agree with Senator Olson when he says that the major economic thrust of the government was megaprojects, that the high interest rate policy of the government has been the primary factor that undermined the megaprojects, and that there are tens of thousands of jobs which have been lost as a result of the high interest rate policy of the government? If the Prime Minister does agree with him, will he now take steps to bring forward a new policy or, failing that, will he replace the minister?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I would challenge the hon. member's accuracy when he quotes Senator Olson as talking about high interest rate policies. The Senator knows, as does everyone in the House, that there is no high interest rate policy. There is a high interest rate. That high interest rate is due to the fact that Canada is an open market as far as capital is concerned, and its interest rates cannot be dissociated from the interest rates which prevail on the money markets of the world. That is the reality. It affects Canada, it affects France, it affects Britain, it affects Germany, it affects Italy, it affects Japan—it affects all countries. That does not mean that all of these countries are all seeking to have high interest rate policies; on the contrary, these countries are trying to fight against that high interest rate by having anti-inflation policies.

• (1425)

ALTERNATIVE POLICIES

Mr. Ian Deans (Hamilton Mountain): Is the Prime Minister suggesting that the people of Canada should believe that there is no action which can be taken by the federal government, or by any other government in Canada, to bring down the level of interest rates and thereby safeguard the jobs that they must have in order to provide their livelihood? Is the Prime Minister honestly telling the people of Canada that the policy which has brought about high interest rates and which has destroyed the very opportunities for those people is the only policy the government could follow?

Right Hon. P. E. Trudeau (Prime Minister): Well, I am not saying that, Madam Speaker. I challenge the hon. member to say whether he was quoting Senator Olson accurately or not.

Mr. Deans: Yes, I am.

Mr. Trudeau: Apparently, he was not—

Mr. Deans: I am.

Mr. Trudeau: —because he went on to some other subject. He referred to the people of Canada and no longer to Senator Olson.

As far as the people of Canada are concerned, there are other policies which can be followed. The premiers of most of the provinces proposed such a policy last February. It was that we lower the value of the dollar, perhaps to 75 cents, perhaps lower—who knows? That might temporarily bring down interest rates. It would certainly be only temporary; but, anyhow, that debate is open. I have not heard the views of the hon. member from the New Democratic Party on that matter.

Mr. Deans: Oh, yes, you have, many times.

Mr. Trudeau: Is he proposing a 75-cent dollar or a 70-cent dollar? Which is he proposing?

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HIS EXCELLENCY, MR. ISMAËL TOURÉ, MINISTER OF MINES AND GEOLOGY OF THE POPULAR AND REVOLUTIONARY REPUBLIC OF GUINEA

Madam Speaker: I have the honour of drawing the attention of the House to the distinguished presence in our gallery of His Excellency, Mr. Ismaël Touré, Minister of Mines and Geology of the Popular and Revolutionary Republic of Guinea.

Some hon. Members: Hear, hear!

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[*English*]

POLITICAL PARTIES

LIBERAL SUPPORT FOR MINISTER OF FINANCE

Hon. John A. Fraser (Vancouver South): Madam Speaker, my question is directed to the Minister of Finance. The minister knows that an increasing number of members of his own caucus are abandoning their support. The Prime Minister has just said that the reason is that they are as Liberal as they are, and I suggest to you, Madam Speaker, that the reason is that they are as scared as they are. In any event, can the minister tell the House how many Liberal MPs and Liberal cabinet ministers no longer support the finance minister? In other words, could we have the latest count?

Some hon. Members: Oh, oh!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do not go around applying a loyalty test, as must be the practice in the Conservative Party.

Some hon. Members: Hear, hear!

Mr. MacEachen: The hon. member asks how many Liberal members support the policies of the government. I refer him to the rather numerous votes which have been taken when motions have been moved by the opposition condemning government policies, and which have been joined in by Liberal members. That is the latest count. Every motion that is brought forward is defeated by Liberal members.

Some hon. Members: Hear, hear!

Mr. Fraser: Madam Speaker, we are not interested in the very significant difference between those Liberals who do not agree and those Liberals who vote for it anyway.

RECOMMENDATIONS MADE BY LIBERAL CAUCUS MEMBERS

Hon. John A. Fraser (Vancouver South): Madam Speaker, I want to direct a supplementary question to the Minister of Finance. On February 3, in a public letter, ministers and members of the Liberal caucus stated that measures must be taken as soon as possible as they are necessary right now. In April the minutes of a meeting of the ministers' own caucus were headed, "A sense of urgency", and stated the need to act quickly, and last week there were more comments urging action. Can the minister advise whether any of the recommendations from the Liberal caucus will be acted upon? It seems a shame to find that they are just wasting their time.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do not think it is really the hon. member's business to inquire into the business of the Liberal caucus, and it is not the business of the House of Commons to inquire into the business of the Liberal caucus.

Some hon. Members: Hear, hear!

QUERY RESPECTING LIBERAL MEMBERS' SUGGESTION ON INTEREST RATE POLICY

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is also directed to the embattled Minister of Finance, who finds that he has as many critics behind him right now as he has in front of him.

Some hon. Members: Not so.

Miss MacDonald: I would like to ask the minister about the group of Liberal dissidents who met on May 18 and advocated, at that meeting, the adoption of a realistic interest rate policy. Since they obviously feel that the present interest rate is not realistic, has the minister called them in and asked them what they mean by a realistic interest rate policy? When will he take steps to introduce a realistic interest rate policy?

• (1430)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I really want to make a point of this. It is not appropriate for members opposite to inquire about the business of the Liberal Party or how the government and members of the government relate to their supporters. That is not an appropriate subject matter for questioning on the orders of the day. I do not mind answering the question, but I do not think in principle it should be acknowledged that these members opposite, who apparently have no ideas of their own, have to come to our caucus to get ideas to ask us questions about what our members are discussing with us.

Some hon. Members: Hear, hear!

DATA SUPPLIED TO LIBERAL CAUCUS MEMBERS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my supplementary question is also to the Liberal Minister of Finance who is ashamed of the fact that his backbench members are spewing their comments about his economic policies all over the public press. It is from the public press that the information comes.

I would like to ask him about this latest group of dissidents who had data made available to them which shows that the unemployment rate in Canada will probably be increasing this year. That is a matter of grave concern, given the present disastrous jobless rate in the country. I would ask the Minister of Finance whether that data which shows that the unemployment rate will be going up this year has also been made available to him. If so, what programs is he prepared to introduce that will prevent the jobless rate from going up this year? Will he introduce them this afternoon during the opposition debate on unemployment among youth to match the employment measures that we will be putting forward so that we can see if the government has any measures to combat unemployment?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, if the hon. member wants to ask about the unemployment rate, and trends in the unemployment rate, I would be glad to answer, but when she asks me questions about the Liberal caucus I want to make a principle of it; I am not going to answer.

* * *

AIRPORTS

FUTURE OF DORVAL AND MIRABEL

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, in the absence of the Minister of Transport I will address my question to the Prime Minister. I must say that the sophistry in the answer of the Minister of Finance—

Madam Speaker: Order. I did say before that comments on previous answers are not justified in the question period, and all the more so if it is a new questioner taking the floor. The hon. member of Annapolis Valley-Hants, on a question.

Mr. Nowlan: Yes, Madam Speaker, on a question, after we have heard the most insulting sophistry in this House from the Minister of Finance.

My question to the Prime Minister is on an issue that has been debated by members on all sides, an issue that has got into the public press, and not just from the Liberal caucus, whose members have taken positions on Mirabel and Dorval. In the decision that is about to be taken by his colleague in cabinet, the Minister of Transport, will the interests of all Canadians be taken into account on any shift of air traffic from Dorval to Mirabel and not be just a tug of economic war between those who live close to Dorval and/or the Minister of Communications, and members who have an interest in Mirabel?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Madam Speaker, I can give that assurance. I am pleased to see that the hon. member for Annapolis Valley-Hants is taking an interest in this very important question.

Mr. Nowlan: I am taking a very real interest in it. I certainly hope that the Prime Minister, who is a member from the Montreal area as well as the Prime Minister of a national government in name only, continues to take an interest in it.

MINISTER'S APPEARANCE BEFORE COMMITTEE

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, will the Prime Minister assure the House that when the Minister of Transport appears before the Standing Committee on Transport he will in his open way, and sometimes very frank way, give some of the reasons both pro and con why he is even considering such a move from Dorval to Mirabel?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I cannot comment on the proceedings in a committee, let alone predict what will happen at that committee and what questions will be asked. I can give the hon. member the assurance that the minister will answer with his usual honesty and competence.

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THE ECONOMY

REQUEST FOR CHANGE IN MONETARY POLICY

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is directed to the Prime Minister. Over the weekend the very distinguished Liberal member of Parliament for Thunder Bay-Atikokan said in an interview with *La Presse*:

Our monetary policy is disastrous . . . it overestimates the effects of inflation. We can adjust to inflation, but not to . . . high interest rates. They're too much of a burden for the budgets of families and businesses.

In light of the opinion of that hon. member and of the overwhelming majority of people in this country, will the Prime Minister now follow that advice and change the government's monetary policy before the economic conference in Versailles next month?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member for Thunder Bay-Atikokan is, of course, right in deploring the high interest rates. The hon. member can be sure that we are taking into account his advice and that of all caucus members in establishing the posture we will be taking in Versailles.

PRIME MINISTER'S REPLY

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, the Prime Minister just said that the hon. member for Thunder Bay-Atikokan is right in his analysis that the monetary policy of the government is a disaster. If the member from Thunder Bay-Atikokan is right, I want to know why the Prime Minister is not changing the monetary interest rate policy of Canada.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not know whom the hon. member is trying to fool, but I said that the hon. member for Thunder Bay-Atikokan was right when he said the interest rates were too high. If the hon. member reads what he said as a comment on that, he will see that it is completely inaccurate and false.

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LAW OF THE SEA

EFFECT OF AGREEMENT ON CANADA

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, I would like to address my question to the Secretary of State for External Affairs. In light of the monumental agreement on the Law of the Sea which was recently achieved by the United Nations, would the minister advise this House of the major effects which this agreement will have on Canada?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, as with every agreement of this kind, the achievement is based on a series of compromises which do not entirely satisfy the national interest of any country. However, for coastal states such as Canada, the gain of the 12-mile territorial sea and the 200-mile economic zone, and especially for a country like Canada with the recognition of the continental shelf, there will be, when the treaty is in effect, an enormous leap forward in our control over our offshore resources.

I might say that the greatest importance of this treaty is not what it does for a single country like Canada, however meritorious our claims may be, but the fact that especially in the law of the deep-sea bed we have for the first time the recognition of a common heritage of mankind, and the setting up of an institution which can act for the benefit of all mankind.

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THE JUDICIARY

POLICY GOVERNING MINISTERIAL COMMUNICATIONS

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, my question is directed to the Prime Minister. In light of his earlier answer on the matter of Claude English, would he object to any of his ministers writing to any judge in similar circumstances about anybody in the future? Would he object to having them write to the parole board or to the Commissioner of Corrections? Does he have any policies with respect to conflict of interest matters such as the one that was raised here this afternoon?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the question is hypothetical in nature. I was asked about a specific case. I gave the answer as best I could. I would have to consider any other questions in light of the circumstances when they are posed.

Mr. Kilgour: The Prime Minister is unbelievable on this and many other issues.

MINISTERIAL RESPONSIBILITY

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, specifically would the Prime Minister object if his Solicitor General wrote a letter to the parole board or to the Commissioner of Corrections, who in effect is his employee, about this matter now that Mr. English is in a federal institution?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, my recollection of the guidelines is that they do not cover cases of that kind. The guidelines indicate that no minister of the government should try to influence a court of record by dealing with it in a surreptitious way or in a way which was generally outside the presence of lawyers or of the other party involved.

• (1440)

My recollection of the spirit of the guidelines is that it was precisely to prevent a minister from trying to influence a judge toward one side presumably without the other side being present to make the countrary case. If that is the spirit of the guidelines I think the Solicitor General acted within that spirit by doing something overtly which the other lawyer and the other party were presumably prepared and disposed to challenge, the result of which was an opinion of a judge which I heard quoted across the aisle—but I am not aware of the details of this case.

Once again I am not prepared to make an over-all statement beyond those guidelines that were issued some years ago

stipulating that there should be no attempt by a member of the government to influence a judge in one direction on a case behind the back of the other party to that case. It seems clear from facts that have just been made known to me by questions from across the aisle that the Solicitor General did not attempt to do that.

POSSIBLE CONFLICT OF INTEREST IN PAROLE ISSUE

Hon. Erik Nielsen (Yukon): Madam Speaker, this is a supplementary question for the Prime Minister. Does the Prime Minister not agree that the Solicitor General, in his capacity as the responsible minister in this House reporting with respect to the operations of the parole board, the decisions of the parole board, has totally compromised himself, in the sense that, when the application for parole of Claude English comes before the board, as it eventually will, together with the Solicitor General's letter, no doubt, whatever decision that board makes, whether it is to grant parole or not to grant parole, the accusation will be made that the board's decision has been influenced by the Solicitor General's action? Whether or not that be the fact, does he not agree that that perceived compromise, that perceived conflict is there?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member is talking about a hypothetical case some time in the future when the parole board looks at the dossier of this person. It seems to me that the parole board will be looking at the conduct of the prisoner during the time when he was in prison. I do not see that the parole board will be looking at some previous document, produced or not produced at the trial. When the hon. member asked me if it is not more important, I think, to save the appearances, was the effect of his question—

An hon. Member: Perceived.

Mr. Trudeau: To be perceived—my answer, and I have given it many times before, is that I think it is more important that justice be done than that it appear to be done.

Some hon. Members: Hear, hear!

SCOPE OF GUIDELINES GOVERNING MINISTERIAL CONDUCT

Hon. Erik Nielsen (Yukon): I have one further supplementary, Madam Speaker. Are we to take it from the Prime Minister's answer that the Solicitor General in his ministry, as the minister responsible for the penitentiary system and as the minister responsible for the parole board, is at perfect liberty to provide written material, knowing full well that it is going to be used as evidence in the fixing of sentences before our courts of law and the criminal justice system—that he is perfectly at liberty to do so? If he believes that, does he not believe that that is a radical departure from the rather rigid guidelines governing the conduct of ministers of the Crown, which were originally laid down by his predecessor, Mr. Pearson, and re-endorsed by himself as Prime Minister at a time when he was having difficulties with other members of his ministry?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member makes the point that the minister is responsible for the parole board. But he is not responsible for the courts of justice. The document which is being referred to is apparently a letter sent by the lawyer to the courts of justice, not to the parole board but to the courts of justice.

Once again I am referring to the information I have received from the members across the way. I have not had any notice of this case until the first question was asked this afternoon. I repeat, the minister is responsible for the parole board, not for the courts of justice. My recollection of the guidelines—I will be happy to refresh my mind and refresh the mind of the hon. member for Yukon on the contents of those guidelines—is that no minister should attempt to influence, in a one-sided way, a court of justice. But a minister remains a member, a citizen of this country, a person who is interested in the fair application of justice. I can see no part of a guideline which would be contradicted by the act of the hon. minister. Once again, let us look at the guidelines and let the hon. member refresh his own memory and indicate to me what part of the guidelines is covered by the question we are discussing now.

REQUEST THAT PRIME MINISTER INVESTIGATE CIRCUMSTANCES SURROUNDING MINISTER'S ACTION

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, this is a supplementary to the Prime Minister. The case we are discussing is not a case which is the responsibility of the opposition. It is the responsibility of the Prime Minister as head of the government to see whether or not in this case there has been a contradiction of the guidelines. I am sure if the Prime Minister looks at the guidelines he will see that, aside from the specifics of the guidelines, there is a general disapprobation of behaviour that might be inconsistent with the holding of public office.

What the House would like to ask the Prime Minister, who has responsibility in this matter, and who said that he has not seen it until just today, is whether or not, now that he has had it raised in the House, he himself will undertake an investigation, and chat with the Solicitor General, to see whether ot not the circumstances are such that the Solicitor General ought to remain as a law officer of the Crown or ought to be moved to some other responsibility.

Mr. Nielsen: Or out entirely.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I can assure you that from the time the first question was asked this afternoon it was my intention to refer to the guidelines and then to ask information about exactly what was done. I can assure the hon. member that in any discussion I have with the hon. minister, with the hon. member or anyone else, I would still hold it is not a bad thing in our society for justice to be tempered with mercy.

Some hon. Members: Hear, hear!

ADMINISTRATION OF JUSTICE—POSSIBILITY OF FAVOURITISM

Hon. Walter Baker (Nepean-Carleton): The question is not whether justice should be tempered with mercy; the question is whether or not there should be any favouritism with respect to justice.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): I think it should be obvious to the Prime Minister that a letter from a Solicitor General intended to be part of the legal proceeding in a court does not have that sense of evenhandedness about it, and that ought to be obvious to anyone. Will the Prime Minister undertake that he will approach this from the point of view of the appropriate administration of justice, because that is what is at issue here?

Right Hon. P. E. Trudeau (Prime Minister): The hon. member makes his case around the question of whether there was favoritism or not. I can assure the hon. member, as I know the Solicitor General, that he would be prepared to intervene on behalf of anybody who deserved intervention, whether he be a minister or whether he be—

An hon. Member: A campaign worker.

Mr. Trudeau: —or whether he not be a minister. The question once again is one that I am sure all members of this House must ask themselves when they are asked to intervene on behalf of anyone. The fact that we are a Member of Parliament, let alone a minister, is in a sense lending our authority to a particular case.

Mr. Baker (Nepean-Carleton): Exactly.

Mr. Trudeau: I am sure that members opposite lend their authority—

Mr. Baker (Nepean-Carleton): Not in the criminal courts.

Mr. Trudeau: —whether it be intervening as character references or whether it be by approving the application of some citizen or some student for a bursary; we are all lending our moral authority. I do not think that in doing that we have a feeling that we are using favouritism.

In this particular case, once again if I refer to the first question asked this afternoon, it appears that the judge discounted that.

An hon. Member: He said it was in poor taste.

Mr. Trudeau: He said that it was in poor taste. He did not say it was improper. He said he thought this should not have been done. That shows that the courts have not been influenced in this case. Once again, let the hon. member refer to the guidelines. I will do it myself and I will discuss this question further.

• (1450)

VETERANS AFFAIRS

PROCESSING OF PENSION APPLICATONS

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is for the Minister of Veterans Affairs. The minister has said that he has no objections to the implementation of a six-month time limit for the processing of veterans' pension applications, including the appeal process, except that this time limit might hinder the retrieval of medical records from veterans. Surely the new computer system being phased in by the department would eliminate any such information transfer problems. Assuming that the department can establish a means of gathering the necessary medical data in time, will the minister now commit his department to a six-month time limit?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Madam Speaker, the hon. member has raised the question of the processing of pension applications on a number of occasions. We commissioned a study to look into the administrative process by which pensions are handled by the Pension Commission. We have made very definite progress in terms of reducing the time limit. I set six months as an objective, and I will continue to work until we achieve that goal.

INTRODUCTION OF TIME LIMITS

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, it seems improbable to me that the minister would choose to ignore recommendations made by the Public Accounts committee, by the Senate Standing Committee on Health, Welfare and Science, by many veterans' organizations, and by the Conservative Party, that the processing period must be drastically shortened and that this period be set at six months. If the minister is not ignoring this backlog of advice, what is he planning to do about implementing firm time limits so that veterans can at least live with the knowledge that they will receive an answer at a given date?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Madam Speaker, it is obvious that the hon. member did not listen to the answer to his first question. I said that I agree with the six-month time period and will work until we achieve that.

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POLITICAL PARTIES

LIBERAL MEMBER'S REPORTED STATEMENT ON LABOUR CONDITIONS

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, my question is addressed to the Prime Minister. The Liberal member for Laval was quoted in *La Presse* this weekend as follows:

—it is clear that our policies now seem stale. We have no comprehensive program for job creation to propose, we have only crutches.

As more and more Liberal Members of Parliament abandon their party's economic ship, will the Prime Minister now admit, as do his backbenchers, that they do not have a clue about what is happening in the long-term the short term, or what to do about the unemployment crisis in the country?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if anybody does not have a clue it is members of the New Democratic Party who have spent the whole afternoon quoting members from this side.

REQUEST THAT PRIME MINISTER RESIGN

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, the quotations go on. The hon. member for Sudbury said, "The country cannot endure a winter like the one we've just been through". On behalf of all members on all sides of the House I ask the Prime Minister if he will not go to the people at this time, when can we expect his resignation as leader of the Liberal party and as Prime Minister of this country?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, that proves what I just said; the hon. member does not have a clue.

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PUBLIC WORKS

REQUEST THAT CONSTRUCTION OF WASHINGTON EMBASSY BE POSTPONED

Mr. Jack Shields (Athabasca): Madam Speaker, may I put a question to the Prime Minister. Is the government or the Prime Minister considering postponing the design and construction of the embassy building in Washington because of the economic hard times facing Canada, with unemployment at an all time high, farmers going bankrupt, and small-business men going bankrupt and, if not, why not?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I seem to recall that that very same question was asked last week. The government has not changed its position on this in the past week. If the hon. member is going to ask the question next week, maybe he could suggest other buildings in other countries that should be postponed, because Canada is proceeding with construction across this country and some other embassies in other countries. I will be happy to hear the question next week and see if there is anything new.

REQUEST THAT PRIME MINISTER CONSIDER SPENDING EMBASSY FUNDS IN CANADA

Mr. Jack Shields (Athabasca): Madam Speaker, at a time when literally every businessman and every farmer in this country is postponing capital construction, the Prime Minister comes out with an answer like that.

I ask the question again, Madam Speaker. Because of the economic difficulties facing people in Canada would the Prime Minister consider saving that $30 million and spending it in Canada where it might do some good?

I will ask again next week.

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STATUS OF WOMEN

QUERY RESPECTING PAMPHLET ON BATTERED WIVES

Mr. Jim Hawkes (Calgary West): Madam Speaker, my question is directed to the Minister of National Health and Welfare. Could she inform the House of the month in which there will be an insert in family allowance cheques regarding the rights and resources available to women who become battered wives? Which month will that insert be included with the cheques?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, given prior notice I could have answered the hon. member's question right away. Unfortunately, I do not have the information in my head but I could send him an exact list of future inserts and their subject matter.

[*English*]

PROVISION OF SHELTER FOR BATTERED WIVES

Mr. Jim Hawkes (Calgary West): Madam Speaker, I have a supplementary question for the Minister of Public Works. When will vacant Crown buildings be made available to groups who wish to provide shelter for battered wives?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, there is a program and provision under Section 56(1) of the National Housing Act which deals with co-op and non-profit housing. On a number of occasions that provision has been used by some organizations in some areas of the country to provide shelter assistance to wives who are looking for shelter on an emergency basis.

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THE JUDICIARY

NATURE OF CHARACTER REFERENCE PROVIDED BY SOLICITOR GENERAL

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, as a result of some questions being asked about the Solicitor General's intervention in the Mr. English case, I want to ask a short question. What pertinent facts, if any, could the Solicitor General provide that would not have been available from some other source?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I know the young man. I felt that having known him and having worked with him for a short period of time I was in a position to put evidence forward that, if he was given a break in life, he could turn out to be a decent and contributing member of Canadian society. In the part of Toronto that I represent, unemployment among teenage blacks is a very serious problem. I felt that he is a decent kid who had made a mistake but still deserves a break.

Some hon. Members: Hear, hear!

INTERPRETATION OF GUIDELINES GOVERNING MINISTERIAL CONDUCT

Hon. James A. McGrath (St. John's East): Madam Speaker, I have a supplementary question for the Prime Minister. We are talking about the integrity of the Canadian courts. In view of his reply to the hon. member for Edmonton-Strathcona I want to ask the Prime Minister if it is his interpretation of the guidelines that it is now all right for ministers of the Crown, including the Solicitor General, to try to influence judges if they do it up front. Is that the position he is taking in this House?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member has heard my answer. I did not say "You can influence judges if you do it up front". I said there is a difficult question as to whether a minister can act as a human being or whether he must dissociate himself from that position when he is intervening in a case like the one mentioned by the hon. member. Surely this is not a case of one side fighting against the other. This is the Crown trying to establish whether a man should receive a longer or shorter sentence. It is a known judicial practice in this country that character references are given by citizens. The more distinguished the citizen, the better from the point of view of the lawyer and from the point of view of the accused.

Once again, without refreshing my memory on the guidelines I cannot answer this question with finality. I undertook earlier to look at them. I cannot see that it is against the spirit of the guidelines to try to help a human being who is going to be sentenced by saying, "I know this man and he deserves to be treated with mercy".

• (1500)

POSSIBILITY OF CONFLICT OF INTEREST

Hon. James A. McGrath (St. John's East): Madam Speaker, if the guidelines were not breached, does the Prime Minister accept the proposition that the Solicitor General, in intervening a pre-sentence hearing by way of counsel—it was an intervention—was in serious conflict of interest given the fact that the person before the courts was convicted of not one but two violent crimes?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it would be interesting to find out from the hon. member what interest was in conflict with another interest. I cannot see any personal gain which would accrue to the minister by giving a character reference. In that sense, what was the conflict of interest? He may have been acting in a way which was unusual; he certainly was acting in a way which does not have the approval of many of the opposition members. But whether that was against the guidelines or not I will only say when I have read the guidelines again. All I say is that my recollection of the guidelines is that they are not offended by this act, and that the minister has sought no personal gain. I repeat for the third time, he has just sought to ensure that justice be tempered with mercy, which is a good Liberal attitude.

Some hon. Members: Hear, hear!

* * *

PETITION

MR. PATTERSON—RECONSIDERATION OF GUN CONTROL LEGISLATION

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the two hundred and forty-eighth report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Fraser Valley East (Mr. Patterson) and finds that it meets the requirements of the Standing Orders as to form.

* * *

PRIVILEGE

MR. DOMM—ENFORCEMENT OF METRICATION—QUESTION DEFERRED

Mr. Bill Domm (Peterborough): Madam Speaker, last week a number of things happened during proceedings of the House which prompted me to serve notice in the normal way that I intended to rise today on a question of privilege. On returning to the House, having had the opportunity of reading *Hansard* from last Friday, I learned that you ruled the question of privilege I wished to raise would be considered a grievance over a commitment by a minister and the carrying on of the affairs of his ministry through his civil servants, namely, the enforcement of metrication.

For that reason I will defer my question of privilege, and I am now exploring the various ways you have suggested where this matter might be raised as a grievance in the House or through other means. If you would bear with me until I have an opportunity to explore those opportunities, I will defer my question of privilege.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,810, 2,833, 2,849, 2,865, 2,913, 2,952, 2,953, 3,553, 3,556, 3,896 and 4,149.

[*Text*]

DEPARTMENT OF COMMUNICATIONS—EDUCATION LEAVE COSTS

Question No. 2,810—**Mr. Clarke:**

1. With reference to the education leave costs recorded by the Department of Communications at page 13.6, volume I of the 1979-80 Public Accounts of Canada, what guidelines were used to determine (a) which employees should obtain educational leave and whether such employees should be granted (i) leave with pay (ii) travel expenses (iii) payment for tuition (b) whether the skills to be acquired were needed on a permanent basis?

2. What percentage of the education leave cost of $118,708 was necessitated by the acquisition of new equipment and by the need to have new skills in order to use the equipment?

3. What percentage of the education leave was necessitated by reason of job redundancy because of the (a) acquisition of equipment (b) change in the role of the employing agency (c) change in the capabilities of employees?

4. What percentage of employees granted such leave in the past three years have subsequently left the public service?

Mr. Jack Masters (Parliamentary Secretary to Minister of Communications): In so far as the Department of Communications is concerned, the answer to the above question is as follows: 1. (a) and (b) Please refer to Treasury Board Policy, Personnel Management Manual, chapter 110-5, "Conditions governing education, training and development, including subsidization".

2 and 3. Nil.

4. Fourteen per cent.

NATIONAL RESEARCH COUNCIL—EDUCATION LEAVE COSTS

Question No. 2,833—**Mr. Clarke:**

1. With reference to the education leave costs recorded by the Ministry of State for Science and Technology for the National Research Council of Canada at page 13.6, volume I of the 1979-80 Public Accounts of Canada, what guidelines were used to determine (a) which employees should obtain educational leave and whether such employees should be granted (i) leave with pay (ii) travel expenses (iii) payment for tuition (b) whether the skills to be acquired were needed on a permanent basis?

2. What percentage of the education leave cost of $19,891 was necessitated by the acquisition of new equipment and by the need to have new skills in order to use the equipment?

3. What percentage of the education leave was necessitated by reason of job redundancy because of the (a) acquisition of equipment (b) change in the role of the employing agency (c) change in the capabilities of employees?

4. What percentage of employees granted such leave in the past three years have subsequently left the public service?

Mr. Jim Schroder (Parliamentary Secretary to Minister of the Environment and Minister of State for Science and Technology): In so far as the National Research Council is concerned, the reply is as follows:

1. (a) The eligibility provisions for a recommendation put forward for a member of the scientific or professional staff are defined as staff who: (i) does not possess a doctor's degree, (ii) has academic qualifications of scholarship calibre, (iii) has been on staff for at least two years and has demonstrated outstanding ability, (iv) is considered suitable to become a member of the permanent staff of the council.

Education leave is normally granted at half pay, but may be granted at a greater or lesser rate. An employee who does not meet the requirements detailed above may be granted education leave without pay. A recommendation may be made by the director of a division to the executive vice-president who may approve it on behalf of the president.

(b) The eligibility provisions make it clear that the skills to be acquired are needed on a permanent basis.

2. None.

3. None.

4. Thirty-three per cent. Two employees out of six have left NRC.

DOT—HOSPITALITY SERVICES

Question No. 2,849—**Mr. Clarke:**

With reference to the professional and special services recorded by the Department of Transport under the Air Transportation Program at page 32.40, volume II of the 1979-80 Public Accounts of Canada, with particular reference to hospitality services (a) how does the department account for the 38 per cent increase in expenditure for the item over that for 1978-79 (b) what is a list of each contract of a value more than $2,000 (c) are guidelines used to determine when the department will pay for hospitality and, if so, what are they (d) of the $37,594 paid for hospitality, what percentage was principally used to entertain (i) foreign visitors (ii) Canadian businessmen (iii) provincial public servants (iv) federal public servants (v) ministerial exempt staff (vi) Members of Parliament (vii) Members of Provincial Parliaments, Legislative Assemblies and the National Assembly (viii) Canadian dignitaries, such as the Governor General and Lieutenant Governors General (ix) federal Crown corporation executives (x) provincial Crown corporation executives (xi) members of federal commissions, boards and councils (xii) any other categories?

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): (a) Increase in 1979-80 due to: (i) $6,500 spent for a reception hosting the Royal Canadian Flying Clubs, (ii) $1,200 spent for the Dubin Inquiry on Air Safety, (iii) price increases in meal allowances and entertainment.

(b) None.

(c) Guidelines used are those stated in chapter 360 of the Treasury Board Administrative Policy on hospitality.

(d) The information requested is not readily available.

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE—HOSPITALITY

Question No. 2,865—**Mr. Clarke:**

With reference to the professional and special services recorded by the Department of Industry, Trade and Commerce under the tourism program at page 32.16, volume II of the 1979-80 Public Accounts of Canada, with particular reference to hospitality, including posts abroad (a) what is a list of each contract of a value more than $2,000 (b) are guidelines used to determine when the department will pay for hospitality and, if so, what are they (c) of the $450,922 paid for hospitality, what percentage was principally used to entertain (i) foreign visitors (ii) Canadian businessmen (iii) provincial public servants (iv) federal public servants (v) ministerial exempt staff (vi) Members of Parliament (vii) Members of Provincial Parliaments, Legislative Assemblies and the National Assembly (viii) Canadian dignitaries, such as the Governor General and Lieutenant Governors General (ix) federal Crown corporation executives (x) provincial Crown corporation executives (xi) members of federal commissions, boards and councils (xii) any other categories (d) what percentage of the $450,922 was used for hospitality (i) outside (ii) inside Canada?

Mr. David Berger (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): In so far as the Department of Industry, Trade and Commerce is concerned:

(a) Individual payments made of a value more than $2,000 which related to a single event were as follows:

Edmonton Klondike Days Association, Edmonton, Alta., $2,005 and $3,776; Calgary Convention Centre, Calgary, Alta., $2,037.67; Le Chateau Champlain, Montreal, Que., $2,565.20 and $14,153.97; Convention and Tourist Bureau of Metropolitan Toronto, Toronto, Ont., $4,000; Marriott Hotels, Chicago, Illinois, $3,059.54; Thunderbird Motel, Bloomington, Minnesota, $2,321.08; Hilton Hawaiian Village Hotel, Honolulu, Hawaii, $2,292.30; Air Canada, Cherry Hill, New Jersey, $3,527.29; Hyatt Regency Hotel, Chicago, Illinois, $7,953.80.

(b) Treasury Board Hospitality Directive March 1, 1977. Treasury Board Circular No. 1977-3. Foreign Service Hospitality Directive TB No. 694590 dated February 12, 1970. Heads of Posts Directive TB No. 692275 dated October 2, 1979.

(c) This information is not readily available from our accounting records.

(d)(i) Fifty-one per cent. This percentage reflects only the costs incurred under the foreign service hospitality directive by the various posts abroad.

(ii) Forty-nine per cent. This percentage reflects all other hospitality expenditures authorized by headquarters. Our accounting records do not readily allow a breakdown of hospitality costs incurred inside or outside Canada, except as described in (d)(i).

DOT—TECHNICAL PERSONNEL SERVICES

Question No. 2,913—**Mr. Clarke:**

With reference to the professional and special services recorded by the Department of Transport under the Marine Transportation Services Program at page 32.39, volume II of the 1979-80 Public Accounts of Canada, with particular reference to technical personnel services (a) how does the department explain the 79 per cent increase in expenditure for the item over that for 1978-79 (b) what was the name of each type of service (c) what was the amount paid for each service and, for contracts over $2,000, to whom was it paid?

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): (a) The main reason for the increase over 1978-79 expenditures was the grounding of the oil tanker *Kurdistan*. A total of $913,861 was required for oil clean-up work, surveillance, environmental and legal consultation.

(b) The department has readily available only the name and amount of contracts over $2,000.

(c) Name of persons or firms	Amount over $ 2000	Coast Guard Office
A & B Construction Co. Ltd.	$ 2,982	Western
Acres Consulting Services Ltd.	5,530	Headquarters
Adga Ltd.	237,424	Western
Aero Photo Inc.	4,400	Headquarters
Wallace Amos	4,880	Maritimes
Arctec Canada Ltd.	125,301	Headquarters
Aqua—Marine	2,770	Laurentian
Aqua—Spection	11,396	Laurentian
Atlantic Video Productions	4,381	Headquarters
Bastion City Charters	18,363	Western
Beck Construction Ltd.	70,332	Central
Ben Livingston & Sons Ltd.	2,185	Maritimes
B. H. Levelton & Associates Ltd.	3,579	Western
Boiler & Air Conditioning Maintenance Inc.	2,258	Headquarters
Boyds Underwater Services	3,300	Maritimes
Brabazon Associates of Canada	2,302	Laurentian
Bramalea Ltd.	2,813	Central
K. Lois Brown	7,504	Newfoundland
Buckland & Taylor	13,205	Western
Burness Corlett & Partners Ltd.	35,518	Headquarters & Maritimes
Burrard Yarrowns Corporation	9,386	Newfoundland
Canadian Marine Rescue Auxiliaries	33,618	Western
Canadian Marine Transportation Centre	3,347	Headquarters
Chiassons Trophies	2,100	Central
C. E. Cloutier	13,424	Maritimes
C.N. Marine	4,009	Maritimes
Colynis Nursey	7,000	Western
Compagnie Général Électrique	6,998	Laurentian
Cooper Tanner & Associates	4,358	Western
E. C. B. Corlett in trust for Netherlands Ship Model Basin	2,032	Headquarters
Creed Petroleum	7,096	Maritimes
Davan Construction Ltd.	4,375	Central
Decorverd	2,958	Laurentian
D. E. McMullen & Associates	14,200	Central
Dominion Diving Limited	4,178	Maritimes
David Andrew Drake	12,454	Headquarters
Michael Dufour	6,449	Headquarters
Eastern Canada Towing	240,113	Maritimes
Electromec Division Maritime Inc.	32,192	Laurentian
J. M. Forsyth	7,541	Maritimes
Friesen Kaye and Associates	10,200	Headquarters
David Gauthier	13,319	Maritimes
German & Milne	8,969	Headquarters
Environment Halifax	51,114	Maritimes
Hull	10,000	Headquarters
Regina	8,500	Western

(c) Name of persons or firms	Amount over $ 2000	Coast Guard Office
Fisheries & Oceans	158,642	Maritimes
Health & Welfare	5,000	Headquarters
Indian & Northern Affairs	5,675	Central
National Defence Halifax	68,422	Maritimes
Ottawa	3,788	Headquarters
National Harbours Board	128,015	Headquarters
Public Works London	4,242	Headquarters
Ottawa	3,150	Central
Willowdale	19,184	Central
Revenue Canada	2,814	Maritimes
Secretary of State	9,589	Headquarters
Statistics Canada	61,493	Headquarters
Supply and Services	36,272	Headquarters
Transport	3,632	Headquarters
Roderick Hayes	2,000	Laurentian
Hayes Stuart & Co. Ltd.	2,198	Headquarters
Hoyles Niblock International Ltd.	15,000	Western
Hunter Construction Ltd.	5,230	Western
IMP Group Limited	2,160	Maritimes
International Simultaneous Translation Service	13,848	Headquarters
G. Isenor	12,110	Maritimes
J. A. Edgett Excavating Ltd.	252,900	Western
Kevin Madge Construction Co.	2,500	Central
Labsonic	2,345	Laurentian
Pierrette Landry	3,002	Headquarters
Lasalle Hydraulic Laboratory Ltd.	10,000	Headquarters
MacGregor Canada Ltd.	4,002	Headquarters
John A. MacDonald	8,969	Maritimes
MacLaren Morex Inc.	9,593	Maritimes
John E. Mahoney	7,035	Headquarters
Maritime Waste Oil Service	14,202	Maritimes
B. McShane	12,375	Maritimes
Ministère du Tourisme de la Chasse et de la Pêche du Québec	2,205	Laurentian
N. S. Department of Environment	116,459	Maritimes
Pacific R/M Janitorial Service	7,623	Western
Port Arthur Shipbuilding	15,701	Central
Preston Landscaping Regd	3,879	Maritimes
Remotec Applications Inc.	7,490	Newfoundland
Robert Wahba Consultant & Associates	21,425	Central
R. W. Digdon Construction Ltd.	5,171	Maritimes
Sanivan Inc.	297,000	Laurentian
Thomas Smith	8,230	Western
Thomas Henry Smith	3,000	Western
Société d'Études Complémentaires en Administration	2,400	Laurentian
Sperry Gyroscope	9,297	Headquarters
St. Lawrence Seaway Authority	46,825	Western
Sullivan Construction Ltd.	202,746	Maritimes
S. Mason Tangier	12,537	Maritimes
Chantal Tanguay	11,477	Laurentian
Harry A. Taylor	5,200	Western
Ted Mason Landscaping Ltd.	7,975	Western
The Royal Danish Administration of Navigation and Hydrography	391,649	Headquarters
The Wind Turbine Co. of Canada	15,358	Central/Laurentian
Thor-Tech Services	10,935	Central
Tri-County Construction	4,944	Maritimes
Turjo Construction Ltd.	2,140	Maritimes
Universal Enterprises	6,375	Maritimes
Wainwright Analytical	7,000	Maritimes
Preston Young	12,478	Maritimes

Order Paper Questions

NRC—CATERING AND QUARTERING SERVICES

Question No. 2,952—**Mr. Clarke:**

With reference to the professional and special services recorded by the Ministry of State for Science and Technology for the National Research Council at page 32.30, volume II of the 1979-80 Public Accounts of Canada, with particular reference to catering and quartering services (a) what was the name of each type of service (b) what was the amount paid for each service and, for contracts over $2,000, to whom was it paid (c) for what reason does the council require these services?

Mr. Jim Schroder (Parliamentary Secretary to Minister of the Environment and Minister of State for Science and Technology): In so far as the National Research Council is concerned, the reply is as follows:

(a) and (b) Luncheons, food services—working groups	$7,813.38
Luncheons, food services—hospitality	21,059.90
	$28,872.78

There were no contracts for $2,000 and over.

(c) Luncheons, food services and hospitality are provided by the council when discussion on official matters are held with persons who are not employees of the Government of Canada, by persons who are members of national or international committees or organizations.

Question No. 2,953—**Mr. Clarke:**

With reference to the professional and special services recorded by the Ministry of State for Science and Technology under the Scientific and Technical Information Program—the National Research Council at page 32.31, volume II of the 1979-80 Public Accounts of Canada, with particular reference to catering and quartering services (a) what was the name of each type of service (b) what was the amount paid for each service and, for contracts over $2,000, to whom was it paid (c) for what reason does the council require these services?

Mr. Jim Schroder (Parliamentary Secretary to Minister of the Environment and Minister of State for Science and Technology): In so far as the National Research Council is concerned, the reply is as follows:

(a) and (b) Luncheons, food services—working groups	$1,637.57
Luncheons, food services—hospitality	1,627.76
	$3,265.33

There were no contracts issued in excess of $2,000 each.

(c) Luncheons, food services and hospitality are provided by the council when discussion on official matters are held with persons who are not employees of the Government of Canada, by persons who are members of national or international committees or organizations.

FEES PAID TO TRUSTEES IN BANKRUPTCIES

Question No. 3,553—**Mr. Herbert:**

With reference to the answer to question No. 3,330, was a similar question dated July 23, 1975 answered by the Department of Consumer and Corporate Affairs and, if so, on what date and for what reason was the statistical system changed?

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Yes, a similar

question was answered. The changes to the statistical system were made in 1976 when the department realized that the amount of trustee fees were of very little use to the users of the data and not very representative without the other costs of administration.

AUDITOR GENERAL'S REPORT

Question No. 3,556—**Mr. Blenkarn:**

1. With reference to the Auditor General's statement on page 167 of his report that over 40 per cent of the investigations commenced were not completed within the target date of 18 months and that some investigations are now behind by as much as 43 months (a) which investigations were not completed in 18 months (b) who were the persons being investigated (c) which persons were investigated in excess of 43 months (d) for what reason did it take so long to investigate these people?

2. What are the guidelines given by the minister to the Bureau of Competition Policy to make investigations?

3. How many persons are employed in the bureau of Investigation?

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): 1. In keeping with the provision of Section 27 of the Combines Investigation Act, which stipulates that any inquiry under the act shall be conducted in private, the policy tradtionally followed by the director has been not to give any indication nor disclose any information with respect to inquiries under the act. The public is informed about the administration of the act through the periodic reports of the Restrictive Trade Practices Commission, special inquiries, court proceedings and the annual report of the director which has to be submitted to Parliament. Accordingly, no details can be given on the questions asked in paragraph 1. except for part (d) which relates to the reason why it takes so long to carry out the investigations. Inquiries are often interrupted by court proceedings initiated by those who are under inquiry for the reason that the director or the Restrictive Trade Practices Commission has no jurisdiction in the matter. The dimension and size of many investigations, the technical complexity of the economic or legal questions involved require a substantial portion of the limited resources.

2. None. The law sets out the guidelines for initiating inquiries.

3. Two hundred and thirty persons are employed in the Bureau of Competition Policy, 184 of which are assigned to the direct enforcement of the act.

NUU-CHAH-NULTH LAND AND SEA CLAIM

Question No. 3,896—**Mr. Miller:**

1. Did the Office of Native Claims of the Department of Indian Affairs and Northern Development submit the Nuu-chah-nulth Land and Sea Claim to the Department of Justice to ascertain the claim's legal merit and, if so, on what date?

2. What (a) procedure and criteria (b) specific information sources did the Department of Justice use to ascertain the legal merits of the claim?

3. What were the results and recommendations the Department of Justice forwarded to the Department of Indian Affairs and Northern Development concerning the legal merits of the claim?

4. What information and documentation were the Nuu-chah-nulth claimants asked to provide to the Department of Justice to support the claim?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Indian Affairs and Northern Development and Justice as follows: 1. Yes, February 1981.

2. A review of the claim was made on the basis of the 1973 policy on comprehensive claims and of information supplied by the Department of Indian Affairs and Northern Development.

3. Any advice provided to the department of IAND would be confidential.

4. None.

LICENSED EEL FISHERMEN

Question No. 4,149—**Mr. Corbett:**

What are the names and addresses of the licensed eel fishermen in Queen's county, King's county, Saint John county and Sunbury county, New Brunswick?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Lists of fishermen traditionally have not been published. This policy is practised in order to protect the fisherman's right to privacy.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 2,969 could be made an order for return, this return would be tabled immediately.

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Does the House agree that question No. 2,969 be made an order for return?

Some hon. Members: Agreed.

[*Text*]

DEPARTMENT OF THE ENVIRONMENT—UNINSURED LOSSES

Question No. 2,969—**Mr. Clarke:**

1. With reference to the uninsured losses of more than $1,000 of equipment recorded by the Department of the Environment in footnote No. 7 at page 13.4, volume I of the 1979-80 Public Accounts of Canada, under what circumstances was the equipment lost and (a) who was culpable (b) were any convictions made and, if so, what sentences were imposed (c) are any trials or appeals pending (d) was the equipment replaced (e) did the department undertake steps to ensure that such losses did not recur and, if so, what were they?

2. What other equipment losses are part of the unaccounted balance of $42,120?

3. What use does the department make of the portable radio, audio visual equipment, outboard motor, saddles and saddle bags, electronic sartorious balance and the water level recorders?

Return tabled.

[*English*]

STARRED QUESTION

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, would you be so kind as to call starred question No. 3,462?

[*Text*]

*CANADA POST CORPORATION

Question No. 3,462—**Mr. Young:**

1. Does Canada Post intend to move the location of its philatelic services from Ottawa to Antigonish?

2. How many employees currently employed in the unit are (a) physically disabled (b) mentally handicapped?

3. Are measures being taken to place such employees in other employment and, if so, what are such measures?

[*English*]

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Madam Speaker, the answer to the question is:

1. Yes. In response to the federal government's decentralization program, the Canada Post Corporation is now planning the move of its philatelic services from Ottawa to Antigonish.

2. (a) five, (b) two.

3. Yes, the measures being taken are: (a) preferred consideration for any positions at an equivalent level that become vacant elsewhere at the head office of the Canada Post Corporation in Ottawa; (b) preferred consideration for developmental assignments to positions in other sections to try to enhance the qualifications of the employees concerned; (c) registration of the names of the employees with the Public Service Commission's placement bureau for handicapped employees for transfer to positions in government departments and other federal agencies. If the employees have not been relocated to other positions between now and about nine months before the move is scheduled to occur, action to transfer them to other positions will be intensified at that time.

Mr. McKenzie: Madam Speaker, I rise concerning two questions I have on the Order Paper, one of them being No. 4,072 from February 25. The question deals with Department of Transport directive No. 2080-1, which in turn deals with "Francophone participation—Ontario region", which establishes special recruitment teams to go into universities and schools in Ontario and Quebec to hire Francophones for employment in the federal civil service. My question deals with whether or not other language groups such as Polish, Ukrainian, Italian and Portuguese will be receiving these same privileges. This aspect of the government's bilingualism policy has never been brought out in the open and explained to the Canadian people, especially the 40 ethnic groups and the Anglophones who are not receiving this preferential treatment.

In addition, there is question No. 4,175 which I placed on the Order Paper on March 24. This is not an unusually long period of time, but it is extremely important that we find out what is going on in the Department of Consumer and Corporate Affairs because a senior official, Mr. R. W. Bailey, has written a letter to the assistant deputy minister stating that there are rumours circulating in the patent office that the hiring team presently seeking examiners has been instructed to limit their search to Francophones, particularly unilingual Francophones.

It has been further alleged that academically qualified Anglophones have been rejected for employment. Mr. Gagnon wrote back to Mr. Bailey that this was correct, that this is the policy. So I would like to impress upon the parliamentary secretary the importance of having these questions answered as soon as possible. Nothing like this has ever received all-party approval and there has never been any discussion in this House or anywhere else about preferential hiring policies of the government.

Mr. Smith: Madam Speaker, I am not aware of what stage the answers are at right at the moment, but I will be pleased to look into the matter for the hon. member. At such time as the answers are available in the two official languages of this country, they will certainly be tabled.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

Madam Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—YOUTH EMPLOYMENT

Mr. Blaine A. Thacker moved:

That this House condemns the government for the economic mismanagement which has led directly to the loss of 300,000 jobs since August, 1981 and produced a crisis situation for students seeking summer or permanent employment, and calls on the government to accept its responsibility for this tragic mess and promote the private and public sector hiring of Canada's youth so that those attending school can afford to continue to acquire needed skills, and those graduating can immediately become productive members of the work force.

He said: Madam Speaker, you have just read a motion which sets forth that since August of last year some 300,000 jobs have been lost, the bulk of which is borne by the youth of this country.

• (1510)

This motion of condemnation is well deserved by the Liberal government. It is moved on behalf of all Canadians, but especially on behalf of our youth. Liberal times are becoming truly lousy times. Young Canadians are being forced to pay for the accumulated blunder of the government, and for the ignorance and plain stupidity of its policies. The fault lies directly with the cabinet but also with Liberal backbenchers.

At the time of each vote in this House they choose to protect their personal incomes rather than choosing to vote against cabinet schemes which aggravate and cause problems rather than solve them.

Mr. Collenette: Mr. Speaker, I rise on a point of order. The hon. member for Lethbridge-Foothills (Mr. Thacker) I believe has committed a trangression of the rules of this House by imputing motives on the part of members on this side of the House. He said that we vote in the House of Commons for a particular motive, that is, to keep our jobs. That, Mr. Speaker, I submit is out of order. It is a question of privilege. I demand the hon. member withdraw those remarks immediately.

Mr. Cosgrove: That was a low blow.

Mr. Thacker: Mr. Speaker, it is amazing to see how sensitive Liberal members opposite are. They should be sensitive because they bear personal responsibility for the conditions which the young of this country face. This government has mortgaged the future of the young people of this country. What our young people will face in one year, five years or ten years from now is a lifestyle that is substantially diminished because of the personal actions of Liberal backbenchers who are continuing to keep an evil and corrupt cabinet in power. Young Canadians are standing in soup lines today while Liberal backbenchers keep this corrupt and evil government in power. When the government attacks the youth of this nation, it attacks the very future of the nation itself. This Liberal government must be defeated because the future of this nation is at stake.

There is an alternative set of policies which will return Canada to a position of strength and where social justice for all can prevail. I will set the scene of Canada's current plight which has been caused by the Liberal government. Other speakers on this side will elaborate on regional problems, on specific industry problems and particularly the problems faced by the youth. We will deal with and we will totally smash the weak and futile arguments which Liberal members put forth. Their pathetic attempts to blame the opposition, to blame the Premiers, to blame the United States and, indeed, to blame Canadians themselves, will be exposed for the hollow and shallow arguments they really are. The fault lies with the Liberal cabinet and Liberal backbenchers. The solution lies in their defeat.

Why is it that today 1.2 million Canadians are unemployed whereas in 1968 only 300,000 people were unemployed? Why is it that youth unemployment today is at 17.5 per cent whereas in 1968 youth unemployment was virtually nil? Why is it that inflation today is at 11.6 per cent whereas in 1968 it was a mere 4 per cent? Why is it that interest rates today are at 15.3 per cent whereas in 1968 they were at 7.5 per cent? Why is it that federal spending is at $74.2 billion whereas in 1968 it was a mere $12 billion? Why is it that the federal deficit is at $50 billion for this year alone—it may be greater—whereas in 1968 it was a mere $500 million? Why is it that the gross national debt is $140 billion whereas it was approximately $30 billion in 1968?

Why is it that we as a nation are paying interest on the national debt of some $16.7 billion this year as compared to $1.4 billion in 1968? Why is it that the federal government has to advertise to the tune of $250 million to tell people how good the nation is, whereas in 1968 the advertising budget was a mere $29 million? Why were we a strong and vibrant nation in 1968, a nation that had the sense of climbing the mountain and building a future for our young people? When we came out of university at that time why did we have no thoughts of despair and no thoughts of the nation going backwards? We were building a great nation them. That is how it was in 1968.

How did we achieve full employment in 1968? How was it that we had a universal medicare system available to everyone, the poor included? How was it that we had a hospital insurance system that was sound and well funded? How was it that we had a post-secondary education system for our youth who found jobs immediately upon completion of that education? None of us ever thought of unemployment when we came out of university or college in those days. There were five or six jobs for every graduate upon completion of post-secondary education. Even though we had all of these benefits in 1968, we had balanced budgets, we had low taxes and we had true social justice.

The answer to all of my questions is simple. Before 1968 we were not governed by a bunch of socialists. Before 1968 both the Progressive Conservative Party and the Liberal Party believed in individual enterprise rather than state enterprise. We believed in minimal government intervention, government as a regulator rather than as a participant and major player. We believed in capital investment by Canadians and by people from other parts of the world. We knew, and we in this party know today, that capital investment means jobs. When there is no capital investment, there are no jobs. Both of the major parties in those days believed that people should be compensated for the risks they take rather than for the position they held, patronage or prior wealth. Only our party believes that today. The situation has changed since 1968. We have a government that has been in power since 1968 and has abandoned individual enterprise for state control and management. The result is exactly the same as in every other country in the world that has tried state centralized control—loss of individual freedoms and loss of choice, which lead to personal despair.

Why is it that Roumania, Poland and the Soviet Union were all massive exporters of food in the early years, but from the time they took to central decision-making and started to get Crown corporations involved they have lost even the capacity to feed their own people? Their people now stand in food lines. That situation is happening here in Canada. We will see more of it. The people who are bearing the brunt of that penalty are the youth of this nation.

Unfortunately, since 1968, and especially now, compensation depends upon prior wealth. You know, Mr. Speaker, the interest to service the national debt is some $16.7 billion. That means people who have wealth in the nation have concentrated into their hands an additional $16.7 billion, which means the rich become incredibly rich. This leads to a class society, which

can be seen in other countries that have fabulously rich people and extremely poor people. We know, too, that deficits lead to inflation and with extra money around the value of land goes up. As a result you have a land class and a class without land, the tenants. That is a return to feudalism. What kind of a Parliament and what kind of a government would impose feudalism on the youth of this nation? Our youth will be faced with being tenants and serfs rather than being owners, able to exercise their individual enterprise.

Since 1968 compensation under the Liberal government has depended upon political patronage. One needs only to look at who heads up the Crown corporations, who heads up the advertising and consulting agencies, and who are the heads of boards and commissions. All of these people are paid fabulous salaries and have great indexed pensions. Who are the senior civil servants? All of them have a close tie-in with a small group of men and women who have been running this country since 1968. They are all Liberal party hacks. Most of them were actually turfed out by the electors of the nation. The electors looked at them in their individual constituencies and said that they did not want that man or woman to lead them. They were defeated and then the Liberal government appointed them to very lucrative positions. This is how one gets ahead in 1982 under the Liberal government! It is wrong. It is not what we want for the youth of the nation.

• (1520)

Who suffers under these conditions? Who bears the penalty of inflation or of political appointments? It is ordinary working Canadians—small-business men, farmers, fishermen, senior citizens, and last but not least, it is the future of the country, namely, our youth. We can say goodbye to the just society under the Liberal government.

I will now give some details of the youth situation, which will be followed up by other hon. members on this side. Unemployment in April was some 1,233,000 people, for some 9.6 per cent of the work force. As well there were almost 100,000 men and women who have simply given up. They have just gone home and they are sitting there, awaiting better times, because there is no sense even going out into the market. But more importantly, since August, 1981, over 300,000 jobs which existed then have disappeared at the rate of tens of thousands each week. This will continue for the foreseeable future. Of these 300,000 lost jobs, over 53 per cent were held by young people. Over-all youth unemployment today is 18 per cent.

What is the situation faced by college and university students who need jobs to finance their next year of education? There are simply no jobs available for them. Approximately 190,000 students come out of colleges looking for jobs in the summer and approximately 463,000 out of universities, a total of three-quarters of a million young people looking for jobs to finance their next year of education, so that they are ready, educated and skilled when they complete their education in some two, three or four years. If they cannot find jobs and thus cannot return to school, they sit at home. Their whole attitude toward life is changed or they emigrate to countries where there are jobs available. This is certainly not in the best interests of Canada.

Beyond the students in universities and colleges, who amount to only 20 per cent of the total youth who start in the school system, 80 per cent of the young people are going out into the work force with grade 12 or less education. What kinds of jobs are available to them? The facts show that the government has reduced research and development so that there are not as many positions available in universities for research or in private corporations because they do not obtain proper tax credits for research and development.

Why are there no jobs for the youth? The answer lies in a long policy—at least since 1968—of state or government intervention in the economy of the nation. I refer to recent policies such as the National Energy Program, which is a nationalization program not a Canadianization one; policies which confiscate wealth from existing corporate enterprises and from individuals who own oil and gas interests; a budget which attacks investors and individual enterprise, whether it is small-business men, farmers, fishermen or individual workers trying to balance their budgets.

The result of these policies within the last few months has been $10 billion of Canadian money flowing out of the country in order for people to purchase shares in companies of other countries. Originally these people may have lived in other lands but they had shares in companies in this country. Approximately $8 billion over and above the $10 billion left this country so that people could purchase shares in United States businesses. They decided that the country was not worth it and that the business climate was wrong. They took their money and purchased shares in United States businesses, in United Kingdom businesses and in businesses around the world. This means that the related jobs are in these various countries rather than here.

Then we can look at the $5 billion to $6 billion each year which leaves the country to buy imported oil. This means that our oil wells in the west, primarily in Saskatchewan and Alberta, are closed in and shut down. Approximately $6 billion flows out of the country to Saudi Arabia, Venezuela, Nigeria and Mexico, which creates jobs in those countries rather than here. We could have $10 billion still working for us here, we could have another $8 billion still working for us here, and we could have $5 billion to $6 billion each year to create jobs for the youth of the nation.

It makes me weep, coming from Alberta, when I return to my riding and observe the oil industry. It once was an industry which created jobs for young people, not for Alberta's youth—there are many jobs still available for them—but for many young men and women from Newfoundland, from the rest of the maritime provinces, from Quebec, Ontario, and in fact from the rest of the country. It was a vibrant industry. Over 700 companies were creating jobs. Well over 90 per cent of the staff of multinational corporations were Canadian men and women, including the upper management of those companies. Indeed, Albertans and other Canadians have gone on to the

parent companies of multinational corporations and are holding great positions of influence and power. We were truly Canadianizing the oil and gas industry because most young people would go into a multinational corporation, learn the skills and then leave in order to set up their own companies. This is where the 700 oil and gas companies got their start. We must remember all the service industries, the people in the mud companies and the welders. What about people who provided food or were involved in the entire infrastructure of the oil and gas industry? It was totally Canadian.

Then the National Energy Program killed it. It brings tears to one's eyes when one realizes that hundreds of thousands of jobs have been lost because of an ideology which directly attacks the young people of the nation and deprives them of a future they deserve. It is smashed, and it just makes me weep.

It also weeps when I look at the automobile industry and see tens of thousands of young people not obtaining jobs in Ontario. They are not obtaining jobs because in 1972, when the world price of energy was rising, the government decided that it would not be subject to any blackmail by an Arab nation and it held down the price. This immediately started the hemorrhage; money flowed out of the country to pay for imported oil and sent a signal to buyers to continue purchasing large cars and to manufacturers to continue producing them. Meanwhile, Japan and Germany, having to face the world price for oil, immediately trained engineers and skilled people to produce smaller and more energy efficient cars. The result is that some eight years later they are whipping us in the automobile sales industry. Why not? It goes to show that the government in making its decision did not really understand the ramifications of it and genuinely hurt people. Young people across the nation need to know that they cannot obtain jobs today because of Liberal government decisions of some eight to ten years ago.

How do we create jobs? First, we need a country with resources. Clearly we agree that Canada has plenty in the way of resources. We have oil and gas beyond the wildest dreams of other countries. We have potash, coal, forests, minerals, electricity and a resource we have not even tapped—water. More water flows into the Arctic Ocean than we could use in a million years. It is our ace in the hole.

Second, we need not only a nation with resources, we need people. Canada has the people. We do not have too many people, unlike many other countries with limited resources. For example, Japan, with 122 million people sitting on a rock in the middle of the sea, has some problems. India, with 600 or 700 million people and limited resources, has real problems. In Canada we have 24 million people spread over the assets of an entire half continent. Clearly people are not the problem.

Third, we need educated people, and we have them as well. We have an infrastructure of colleges and universities second to none in the entire world.

Fourth, we need a stable society. It is crystal clear that Canadians are a stable people. Canadians are far more stable than the Liberal government, which has been able for a number of mysterious reasons to con them into letting it stay in power. Canadians are greater than the Liberal government that governs them at this moment.

• (1530)

The fifth and prime reason why we are in trouble and have this much unemployment, in spite of our resources and people, is the lack of the business climate which we need. When you examine each individual cabinet minister, you will find that they have no comprehension of business climate, the need for a certain tax structure and for stability in taxation and government policies. The Liberal government has failed miserably. Clearly, the solution is to defeat this government.

The youth of this nation are beginning to discover that this is the remedy. As the youth spokesman of our party, I am absolutely delighted to find as I travel through every province to provincial conventions that the youth are beginning to realize that while a slave is someone who is taxed 100 per cent of his economic value, which then passes into someone else's hands, they are 55 per cent slaves in Canada. They work hard but 55 per cent of their worth goes into the hands of other people who decide how their money should be spent. They are not happy with this fact and it is a great sign of hope for Canada. The youth of Canada must understand that they need to organize. They will join this party, as they are by the tens of thousands, and we will throw the Liberal backbenchers out riding by riding.

We need a new government which will limit the growth of government and government intervention for reasons other than the ideology that a small group of men and women in Ottawa want to control this nation. It cannot be done. It has never been done in any other country, including those much smaller than Canada.

We need a government which will stress education. When one sees our party's policies, one can see that they are tremendous policies for the development of education. We need to stress research and development and to stress certainty in a solid business climate.

It can be done. A Progressive Conservative government will do it. The youth of Canada are not to be blamed for our problems today, Canadians are not to be blamed and the United States is not to be blamed. It is the Liberal cabinet and individual Liberal Members of Parliament who are responsible for the problems of this nation. Truly, Liberal times are lousy times.

Mr. Collenette: Mr. Speaker, while Mr. Deputy Speaker was in the Chair a few moments ago at the beginning of the speech of the hon. member for Lethbridge-Foothills (Mr. Thacker), I rose on a point of order and subsequently on a question of privilege to draw to the attention of the Chair that, in my view, the member for Lethbridge-Foothills (Mr. Thacker) transgressed the rules of the House by imputing motives to members on this side of the House.

Unfortunately, Mr. Deputy Speaker was engaged in a private conversation with the Clerk of the House at the time and did not hear all the words that were uttered. I advised Mr.

Deputy Speaker privately—I assume he has left the chamber for a few moments and has been delayed—that I would raise this matter after the hon. member for Lethbridge-Foothills had finished his speech as, in all courtesy, I felt he should at least be allowed to finish.

I would ask Mr. Deputy Speaker and yourself to undertake to look at the record of the early part of the speech by the hon. member for Lethbridge-Foothills, wherein he stated very clearly that members on this side of the House were voting on legislation and other measures in the House solely to protect their own jobs.

After reviewing the precedents during the last few minutes, this is clearly a breach of privilege of members of the House and it would cast a reflection not only on members on this side but on all members if statements such as that are allowed to continue. I draw your attention to Beauchesne, Citation 316(e) and 316(i). Citation 316(e) states:

> Besides the prohibitions contained in SO 35, it has been sanctioned by useage that a member, while speaking, must not—
>
> (e) impute bad motives or motives different from those acknowledged to a member;

And Citation 316(i) states:

> —reflect upon the past acts and proceedings of the House.

If you proceed to Citation 319(3), it states:

> In the House of Commons a member will not be permitted by the Speaker to indulge in any reflections on the House itself as a political institution; or to impute to any member or any members unworthy motives for their actions in a particular case; or to use any profane or indecent language; or to question the acknowledged or undoubted powers of the House in a matter of privilege; or to reflect upon, argue against or in any manner call in question the past acts and proceedings of the House, or to speak in abusive and disrespectful terms of an Act of Parliament.

This last point is extremely crucial. It is outlined and documented in Erskine May, I believe page 153; there are many cases in British parliamentary history where members may not reflect upon votes which have already taken place in the House of Commons.

Finally, I would draw to your attention page 424 of Erskine May, where it states under the heading "Reflecting upon votes of the House":

> The objections to the practice of referring to past debates apply with greater force to reflections upon votes of the House, unless made for the purpose of justifying a motion that the vote be rescinded. Those reflections not only revive discussion upon questions already decided, but are wholly irregular, inasmuch as the member is himself included in, and bound by, a vote agreed to by a majority.

I sincerely feel that this kind of abuse of the rules cannot be allowed to continue if this place is to function in any serious way. We are guilty on all sides of the House of using extreme rhetoric at times to make our case. That is fully acceptable no matter how tiresome it may seem to hon. members and certainly to the public who view us on television each day. However, if this place is to continue to exist and hold the confidence of all Canadians, we must ensure that the rules, procedures and Standing Orders of the House are upheld.

I know the hon. member for Lethbridge-Foothills and I am sure he did not intend to break the rules of the House or reflect upon the procedures of the House. Therefore, I would ask him, with all respect, to withdraw those remarks immediately.

Mr. Thacker: Mr. Speaker, the whole basis of the case by the hon. member for York East (Mr. Collenette) concerned some allegation I made about their jobs. I did not say one word about their jobs or trying to retain their jobs. The Deputy Speaker, who was in the Chair immediately prior to you, considered the case and treated it with exactly the disdain it deserved. He made no ruling and just sat down because I had the floor. The objection by the hon. member for York East has no basis in fact, and since it was dealt with by the prior Speaker, I would also claim the privilege of *autrefois acquis*.

Mr. Nielsen: Mr. Speaker, I believe the hon. ex-parliamentary secretary should pay a little more attention to the language that is used in Beauchesne and the other precedents he cites. I do not intend to prolong the debate on an opposition day on a spurious question of privilege, but if you look carefully you will find that while it is improper for a member to refer to the vote of another member—singular—there is nothing improper about referring to the vote—collectively—of a party or members belonging to a party.

On a point of order now Mr. Speaker, I believe there is a general disposition, if you are to inquire, that apart from the lead speakers in each party, speeches by members be limited to 15 minutes throughout the remainder of this debate.

Mr. Collenette: I rise on a point of order, Mr. Speaker. I am sorry that you allowed the hon. member for Yukon (Mr. Nielsen) to inveigle another point of order totally unrelated to the question of privilege. That being the case, perhaps I should explain. I thought I was clear earlier in my remarks that Mr. Deputy Speaker did not actually hear the words because he was engaged in conversation. I told him that I would raise it after the hon. member for Lethbridge-Foothills spoke. At the time I made the original intervention, Mr. Deputy Speaker had no other recourse than to make the decision he did because he did not hear what was being said.

I submit and would ask you, Mr. Speaker, not to resolve the matter at this time, but to look at the "blues" and the record and perhaps consider this matter in due course.

The Acting Speaker (Mr. Blaker): I will recognize other hon. members if they see fit to seek the floor on this question of privilege. Obviously, I did want to recognize the hon. member for York East (Mr. Collenette) who raised it and the hon. member for Lethbridge-Foothills (Mr. Thacker) who properly wanted the occasion to comment on it. It is obvious that as the present incumbent of the chair I am in no position to make any decision now, not having heard the words used and not having access to either the "blues" or *Hansard*. Consequently, the Chair will take the question under advisement. If it appears appropriate to have the matter raised again, either by other hon. members or by the Chair tomorrow, then that can proceed.

• (1540)

The hon. member for York East has raised the point and has therefore protected his views in so far as having raised the matter immediately upon its occurrence. As I have said, I think it is self-evident that the present incumbent could not handle the matter without access to *Hansard* and so forth. If there are other hon. members who want to address themselves to the question of privilege and put their thoughts on the record with regard to the matter, I would certainly recognize them for that purpose. Otherwise, I will go to the point of order raised by the hon. member for Yukon (Mr. Nielsen). To avoid confusion, perhaps hon. members who seek the floor on the question of privilege might indicate to the Chair that that is what they wish to do. Otherwise, I will move on to the point of order.

I will recognize the hon. member for Yukon on the question of privilege. I might and should note that the hon. member has already spoken on the question of privilege and it is not customary to hear an hon. member twice. I have seen that happen in the House. I will recognize the hon. member for that purpose, but I would hope that we will try to keep to one intervention per hon. member.

Mr. Nielsen: With great respect, Mr. Speaker, there is nothing wrong in allowing hon. members to speak more than once on a question of privilege, and our practices have allowed this for the 25 years I have been here. Those new innovations of interpretation have the unfortunate habit of becoming precedents when they have been imposed more than once.

I rose simply to say that the disposition of 15-minute speeches, which will allow more than the usual number of hon. members to participate in this very important debate, might very quickly disappear if we embark upon extended and doubtful questions of privilege.

Mr. Collenette: Blackmail!

Mr. Nielsen: It is not blackmail at all. In my view, the hon. member for York East just used an extremely unparliamentary term when he accused me of blackmail. Perhaps the Chair might take that under advisement, too, when considering this exchange.

Mr. Smith: Have we now reverted to the point of order, Mr. Speaker, with regard to the time?

The Acting Speaker (Mr. Blaker): I would like the House to do so, if that is agreeable.

Mr. Smith: Yes. This side of the House is agreeable to going along with the request of the opposition for 15-minute speeches.

Mr. Nielsen: "Suggestion".

Mr. Smith: I think the understanding was that the 30 minutes would apply to the mover of the motion and the first hon. member responding for the government, which is the norm under Standing Order 58. I do not believe it would apply to the hon. member speaking for the New Democratic Party, but I understood that we had agreed that that hon. member would be allowed 20 minutes—

Mr. Nielsen: That is correct.

Mr. Smith: —and that everyone speaking after the first three would then be limited to 15 minutes.

The Acting Speaker (Mr. Blaker): The Chair sees some indication by hon. members that the suggestion of the hon. member for Yukon, which has been referred to in some detail by the Parliamentary Secretary to the President of the Privy Council (Mr. Smith), is agreeable to the House. I do not think I need summarize it further. Is the proposal of the hon. member for Yukon acceptable to the House?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): Agreed and so ordered.

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, I was a bit unsure whether I would ever get the chance to speak to this motion. With all of the notices of privilege from the other side of the House, I just began to wonder whether or not there was some sort of privilege which would disqualify us from criticizing government policy.

The opposition motion before the House today is a very important one because it is an attempt to focus public attention upon the problem of unemployment among youth across the country. While it is important to discuss unemployment among youth across the country, we cannot, of course, do so in isolation. We must deal with the whole question of unemployment as it affects everyone and which is at such record levels today. When we deal with the question of unemployment among youth, we must deal with the fact that the government of the day is really abdicating its responsibility to manage the economy in a humane and just fashion.

I noted with interest that the first hon. member to speak for the Conservative Party really seemed to indicate that he was in favour of the government continuing to wash its hands of responsibility for economic matters. I guess that is why, when the recent Gallup poll came out asking Canadians whether or not there would be any difference in matters of economic policy if a Conservative government were in office rather than a Liberal government, the majority of Canadians indicated they recognized there would really be no difference. So while it is obviously time to defeat the Liberal government of the day, Canadians will have to look elsewhere for new economic policies and not to the PCs.

The economy today is in one horrific mess. We simply have to remind ourselves of the fact that bankruptcies are at a very high rate. Small businesses are closing daily. Large enterprises are threatened by the present economic recession. Lay-offs continue unabated. These are announced quite regularly and just seem to continue to mount. Mortgages are extremely expensive, so that only a very small percentage of Canadians

can afford to buy a home. Those who presently own homes or who have mortgages are struggling to keep those homes. Many people are having to sell homes for which they have worked and dreamed about for very long periods of time. Government revenues are down because of the present economic recession, and with these revenues down, we begin to get threats to public service salaries. The quality of services which government provides to people is threatened, whether it be in the area of education, health, or in the amount of unemployment insurance available to people. New services are put on hold, whether it be adequate pensions for people or adequate daycare across the country.

The general economic malaise really cuts across all kinds of economic indicators. The one which stands out most, of course, is the fact of unemployment, which is at its highest level since the depression of the 1930s, with over 1.25 million people unemployed today. Things are so bad that even the Liberal caucus seems to begin to recognize the severity of the situation, and not only backbenchers, but also even some cabinet ministers. We recall, for example, the letter from the Quebec MPs who called upon the government to stimulate the economy. I bring to mind the recent document of the Liberal party caucus committee on economic development, which recently became public, pointing out the need for "radically alternative ways of revitalizing the economy and of offsetting the current hard times".

It is in the midst of all this political, social and economic trouble that young people today are graduating from universities, seeking employment and not finding it. Other young people are out of universities for the summer, seeking employment so that they can afford to go back to university in the fall, and are not finding that employment. It is not only those young people who have chosen to go to university who are out of work and who need to work, but, as well, young people who are simply out of work today and who are looking for jobs. We should consider that, of the total number of Canadians unemployed in Canada today, close to half are under 25 years of age. For example, in April's statistics, there were 1,233,000 people unemployed and 508,000, or nearly half of them, were between the ages of 15 and 24. Last month, the seasonally adjusted general rate of unemployment was 9.6 per cent while, on a seasonally adjusted basis, youth unemployment was significantly higher, at 16.6 per cent. If one looks at the unemployment rate among youth on an unadjusted basis, one finds that it was at 18 per cent.

If we take into account the hidden unemployed across this country, those who have simply given up looking for work and who are no longer actively looking for jobs because the jobs are not there, we find that the unemployment rate among young people in this country jumps up to the astronomical figure of 25.1 per cent. We have some 777,000 young people looking for work today. When we add to that the summer students looking for work so they can return to university in the fall as well as the new graduates, the situation is clearly intolerable.

• (1550)

We are threatening the future of this country, making it so difficult for young people today that we are going to rob them of any hope of participating in society in a positive manner. We will rob people of the opportunity to return to university in the fall. Young people are being robbed of the opportunity to contribute to society in a positive way.

Given the severity of the youth unemployment situation, we expected some real innovative and tough action by the government. Instead, we have a government which is clinging to the economic strategy outlined in last November's budget. That budget as an economic instrument is clearly and totally ineffective as we look at the present circumstances, with over a million unemployed as well as the large number of youth who are unemployed.

I wish to review the budget of last November. I think it can be quite fairly described as a tax grab, in the name, ironically, of social justice. It has hurt many ordinary Canadians. It even attempted to tax dental and health plans. The budget had an economic strategy based on energy megaprojects which have now fallen to the ground. They are not going to be the driving force in the economy which the budget anticipated. However, the government has not yet replaced those megaprojects with any other major and important economic stimulus.

The budget of last November cited inflation as the number one problem. Today inflation is continuing to go up and unemployment along with it. In citing inflation as the number one problem, the budget outlined a fiscal and monetary arrangement which would keep interest rates up and ostensibly restrain public expenditures, thereby failing to stimulate the economy. There is no help in the economic policy of the government for the unemployed of this country. There is certainly no real help for those young people who are unemployed.

The Minister of Employment and Immigration (Mr. Axworthy) made a number of announcements with regard to job measures. I want to highlight one of those announcements. On March 11 this year the minister announced the addition of some $20 million to the summer Canada program, the federal government's student employment program. This was to add 10,000 young people to the employment rolls. It was to bring the total under the federal job employment program this summer up to 53,000 young people.

If we are generous and accept the figures of the government with regard to employment, we should compare that measure with the real need. I wish to refer to a recent article in *The Globe and Mail*, a well-known, respected and objective journal in this country, dated May 19, 1982. It deals with the question of youth unemployment. The measures of the government pale by comparison with what is needed. I quote from the article:

> Employment counsellors and economists cannot remember when the job outlook for students was as dismal as it is this year, and they are predicting that about one-sixth of all students in the labour force this summer will be unable to find work.

One out of every six students will be out of work this summer!

A *Globe and Mail* survey of federal and provincial government forecasters indicates that an estimated 1.2 million students across Canada will be in the labour force in July and that about 16 per cent, or 200,000 of them won't be able to find a job.

In contrast, the jobless rate among students was 11.5 per cent in July, 1981.

The article recites some of the specifics of the situation leading to the fact that this summer there will be 200,000 students out of work. It refers to some of the largest Canadian companies, which together usually provide thousands of summer jobs, which have either eliminated or sharply reduced their hiring of students this year. There are specific examples given. I quote:

Noranda Mines Ltd., which usually employs about 2,500 students, will probably hire only about 1,000 this summer.

Stelco Inc. usually hires about 800 students at its steel plant in Hamilton, but none will be employed this year because of lays-offs in the regular workforce.

Dome Petroleum Ltd. of Calgary will employ about 100 students, compared with 500 last year.

Bell Canada will have about 200 fewer summer jobs for Ontario students. Last year, it hired 750 students.

The number of plant jobs for students at Alcan Smelters and Chemicals Ltd. in Jonquiere, Que., will be cut from 275 to 50, and the company's smelter in Kitimat, B.C., will employ 80 students compared with 200 last year.

Both Abitibi-Price Inc. and British Columbia Forest Products Ltd. will hire only a small fraction of the several hundred students each employed in past summers.

Hawker Siddeley Canada Inc. will not be hiring any students this summer. The company usually employs about 500.

Inco Metals Co., which hired 414 summer employees in Ontario last year, does not plan to hire any students this year.

Major employers who normally in the summer months would hire significant numbers of students have either cut back considerably or will not be employing any students at all. The article indicates the basis for the statistics for this prediction of 200,000 students being unemployed this summer. I quote:

The *Globe* survey was based on private estimates by senior officers of the various provincial departments of labour and regional economists with the Canada Employment and Immigration Commission.

These people, who are professionals and know the employment situation, have reached a conclusion, and it is given in this article as follows:

Patrick O'Rourke, manager of employment programs with the B.C. Department of Labour, said there will be few jobs for students in the west coast forest industry this summer because of lay-offs and production slowdowns—

An economist with the CEIC in British Columbia said the jobless rate for students in the province could be between 18 and 20 per cent this summer. The rate was 9.6 per cent last July.

Barbara Deters, communications director for the Department of Advanced Education and Manpower in Alberta, said she has heard stories about companies withdrawing earlier job offers to students.

Those students who previously had employment offers are now having them withdrawn.

A research officer with the Saskatchewan Department of Labour estimated that the unemployment rate for students in the province could reach 12 per cent this summer. It was 9.1 per cent last July.

Marion Leavens, youth consultant with the CEIC in Manitoba, said the commission has had to lower its projections of student placements this year. "We were hoping for 10,000 placements this year, but now we are expecting about 8,500."

• (1600)

So whereas Manpower itself seeks to place students in jobs, we get predictions from the same Manpower officials that placements this summer will be down. Of course, that is not surprising considering that we are in a very deep recession. The article continues:

Roger White, a spokesman for the Ontario regional office of the CEIC, said placements through student employment centres also will probably decrease in the province this year to 125,000 from 134,400 in 1981.

So it is not only in Manitoba but in Ontario that we are getting predictions of fewer placements this summer than last summer. The article goes on:

An economist with the Ontario Manpower Commission said the jobless rate for students in the province could be 16 per cent, compared with 11.9 per cent last July.

So in Ontario we are talking about an unemployment rate among students of some 16 per cent. This is the industrial heartland of the country where we would normally expect unemployment would be at its lowest. Here it is projected at some 16 per cent. Again:

An economist with the CEIC in Quebec said the unemployment rate for students in the province could be 17 per cent.

So it is even higher in Quebec, some 17 per cent of the students. There is this general comment with regard to the level of unemployment:

Estimates of student unemployment in the Atlantic Provinces are: 30 to 35 per cent in Newfoundland, about 18 per cent in Nova Scotia and New Brunswick and between 13 and 15 per cent in Prince Edward Island.

So this regional survey which was done by *The Globe and Mail* has indicated that for all of the regions in the country, after going to professional people and asking for their predictions, unemployment among students this summer is going to be severe and specific companies which normally would hire large numbers of students have reduced their hirings or are no longer hiring at all. The general over-all prediction is for some 200,000 students to be unemployed this summer.

Clearly, Mr. Speaker, this is an intolerable situation. It is a situation which is in no way answered by the announcements that the minister has made for youth employment thus far. I hope that if he speaks today he will be able to announce some further activities in terms of youth employment for this summer so that these very severe needs can be met in a much better fashion.

Let me use just another example of the inadequacy of the government's actions to date. In each federal riding for each member there is money provided under the Canada summer program for local community projects. In my riding, for example, some $79,000 was allocated while the need was for some $409,892 for these kinds of projects. The students were there, they needed the jobs, the work was needed to be done in the community, yet we got less than one-fifth of the amount of money that was needed by that one riding.

If you look at those statistics for each region across the country, I am sure each member can demonstrate how the money that is being provided by the government for youth

employment and to meet local needs is just nowhere of the magnitude that will meet the need.

Basically, Mr. Speaker, what the government is doing for student summer employment this summer is just too little. We need further action and we need it now. What the government is doing in regard to unemployment in general is inadequate. With one and a quarter million people unemployed, nearly half of whom are young people, the economic situation is disastrous.

It is time for a new economic strategy. It is time for a new budget. It is time for an adequate program of employment for students. It is time to moderate interest rates. It is time for some economic stimulus so that we can get out of this recession. It is time to stimulate consumer demand which is at an all-time low. It is time, finally, to put in place a long-term industrial strategy that will see Canada processing its natural resources, rather than just selling them off on international markets and leaving Canadians as hewers of wood and drawers of water, and at this time as simply unemployed.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Mr. Speaker, I certainly welcome the opportunity to debate this resolution. It deals with a concern that everyone in this House shares, that there is a serious problem relating to the job market for young people. I hope that during the course of this debate we will all be able to come to some resolution, some shared purpose, some shared direction, as to how we can deal with it.

I must say, Mr. Speaker, we did not start out too well. I listened with great care to the contributions made by the hon. member for Lethbridge-Foothills (Mr. Thacker) and by the hon. member for Winnipeg-St. James (Mr. Keeper). Once again we were caught between two extremes. We heard from the hon. member for Lethbridge-Foothills give the classic textbook analysis of what is wrong with the world, the analysis that we have been hearing from the Conservative Party for some 50 or 60 years; that is, if only you get government out of everything, all problems will be solved.

I suppose the hon. member's own enthusiasm has been cured by the recent conference in Toronto of the Conservative Party. From what I read, it seemed to endorse and adopt those policies being followed by President Reagan in the United States and by Prime Minister Thatcher in England. They have led to such wonderful economic results! We know how well the policies endorsed by the hon. member for Lethbridge-Foothills and carried out in practice by the Conservative Party in Great Britain are working—they have a 12.6 unemployment rate! So, Mr. Speaker, I suppose if we were to follow with some degree of fidelity the purposes and objectives set forward by the hon. member for Lethbridge-Foothills, we could look forward to a much higher unemployment rate; because that is what he is endorsing.

I know we cannot take it too seriously because I am sure that does not reflect the position of the Conservative Party. But we have no way of knowing, because at the party convention less than 5 per cent of their delegates managed to get to the workshop on unemployment questions. That shows that their commitment to and their interest in the subject leaves something to be desired.

We do not know exactly where the Conservative Party stands because in an important moment in our economic history, when we are all seized of the degree of severity and the degree of concern expressed by Canadians about the issue of unemployment, the party which sees itself as the alternative to government and which has been instructed by its leader to sit in congress and come up with solutions, could get only 38 members to that convention. Only 38 members out of 800 managed to find their way to the workshop to deal with these matters of great importance. So although the hon. member for Lethbridge-Foothills indicates that the represents the future and that the young people are flocking to their banners, they were simply not flocking to that Saturday workshop because less than 5 per cent of them could be found. We have to assume that the particular orthodoxy and theology of the right that the hon. member for Lethbridge-Foothills has once again put forward is his point of view. We accept it as that, but it is worth examining what he really means by it. It leaves a strong antagonism towards increased government expenditure and intervention.

It is important for Canadians watching this debate in this House to ask whether, in effect, he is advocating that the 70 per cent of the expenditures of the federal budget which goes to transfer payments should be cut back. In other words, should we cut back on help to the elderly for their guaranteed income supplement and their old age pensions? Should we cut back on provincial government aid to education, which I have heard him espouse from the platform should be increased? Should we cut back on the aid that we could provide under the CAP program to the disabled, to the people on social assistance? Is he advocating that we cut back all those transfer payments that represent about 70 per cent of total federal expenditure?

We presume that we cannot take him as meaning that in that area; he would not want to cut back on those forms of assistance. So we must say, look at the other part of the budget which may be discretionary. Would he want to cut back on the aid that we provide to Mitel Corporation to establish 2,000 jobs in New Brunswick through the economic development program? Does he want to cut back on aid to the Export Development Corporation to help provide 20,000 jobs in the province of Quebec through export assistance? Is that what he is advocating? We never hear what hon. members opposite would do differently. What would they cut out?

• (1610)

Mr. Taylor: Cut back on advertising and cut back on metric.

Mr. Axworthy: The hon. member says cut back on advertising. The hon. member for Brampton-Georgetown (Mr. McDermid) was a member of a parliamentary committee that advocated more advertising in the training area. Now he has

changed his mind. That committee said that one of the important objectives of the federal government should be to encourage young people to develop higher skills and that we should make our programs more widely known.

As a responsible minister, I took that advice. We provided the programs and now he is against them. I guess it amounts to a matter of what they recommend on Tuesday they forget on Thursday. They have no consistency.

Let me examine the positions put forward by the hon. member for Lethbridge-Foothills on behalf of his party. What he is saying, basically, is that they should do nothing—cut back government expenditures, cut back everything, have no government intervention, do nothing, stand still and shrink the budget. That is what he was saying but now he denies it. If he denies it, that means he is contradicting what he said before. Now we are more confused than ever about the position of the Conservative Party. What he said initially he now says forget; he wants to say something else. Perhaps he wants to correct himself and say we should expand government programs and put more money into projects. I suppose we have to conclude that the Conservative Party does not really know where it stands.

Now let me come to the contribution of the New Democratic Party. I compliment the hon. member for Winnipeg-St. James on his fine reading of the article in *The Globe and Mail*. He repeated word for word the article in what he called that "objective journal of opinion". That is a contradiction in itself. I was very pleased to hear what *The Globe and Mail* had to offer but I was curious to hear what the hon. member for Winnipeg-St. James might have to offer. But there was nothing—the cupboard was bare.

When we got down to the hard reality of what the New Democratic Party would propose in order to deal with the issue of unemployment among young people, all we heard was: "Let's have a new industrial strategy; let's spend more money; let's stimulate and restrain at the same time". That is a fine set of resolutions to come from a party which steeped itself in trying to develop the image of what they think is the intellectual, political, leading edge of Canada. We heard about a new industrial strategy. No content, no details, no fine tuning except a large rendition from *The Globe and Mail* and then some very vague suggestions that we have a new industrial strategy.

Mr. Paproski: They are waiting for Dennis McDermott.

Mr. Axworthy: I guess they have not received their marching orders because the convention is not yet over. We will have to wait until next Thursday to find out what the NDP is thinking.

Mr. de Jong: You are getting boring, boring, boring.

Mr. Axworthy: Nothing could be more boring than having to listen to a reading from *The Globe and Mail* for the second time and then hear nothing but a number of very general, vague, amorphous suggestions that what we need is a new industrial strategy.

I will try to point out the things that we are attempting to do and then suggest things that the members of the House, in unity, might do to deal with the problems faced by young people in the job market. Large numbers of young people are unemployed and that is something that this party does not tolerate any more than the other party. Early today hon. members opposite chided Liberals for making suggestions, but this just shows that the opposition cannot be very serious about wanting a full and open debate.

Perhaps the most useful and important suggestions have come from members of this party, who have looked at the problem seriously rather than repeating articles from *The Globe and Mail* or from the Friedman textbook ad nauseam. Members of this party have discussed the matter in great depth and have consulted with experts across the country. They do not follow orthodoxies. They do not pick up a textbook from a chamber of commerce meeting and repeat it in the House. They are trying to come to grips with the problem in an honest and intelligent way. Surely they should not be chided and the government should not be chided for listening to them. They are Members of Parliament doing their job, trying to come to grips with a serious problem and present answers to the minister. That seems to be the obvious, rational and proper thing for a Member of Parliament to do.

I would have to say again that it is curious and passing strange that the opposition finds, as the Prime Minister (Mr. Trudeau) said in question period, that the only things they can offer are things that members of this party have developed. I compliment members of this party for being so generous and charitable in sharing their ideas with members of the opposition so that they may have something to say in question period. We would be a lot better off if hon. members opposite would forget for a moment their entrapment in their own orthodoxies, in their own theologies and come to grips with the same kind of honest appraisal of the situation, using real facts and dealing with real problems, rather than trying to deal with a world that they have conjured up within their own little crystal balls.

Mr. Thacker: Socialism is the problem.

Mr. Axworthy: Now we have the hon. member for Lethbridge-Foothills saying that socialism is the problem. In his speech he was using the standard of 1968 when everything was good. He kept asking the rhetorical question, why? The reason is that we had Liberal governments before 1968 which had brought in all the measures he thought were so good. I would amend his comments to say that from 1968 until this year this country has had the strongest record of job creation of any country in the industrial world. We created more jobs for more people than any other country. We were creating jobs at the rate of about 4 per cent per year, or 350,000 jobs per year. During that period the government that is now being chastised was creating more jobs than any other country in the world.

This simply points out what we have had to repeat time and time again. It is not the commitment of this government to job creation that has changed. We are dealing with very different

economic conditions. We are dealing with conditions which affect every single country in the world.

We are not here to lay blame. I know there is deepseated paranoia on the part of the Conservatives. They always want to see conspiracies in everything. There always has to be someone to blame. That is the way their minds work. They go around pointing fingers at who is to blame. We are here to debate solutions. We are not interested in trying to waggle the finger and say, "We caught you doing something nasty". We are here to find creative solutions. We are here to debate what might be done to help young people. We do not deal in this world of paranoia that hon. members opposite seem to enjoy so much.

Since 1968 we have been responsible for creating far more work than other countries. Now we are saying that we should deal with the reality. That paragon of countries which the hon. member for Lethbridge-Foothills so honours and thinks is doing all the right things, the United States of America, with all its policies of cut-back and restraint, now has an unemployment rate well over 9 per cent. It faces the same kind of problems we do. The hon. member uses, if I may be allowed to say so, some of the most ludicrous examples to say that somehow they are doing things right and we are doing things wrong. For example, he said the Canadian government made a serious mistake in the energy field by keeping consumer prices low. The Canadian people obviously did not think we made a mistake because they kept voting for this government which is committed to keeping prices low.

• (1620)

He also says the problem is that we did not know what we were doing and that is why the automotive industry is facing the problems it is. That is an interesting proposition, Mr. Speaker, one that deserves some analysis. If that is the case, then the United States, which went to the world price for energy about three and a half years ago, should not be facing problems in the automotive industry. If one follows his logic, you have to say the U.S. is charging world price, we kept ours below world price; therefore their automobile industry should be healthy and ours should be sick. But the reality is somewhat different, Mr. Speaker. We know that the U.S. industry is really sick because consumers' preferences have changed and, what is more important, the large automobile manufacturers—those wonderful managers which the hon. member likes to put on a pedestal—made serious managerial mistakes by not increasing automation and developing new products in order to compete. That is the reality of the situation. We say this kind of argument, Mr. Speaker, is simply not based on fact and reality. It is based on theory, theology, orthodoxy, which we cannot share because we want to come to grips with the real problems.

What are we doing to help young people in these circumstances, Mr. Speaker? My own department will be spending close to $800 million this year to deal with a wide variety of measures directed toward young people in the labour market. Of the three million young people coming into the market, 2.5 million will get jobs virtually immediately, within the first 30 days. The others have available to them counselling services, mobility grants and training programs in order to provide for the upgrading of skills and placement in jobs. We have 50 employment centres in universities to provide specialized counselling and placement services for young people. We have opened 400 special youth employment centres across Canada which will have provided placements for over 300,000 Canadian youth this year and last. We did not hear members of the opposition talking about the valuable service provided to young people by those centres.

Mr. McDermid: Wrong.

Mr. Axworthy: We are spending a great deal of time and effort going to employers and asking for their assistance, asking them to use those centres as the forum in which young people can be given assistance to find jobs in the private sector. The government has made that commitment.

In addition, as I have said several times, we have concluded that perhaps the most useful and effective support the government can give to young people coming into the job market is to provide them with training which is relevant to their job needs. The hon. member for Lethbridge-Foothills wants to know what we are doing. We are prepared to spend over $1 billion on training programs which will affect over 300,000 Canadians, 70 per cent of whom are young people. If that is one of the programs which the hon. member wants us to cut back, if that is part of his "pull in the belt" philosophy, then he flies in the face of the opinion of young people themselves. What they want most sincerely is an opportunity to be trained in a skill for a job that will be there. That is exactly what we are doing. We are putting in place a new training program.

If members of this House want action, if they want something they can do immediately to help young people obtain employment, then I have a suggestion for them. They can agree today in this debate to accept the training legislation we introduced for first reading last Friday and have it passed within a day. We will then have hundreds of thousands of young people going into new training positions. Are the members of the opposition prepared to follow through on that recommendation? They want action; well, here it is. If we get their agreement, the bill can be debated within one day, go to committee, come back and be passed, and we will provide thousands of new job-training positions for Canadians. They can co-operate with us rather than standing up and raising vague questions about industrial strategy. I say to the hon. member for Winnipeg-St. James, the hon. member for Rosedale (Mr. Crombie), and to others who are here, discuss it in caucus tomorrow; give us a chance and we will have tens of thousands of young people being trained for new jobs.

Some hon. Members: Hear, hear!

Mr. Thacker: Why did you cripple the oil and gas industry?

Mr. Axworthy: We would like to have the help and assistance of members opposite, and we are asking for it. They can

make a major contribution to the employment picture for young people. I think we can go beyond that, Mr. Speaker. We have to recognize that we are in special times and special efforts need to be made. I see the hon. member for Kingston and the Islands (Miss MacDonald) in her seat. I think she made a very valuable contribution last week in question period when she said that we should undertake special activities to try to obtain more jobs for young people. I agree with her, so we are putting in place a special communications program for young people. In particular, we are going out to talk to the employers of this country.

Mr. Keeper: But not hire them.

Mr. Axworthy: Well, Mr. Speaker, that is the attitude of the hon. member for Winnipeg-St. James. Does he give it a chance, is he prepared to go back to his own riding and talk to employers door to door, as I have been doing, and tell them that students need their help, will they register their jobs in our employment centre? Oh, no, he does not want that kind of thing. He is prepared to deny it before he even gives us a chance.

An hon. Member: You made the same speech three years ago.

Mr. Axworthy: With that kind of negative attitude, how do hon. members expect us to be successful when we cannot get Members of Parliament like the hon. member for Winnipeg-St. James—

Some hon. Members: Get serious.

Mr. Axworthy: —to go into his own riding and ask employers to make a special effort to ensure there are jobs for students? I do not think the students in his riding are going to be too pleased at his attitude.

I agree with the hon. member for Kingston and the Islands; I think the effort should be made, and we will do our part. We will undertake to see what we can provide in the way of additional jobs in government departments. I will personally undertake to write to major employers across Canada and ask them to re-examine the situation to see what they can do to provide additional jobs. I would ask Members of Parliament on both sides of the House to do the same with business people and employers in their own ridings. I think we have to make a special effort and that we can combine our efforts in this area and show Canadians this is not a partisan issue which divides us. We can show that we are prepared on behalf of young people in this country to work together in seeing what we can do to develop new job opportunities. We have provided a network through our employment centres, and we are prepared to work with Members of Parliament in their own ridings so that we can mount a special campaign to bring in new jobs for young people.

Members of Parliament can go back to their ridings to work with provincial governments, many of whom have cut back in their own job-creation programs. I would point out that we have added to ours; provincial governments have cut back on theirs. There are two provincial exceptions, and in this connection I would like to compliment the government of Ontario for its budget last week which added a few additional dollars for youth job creation. But many other provinces have cut back. Again, I suggest that Members of Parliament talk to their provincial counterparts in their ridings and ask them for some special effort on the part of their governments, rather than having to suffer these cutbacks. The federal government has made that effort.

• (1630)

We are saying in this debate that there are a number of things the government can do and that members of the opposition can do. They can pass the training bill and hon. members can work with us to provide new recruitment and job placement. We can begin to look at ways in which we can open up the job market for Canadians and develop an economic policy, one that has not fallen into the trap of the orthodoxy of the right. In other words, to cut back on social programs and programs that help people. We have maintained ours and retained them. At the same time we must recognize that we must not have a wild spending spree as advocated by the NDP, which would force up inflation and force up interest rates even higher.

We are trying to do what the Liberal Party has tried to do for generations, and that is to undertake a balanced approach, not one with simple, easy panaceas but one that is based on constructive, rational and useful thinking.

Hon. David Crombie (Rosedale): Mr. Speaker, I am pleased to be able to participate in this debate with respect to youth unemployment. I was particularly impressed by the speech of my colleague, the hon. member for Lethbridge-Foothills (Mr. Thacker). He dealt with the government's global economic policies, to which I will refer, but I want to talk also about the government's policies with respect to job training. I want to speak about what I consider to be the government's feeble efforts concerning unemployment.

About three or four weeks ago a study was submitted to the government of the province of Ontario and to metropolitan Toronto. This study is entitled "Youth: The Forgotten Generation". The minister and others may be aware of this study. It has to do with skill training and apprenticeship programs in metropolitan Toronto.

It is too early yet for any of the recommendations to be acted upon, but in my opinion this study was important because it clearly identified youth as a group or sector in our society who are suffering far more than we have heretofore understood. We all assumed that certain policies had been carried on by the federal government and by the provincial and municipal governments for a number of years, and we assumed that by and large programs were in place to look after the youth of the country. Therefore, in the natural course of events our youth would be able to enter the labour market and compete well for jobs, not only in this country but throughout the world.

This study, and I commend it to the minister, shows that none of that has happened. Despite the minister's huffing and puffing about how well he and his colleagues in cabinet and the federal government do, those things are just not happening. I will read three paragraphs from this study which show exactly what it means to these people. They are as follows:

> To want to work and be unable to find it is painful at any age, but youth unemployment has particular effects, both on the individual and on society. A lengthy period of frustration and enforced idleness when a person first enters the labour force can disable him or her psychologically and in terms of experience for later employment . . . those who encounter serious difficulties in their formative years (from 16 to 24) fail to acquire the experience, training, competence and credentials that would earn them a regular job yielding a reasonable income in their adult years.
>
> In the past society looked to its youth to be the future strength of communities. But even then too many youth were left behind. Now the problem has grown worse. The aged and aging, the training of high-tech workers and other special needs groups gain most of the attention.
>
> Today's youth are being forgotten as we are distracted by continual economic crises and rapidly changing technology. Personal alienation and the risks of social unrest have become substantial and appear to be worsening.

That is a report of four weeks ago. Statistics, particularly as they relate to young people, bear out the grave comments in that report. Youth unemployment rates in this country are double—not just some minor percentage higher—the national average. Unemployment rates are now running close to 18 per cent for people between the ages of 16 and 24.

In 1981, although people between the ages of 16 and 24 made up only 26 per cent of the work force, they accounted for 46 per cent of the unemployed. A total of 238,000 jobs were lost between February, 1981, and March, 1982, and 52 per cent, on 118,000, were jobs held by people between the ages of 18 and 24.

When we talk about youth unemployment, it cannot be dealt with glibly by simply accusing other people of not doing the right thing. Before I outline what I think ought to be done—the minister has heard this before, but despite this he keeps saying that no one puts forward suggestions and continues not to listen—let me say that when we talk about youth unemployment we are not talking about some strange breed of people who do not belong to our society. People between the ages of 16 and 24 do want to work. They want to work for exactly the same reasons that women in our society want to work, for exactly the same reasons that handicapped people in our society want to work and for exactly the same reasons that everyone in our society wants to work.

There are three reasons. They are simple enough that even the minister can understand them. First, people need money to purchase the things they need in order to carry out their responsibilities. Second, people want to make a contribution that is not to be lost. Let me expand on that point. If you find at your very first attempt as a young person entering the work force that no door is open to you—it is not only a question of money because we have social programs which offer some money when people are unemployed—and you find there is no contribution you can make, a scar is formed which lasts a long time. Third, a first job opportunity provides a strong force in the shaping of a human personality.

People want to work, not only for money, not only to make a contribution, but to know who they are. Anyone who raises kids between the ages of 16 and 24—if I could call them kids—knows that. Outside of the question of money and contribution, the most important thing they need to know is what kind of people they are. It is probably not appropriate for me to bring in three of the Crombie children who are in that age group. But when young people are looking for employment this summer or looking at what kind of jobs they will get into in their first job in the work force, the single, most important thing they need to know is whether or not they will be able to get a job which will tell them a little bit about who they are. The kind of employment one has determines in large part the kind of person one becomes.

When we talk about youth unemployment, we are not talking about another one of the minister's statistics, nor can the question be dealt with by another one of the minister's announcements. We are dealing here with something very important because we are talking about the first time a person tries to make a connection with the community in terms of contribution, the making of money and the finding out of what kind of a person he or she is.

What is the problem with youth unemployment? It is not complicated. I might say to the minister that there are two elements to it. First, there are not enough jobs. It is that simple, and that is the first reason. There are not enough jobs in this country. The hon. member for Lethbridge-Foothills made it clear that the first thing the minister and the government should understand is that the reason we have youth unemployment is the same reason we have unemployment in every other sector of our society—there are not enough jobs.

People need jobs. That people need jobs is not a complicated theory. The record of the minister's government does not have to be recalled by me. It has been recalled by the hon. member for Lethbridge-Foothills and it will continue to be recalled by every other speaker. It is recalled in the question period daily in this House of Commons and it is mentioned from podiums right across the country. We have a government with an economic record which is the worst we have had in most people's memory, certainly since the depression of the 1930s.

• (1640)

The first problem with youth unemployment is that there are not enough jobs because the government has created an economic climate in which people will not invest. We should not miss the point that people will not invest because they do not trust the goverment to look after their investment. If people do not invest, we will not have jobs. The government's energy policy brought the energy industry to its knees. What it has done in the west it will now do in the east.

The manufacturing sector, which affects employment opportunities in the heartland of the country, in Ontario and Quebec, is also on its knees because of the government's record. I will not go through all the indicators. The minister wishes the boy upon the stairs would go away, but he will not

until the government decides that it is not good enough to put its head in the sand waiting for the Americans to come along with a solution. Also it is not good enough to deny the fact that there is a problem.

Until the government decides that there is a problem, that there are not enough jobs or a climate for investment, we will continue to have the problem faced by the youth of the country; that is, there will not be a sufficient number of jobs for people between the ages of 16 and 24. Also we will continue to have an unemployment rate of 18 per cent. The minister should hang his head in shame.

Mr. Tousignant: What suggestions do you have?

Mr. Crombie: I hear a noise over there about suggestions. I have some suggestions. My first suggestion deals with the kinds of jobs which should be related to the educational system. This is a 15-minute debate and I only have four minutes remaining, so I will make five suggestions. The first is that the minister ought to consider a change in his understanding of the educational system so that there is a more flexible system of training. Last Friday he brought forward and tabled a training bill. Of course, we will support that bill which deals with training, particularly because the minister and his department have spent so long considering the matter. First there was Bill C-23 and then there was Bill C-67. They are still on the Order Paper, and now we have a new bill. We have not been holding it back; it is the minister. We need to bring back the link between training and work which was lost in the 1960s and 1970s. I might add that it was never brought back together by the federal ministry when it funded all the community colleges in the country. It is time that it was.

Second, we need an apprenticeship program so that there are more in-service rather than pre-service programs. We need to expand, not simply nudge along a little, counselling services in the country. If the minister brings forth anything on counselling he will do good because counselling has failed every neighbourhood, town, village and city in Canada. The link between work and training has been lost as educational systems and schools built up bureaucracies.

Third, there must be co-operation between the federal government and the provinces and municipalities. I should like to refer to an example of what can be done. A certain municipality, a fishing village in Denmark, was faced with a situation where it had some unemployed people. Rather than pay out the amount it would pay for the jobless, it created various jobs. Rather than import the boxes needed to pack fish, it began to hire people between the ages of 18 and 23 to manufacture the boxes. Then they became involved in repairing furniture and toys for schools, particularly for kindergarten classes. They did carpentry work, gardening, recycling projects, painting, and odd jobs; they worked with old people and so on. The point I want to make is that the national government of Denmark did not become involved in the actual operation of the program. It provided some funds which allowed local talent to figure out the best way to do it. This is why time and again we on this side of the House have insisted it does not matter how much money the minister says he will put into a program, the billions in figures which he uses or how many announcements he makes. He can do it only by co-operation with the provinces and the municipalities. The training bill which he brought forward will only be used in a useful way if the government understands that it cannot be done from Ottawa. The only thing Ottawa can do well is to create an environment within which those who can do the job do it.

Finally, if the government and the minister would announce less, think a little more and try to co-operate a little more, not only would other people trust him but even the minister's department would begin to trust him. Then he would not have to run around trying to figure out where to put ombudsmen to look after their mistakes. We have a situation now where the minister no longer has the support of his own department. He needs to do something soon to re-establish his credibility in the country and certainly in the House. Those of us who represent the rest of the country look forward with anticipation to the debate on the training bill.

[*Translation*]

Mr. Claude-André Lachance (Rosemont): Mr. Speaker, I listened with great interest to the proposals made by the previous speaker, especially concerning in-service or on-the-job training and apprenticeship programs, and I shall be elaborating presently on those very valid proposals which are, in fact, included in the recommendations of the report prepared by the Special Committee on Employment Opportunities for the '80s, under the title "Work for Tomorrow."

First of all, Mr. Speaker, I may point out that it is fairly obvious our present economic situation cannot but have a disastrous effect on youth employment. When the unemployment rate rises among the labour force as a whole, logically, and unfortunately, there is a directly proportional increase in unemployment among young people. In fact, now that the unemployment rate for young people up to the age of 25 revolves around 16.5 per cent, which is twice the national average, it is entirely appropriate that the House should have an opportunity to discuss this extremely important subject.

Not long ago, a Montreal newspaper, following a recommendation by the Quebec Minister of Education that the passing mark in schools be raised from 50 to 60 per cent, reported that young people who were protesting against the minister's recommendation were doing so simply because they had lost confidence in the system and therefore did not see why they should make the required effort at school to obtain a diploma in order to get a job, since they assumed no jobs would be available anyway. I think all this is a reflection of the difficult times we are experiencing today, and that the passing mark debate in Quebec schools—which has a direct connection with today's subject—demonstrates how distressed these young people are about the economic situation and especially about prospects for employment once they finish their schooling. That being said, I believe we must see these things within their

general context. It is true that youth unemployment is excessively high, but perhaps it would also be useful to make a distinction between the percentage due to the economic situation and the percentage due to the very nature of youth unemployment. I may point out that in a study it was shown that between 1976 and 1979, youth unemployment averaged 13.7 per cent, while during the same period, the percentage was 7.2 for adult women and 4.7 for adult men. Furthermore, the turnover rate was 5.9 per cent for young people, but 3 per cent for adult women and 1.8 per cent for adult men. What I am trying to say, Mr. Speaker, is that, although youth unemployment today is twice the rate observed among the labour force in general, this is, in fact, merely a continuation of a trend that was observed earlier and is an indication of the specific labour market adjustment problems found among young people. Not only that, Mr. Speaker, but the same report by the Dodge task force pointed out that 50 per cent of youth unemployment was concentrated among 10 per cent of the youth labour force. In other words, 10 per cent of this population, because of the difficulty they experienced in finding work or adjusting to the labour market environment, represented 50 per cent of the total number of unemployed youth. We have no reason to believe that the situation has changed much today, because the percentages were averaged over five years. And furthermore, when these young people succeeded in finding a job, in 90 per cent of the cases they lost it after a few months.

• (1650)

Now, what conclusions should be drawn from these few statistics I have just given you, Mr. Speaker? I can see two. First of all, in today's debate, we must, and I have said this before, see these things in their general context, and second, young people are experiencing unemployment and they are being adversely affected by the economic situation, but also by structural problems, namely, the labour market adjustment problems of young people. Consequently, it is imperative that we take this opportunity to find ways of taking corrective action and to seek appropriate solutions to help young people with specific learning problems to enter the labour market. The previous speaker mentioned there were not enough jobs in Canada. That is true but, paradoxically, we have a shortage of skilled manpower, a problem that was already identified in the report by the Special Committee on Employment Opportunities for the '80s. In the House, much has been said, and much more will be said about training, since last Friday the minister tabled Bill C-115, the purpose of which reads as follows, and I quote Section 3:

> 3. The purpose of this act is to establish a national program to provide occupational training for the labour force and thereby to better meet the need for skills created by a changing economy and to increase the earning and employment potential of individual workers.

I referred just now to the Dodge report, which had ordered a study made in Ontario. It said that out of a sample group of 100 businesses—the study was prepared by the Ontario Ministry of Colleges and Universities—61 per cent of the firms had in-house training programs. The firms in question indicated they had no trouble recruiting employees and also that their training programs paid for themselves, because they filled the firm's requirements for skilled manpower. However, of the remaining group of firms included in the study, 84 per cent indicated they had trouble recruiting skilled manpower, 61 per cent indicated they had trouble recruiting employees and finally, they indicated that the only reason why they had no training program was that they did not have the financial resources to do so. In addition, they indicated that they would agree to establish such programs if government assistance were provided. The obvious conclusion is that if the government were to shift the emphasis from its institutional training program, which has been a spending priority to date, to business—as we have started to do, for instance, in the microelectronic sector, and as will probably be done once Bill C-115 has gone through the legislative mill—it would probably be much easier to deal with the labour market entry and adjustment problems experienced by young people who lack the required skills, instead of resorting to direct job-creation programs which are temporary by nature, although certainly useful in the present economic situation, since they provide summer jobs at least for tens of thousands of young people.

In conclusion, we have, on the one hand, a structural breakdown of youth unemployment, and on the other, a functional breakdown of the situation among business firms, namely, the firm that does provide courses or on-the-job training opportunities and the firm that does not. On the one hand, we have a group of young people—the exact present percentage is not available, but according to the study covering the years from 1976 to 1979, this group represents the 10 per cent of unemployed youth which had continuing problems in obtaining employment—which in 1976-79 represented 50 per cent of unemployed youth, and on the other hand, we have businesses that are either reluctant to set up on-the-job training programs or do not have the financial resources but would agree to receiving government financial assistance in setting up such programs. All of this should be seen within the more general perspective that Canada is suffering from a general shortage of manpower for skilled blue-collar-type jobs. To fill these jobs, for many years we have had to import skilled workers such as bricklayers, masons and others from European countries. In fact, if we could manage to train young people for jobs where shortages exist, we would be killing two birds with one stone, namely, filling jobs now available and providing appropriate training for young people who are in desperate straits because they do not have the skills they need to find a job.

Mr. Speaker, I felt these comments were necessary in order to provide a more balanced picture of the unemployment situation, and especially of youth unemployment. To get back to my earlier example which showed young people in Quebec as having lost hope and expressing their bitterness in the

passing mark dispute, I want to say that there are jobs for young people who have the required training or who have an opportunity to obtain it. Perhaps not any job because, here again, we must still allow for the economic situation. This afternoon, I would have liked to have been able to give a list of all the government programs which this year will provide jobs for more than 55,000 young people. In any case, we must still put the situation into its correct perspective, so that our young people will not give up on the labour market. They must be given a chance to seek training in areas where opportunities for steady jobs do exist. In concluding, Mr. Speaker, I would like to read two relevant recommendations from the report of the Special Committee on Employment Opportunities for the '80s, and herein I support the views of the previous speaker. Recommendation 3 reads as follows:

• (1700)

Governments and the private sector should take steps to correct negative attitudes toward blue-collar trades; to place a high priority on on-the-job training; to provide more instructors (including older workers) for technical training; to make available up-to-date machinery and equipment for training; to reallocate resources to courses offering the greatest employment opportunities; and to establish a continuing education system where an individual can retrain and upgrade throughout a lifetime.

Recommendation 6 reads as follows, and I quote:

Apprenticeship programs should be modernized and expanded to provide for entry at an earlier age, geared to the meeting of standards, not to a time frame open to women and changed to assure completion of course and provide transferable skills.

Mr. Speaker, I support these two recommendations without reservation, and I am convinced that tens of thousands of young people would agree wholeheartedly to take advantage of the opportunities for on-the-job training which could be provided if Bill C-115, tabled in the House by the minister last Friday, is assured a quick passage through this House.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Fundy-Royal (Mr. Corbett)—Pipelines—Building of natural gas pipeline to Atlantic provinces; the hon. member for Mississauga South (Mr. Blenkarn)—The Economy—Hearings conducted in Montreal by government ministers and supporters. (b) Responsibility for government policy; the hon. member for Burnaby (Mr. Robinson)—National Sovereignty—Allegations of CIA payments to Canadian election candidates. (b) Request that committee study alleged CIA involvement in Canadian elections.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—YOUTH EMPLOYMENT

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

That this House condemns the government for the economic mismanagement which has led directly to the loss of 300,000 jobs since August 1981 and produced a crisis situation for students seeking summer or permanent employment, and calls on the government to accept its responsibility for this tragic mess and promote the private and public sector hiring of Canada's youth so that those attending school can afford to continue to acquire needed skills, and those graduating can immediately become productive members of the work force.

Mr. Albert Cooper (Peace River): Mr. Speaker, I am pleased to take part in the debate on a subject which is very important to Canadians, and certainly to our young people. I listen to the minister on a fairly regular basis because of my interest in the subject of employment and employment opportunities in Canada, but as I listened to him today I could not help but realize just how much time he spent during a 40-minute speech in referring to the Conservative Party, the NDP and all sorts of situations and difficulties other than the real problems which he has been asked to address in his particular ministry. For example, I noted today that he was 20 minutes into his speech before he got to any of the substance of the problem or the solutions that we want to consider.

He suggested that if all parties co-operate and work together, we can come up with some great policies which would go a long way toward solving the unemployment situation of our youth in Canada. That is probably a reasonable and rational suggestion, but I find it very interesting that when we look at what often happens, we find that that simply does not happen. Bill C-48, which was before this House a few months ago, was probably a very good example. In the committee stage, the government introduced over 100 different amendments and we introduced over 50. Every one of the government's amendments was accepted, but not one of ours was accepted. So that shows Your Honour what happens when we refer to co-operation between parties.

The minister asks us to support Bill C-115 to which he referred. As the hon. member for Rosedale (Mr. Crombie) has indicated, we are prepared to do so. But what is significant is that we have to depend on the minister and the President of the Privy Council (Mr. Pinard) to introduce that bill in the House. It is not for us to call it; it is up to them to do so. They like to attach all sorts of blame to other people and parties in the House of Commons, but in fact the situation rests squarely on the minister's shoulders.

I do want to discuss the serious social and economic problem of youth unemployment. It is something which has been largely ignored by the government. It is a problem which is not being solved. In fact, if we look at what is happening in Canada today, we find that not only is it not being solved, but it is also worsening. It is an historical problem. It has been around for a long time. If we look back to 1966, we find that youth provided some 24.2 per cent of our labour force. The unemployed in that youth labour force made up 40.6 per cent. If we bring that into more modern times, into 1980, we find that the youth share of the labour force increased somewhat to about 26.8 per cent. Its share of the unemployed in Canada also increased to around 47 per cent. Forty-seven per cent of the unemployed people in Canada are the young people of our country. Since 1966, the youth unemployment rate has doubled the unemployment rate of those in the bracket over age 25. If one looks at what is happening in other countries, one finds that Canada ranked fourth highest of the 12 OECD countries in terms of youth unemployment in 1976. In this country, which has so much potential and opportunity, we cannot create jobs for our young people.

Recent data indicate that from March to April of this year unemployment in the group under 25 years of age increased by 23,000 people. In one month there were 23,000 more young Canadians without jobs and without opportunity. We all know that in the present circumstances unemployment is hitting all Canadians, but the ones who are most severely affected are our young and inexperienced. They are the ones who are hurt the most.

I want to look at the causes of youth unemployment in our country for a few moments. The standard response to the cause of the problem tends very often to be the baby boom. We have more people in this particular age bracket. There is a large number under 30 years of age. However, that is not the only cause. I happen to think that the problem is that the government has come up with inadequate policies to deal with the increased number of people in this particular age bracket. In other words, it has not provided an environment and climate in which to create an increased number of jobs to meet the needs of the larger group of people looking for those jobs. It uses the baby boom as an excuse or justification for not dealing with the problem. In fact, the baby boom probably is partly responsible, but it cannot be allowed to become the total reason or justification for the problem we are facing today.

Mr. Thacker: They knew it was coming.

Mr. Cooper: That is right. All of the numbers and information available indicated that we had to create more jobs for this particular time, and they will become increasingly necessary as we move on through the next few years. The numbers and information were all there, but the government failed to respond in an adequate, meaningful way. The real problem is that the government has given little attention to our youth. It has given little attention to the effect of the baby boom about to hit our country. It has not been dramatically concerned with Canada's future. Its policies have been inadequate, often ending up as being nothing more that simple lip service to a probelm and, at best, temporary solutions.

The root of the problem is probably that the government has created the worst economic conditions for our young people which could be imagined. The budget and the National Energy Program have stunted growth. If one looks at those two examples, one finds what the government has done to job opportunities in Canada. I come from an area which has been dramatically affected by the national energy problem. In our area, we find that unemployment has tripled in the last year. This is not because there is not a demand for natural gas or for our oil. The fact is that the government-created climate of investment in that particular sector of our economy has been destroyed. The result, of course, is that no one is getting jobs. Our young people are looking into various aspects of work in the energy sector, whether it be in engineering, in rig camps or as truck drivers, but it does not really matter in which part of the particular sector they would like to be involved, because those particular jobs are no longer available. It has been the end of business expansion because of the budget and the National Energy Program. It has been the end of the progressive development of our country. Those youths who are now looking for jobs could have and should have been the beneficiaries of the growth which should still be going on in that particular sector of the economy.

Our current conditions probably present the hardest time to our young and inexperienced. If one looks at what happens in any difficult economic period, one finds that the older, more educated and more experienced people will survive. They will be able to keep their jobs. However, when businesses do not have the resources or the climate to risk investment, they will not risk that investment or give that opportunity to young people. They will not gamble. They cannot expand, so the first ones to be cut from the payroll will be the ones most recently hired. Who are they? They are our young people. They are the last to be given a chance with our economic conditions. We see before us a picture that does not look any better. In fact, it looks more and more gloomy as time goes on.

• (1710)

Traditionally what has happened in times such as these is that our young people have turned to education or training programs. They looked at those as an alternative to present employment. Even those options have now begun to be limited.

If we look in the field of education, we find that the federal government is shifting the responsibility for funding from itself to the provinces. In the province of Alberta alone that will mean a cutback of $392 million to that province over the next five years. That is what would have been spent in that province by the federal government on education. It has now been cut back.

Alberta, because of its economy, budget and funds available will be able to make up that difference. But what about the other provinces, the so-called have-not provinces? What can they do? What will happen to their universities and colleges? All of us are receiving letters about this. We know what will

happen. A number of the colleges will be closed. A large number of them will be cutting back on their programs. To survive, a university will first have to raise its fees, lower its quotas, cut back on the number of classes and cut down on its facilities such as libraries and laboratories. The result will be fewer students getting a lower quality education, an education that may not get them a job in the end. What about those desiring education without any funds because they cannot get any summer employment? Once again they are caught in a Catch-22 situation.

In addressing the area of training, we find that the government has been slow to address the problem. Our nation had needed skilled workers. Had the Alsands project gone ahead, we would have needed a dramatic number of skilled workers in this country. We would have had more job opportunities than people to fill them. Our government has been very slow in bringing in training programs.

We talked about Bill C-115 today. As my colleague from Rosedale said, we look forward to supporting any bill that offers increased training opportunities for our young people, women and the Canadian population in general. That is the kind of thing we encourage this government to do.

Today we find ourselves in a really serious, desperate human paradox. We have high youth unemployment. At the same time we have a lack of skilled workers. The government is not addressing the problem. It is not providing choices for our young people. It is not providing either the job or, as I discussed a few minutes ago, the opportunity for education. It is a double-whammy. It is no job or simply a dead-end job. There is no opportunity to train for something that may lead to a job.

The question is, where will the future of Canada be without trained and educated young people? Where will Canada be if our youth are not given an opportunity? Instead, our government is banishing our youth to a life dependent on government assistance. Instead, it should be providing them with opportunities rather than removing those opportunities.

What are the costs of youth unemployment on a country such as Canada? There are two main costs. The first is the social cost and the second is an economic cost. Let us look first at the social cost. Among our young people who are looking for jobs we find a high level of discouragement, a high level of frustration. That can lead to petty crime, vandalism, a feeling of helplessness, an acceptance of a condition that exists, an idea of never going beyond government assistance which they receive at the moment. They begin to feel that things will never get better. All the time they have been looking for a job, they have been refused. That is their experience and that is what they expect to go on. Society is not benefiting from that whole rash of new ideas that we usually attribute to our people.

What about the economic cost? If you look at the unemployment in this group, Mr. Speaker, you find that they are not actively producing. They are not adding to our gross national product. I want to refer to a research study that was done and read a short quotation from it. I quote:

> The direct or primary effects of cutting youth unemployment rates in half in 1977 would have been to increase the Canadian GNP by something of the order of 1 per cent, or roughly $2 billion at 1977 prices. Including the secondary effects as well, the total increase would perhaps have been in the order of 4 per cent or $8 billion.

In other words, had we cut the unemployment rate of our young people in 1977 and brought it down to the national average for all age groups, it would have added one direct percentage point to our GNP. It would have taken $2 billion that would be filtered throughout our economy. The secondary effects might have been $8 billion or 4 per cent.

I see that my time has almost expired. I want to close by saying that the short-term solutions to the problem are job-creation programs. However, we can never lose sight of the fact that they are nothing more than short-term opportunities. They are an interim solution and nothing better. They are a temporary alternative.

In the long term, what we need to do is to create an environment for our youth to find their own spot in society. We need to restore their opportunity to be independent. We need to restore their opportunity for a good applicable education. They need to be given opportunities to be trained in something they want to do. They must be trained in a way that they can do something to contribute to our country. It all begins very simply by creating in Canada a climate for job-creating investment. That is the bottom line.

One sector we can look at is, very simply, the energy sector. There is a demand for those products. We know there is an opportunity to create jobs there. Those jobs will benefit our youth and the entire Canadian population.

I would like to close with that and emphasize the fact that the number one bottom line we need in this country is an investment climate that will create the risk-takers who in turn will create jobs in this country.

[*Translation*]

Mr. Jean-Guy Dubois (Lotbinière): Mr. Speaker, I am very happy to join my colleagues in participating in this debate, because the subject is one in which I am particularly interested, like anyone who is anxious to see the economic situation improve across Canada, and especially in Quebec. In fact, my own province is among those which have been most severely affected by the economic problems we are experiencing today, and which have also affected a large number of young people. The unemployment statistics for the past months have given considerable cause for concern. For instance, approximately 28,000 jobs were lost in a single month, and the unemployment rate has now reached 13 per cent.

Once again, if we look at the over-all statistics, it is clear that they include many young workers or students who are preparing to join the labour force. In the present state of the economy, it has become particularly urgent to seek new concepts and new solutions to our economic problems. We are examining new ways of establishing a co-operative formula with a view to solving those problems, because it is clear that nothing can be achieved if the parties concerned keep to

themselves, often working counterproductively. The successful results achieved at Bombardier are an eloquent example of what can be achieved through effective co-ordination. In the case of Bombardier, the result was a contract to build cars for the New York subway, thus creating many jobs in Quebec, especially in the riding of Kamouraska-Rivière-du-Loup represented by Mr. Gendron and in the riding of Shefford represented by Mr. Lapierre.

• (1720)

These are two constituencies which will be able to benefit from the fall-out from this extraordinary contract obtained by Bombardier. Of course, there already are many federal programs to support the fight against unemployment and increase job creation activities. For instance, this summer in Quebec, the federal government will spend over $24 million in programs aimed specifically at providing employment for young people. More specifically, as far as my constituency of Lotbinière is concerned, an amount of $81,000 was budgeted for summer employment.

Many requests were made in the constituency, over 60 projects to be exact, amounting to nearly $700,000 since, like all good promoters, of course, those from Lotbinière asked for more than they hoped to get and we succeeded on this side of the House, after making representations to the department concerned, in getting for the constituency of Lotbinière—and the same can be said for all constituencies in Canada and of course Quebec—an increase in the budget to $183,000. Therefore 110 jobs will be created this summer for 37 student projects, which was greatly appreciated by the students of the Lotbinière constituency. When we look at the effort made by the government and consider the situation, it was fantastic for the Lotbinière constituency to be able to announce that the budget had been increased by $102,000 to meet adequately the requests of the students who had made great efforts to come up with valid projects. It was obvious that after presentation of these projects, we had to ask the department to increase the allocation, and this is what we did, Mr. Speaker.

Federal projects will also be undertaken in other areas this year and they will create 1,750 jobs in Quebec. I believe that this is very important because various businesses are now trying to maintain employment at a level which would be normal in ordinary circumstances. As far as the students are concerned I must say that the only organization or level of government to have made some effort to find employment for young people is the Government of Canada, and I am proud of the fact that the government agreed to the requests of the representatives of these young people in this place that allocations be increased. The Public Service Commission will hire about 500 young Quebecers in fields related to their future careers. I am talking about the career-oriented program which also helps students. In fact, this is one of the points which we emphasized in our student assistance program this year so that young people who find such employment will have an opportunity to acquire an experience which can be useful later on. We want our investments in student employment programs to contribute to the training of these young people in addition to providing them with expertise for the economy of the province, which certainly needs it.

The community services projects of Canada, which is another component of the job creation programs, will allow us to allocate $17 million and create 9,134 jobs. These initiatives will also help the communities concerned since they must provide lasting benefits. As concerns this program, Mr. Speaker, the constituency of Lotbinière which I represent was allocated a budget of $580,000 which was later increased by $100,000 because, in looking for jobs, the workers were effectively asking their Members of Parliament to make representations to the department concerned to increase the funds allocated and help self-employed workers to find employment, and this community development program has been very well received in my own constituency and other Quebec ridings, as it allows Canadian citizens to submit quite interesting projects and provide employment for Quebecers. Another major contribution of the federal government in Quebec is the Canada Employment Centres for Students network. Quebec now has 47 of the more than 400 centres located throughout Canada. Last year, these centres co-ordinated the placement of 74,949 young Quebecers in summer jobs.

Mr. Speaker, recently, I officially opened my constituency's student employment centre in Victoriaville, and I was given statistics for the previous year showing that out of some 1600 applications, 1495 students were placed by student employment centres. This was truly important for students and, having been a student myself not so long ago, I feel that it is really an exceptional initiative by the Canadian government not to leave students to themselves and to ensure that a student employment centre can refer students to various employers in their area or province, as the case may be. There are also jobs outside the province.

Looking at statistics on the Victoriaville student employment centre in my constituency of Lotbinière, last year's figures show that this is a truly important initiative that had to be followed up this year. Indeed, student employment centres have become so efficient in these last few years that Canada ranks among the leading OECD countries for student placement. There is a full range of services, from job finding to counselling, and even courses on better ways to look for a job. Employers are canvassed to find out whether they have available jobs. They are urged to report all their student manpower needs. In a spirit of co-operation aimed at maximum efficiency, we also provide all available data on provincial job-creation programs. As I said on May 17, I officially opened the student employment centre in Victoriaville, and I was informed that in the three or four weeks it has been opened the centre manager and her three student associates had already conducted a number of interviews and were therefore getting ready to respond as adequately as possible to student applications. Four people work in the student employment centre in Victoriaville, three girls and a young man with

either legal, labour relations or industrial relations training. They were selected through interviews and are in a position to arrange those meetings with employers.

Manpower training in Quebec is conducted with federal funding, a major contribution to the training of skilled young workers and the reduction of unemployment risks. In the last fiscal year, for instance, the Canadian government invested $185.4 million in manpower training in Quebec, helping some 65,000 full-time trainees. Some 50 per cent of the trainees are under 24, which shows how much these programs benefit our young people.

Mr. Speaker, I should also point out that as far as occupational training programs are concerned, even regular workers who had temporarily lost their job and who had to find another job when their unemployment insurance period was nearing its end, could extend their unemployment insurance period by attending those courses. Let us see what happened in the case of former employees of a company known as the Ventilateurs Victoria of Victoriaville. The employees represented by the CNTU, following representations made to me by the union authorities, were in a position to inquire at the Victoriaville employment centre and in the riding of Lotbinière, especially in Victoriaville, and with the co-operation of the regional and local school board were allowed to attend courses and thus plan for improved job opportunities for the future.

However, we are not altogether satisfied with the results obtained through those training programs and it is exactly for the purpose of improving those conditions, that the Minister of Employment and Immigration (Mr. Axworthy) last Friday introduced Bill C-115 on occupational training designed to implement a new training plan, taking into consideration the technological progress of the 1980s and our other economic requirements for that period. I am convinced that all my colleagues in the House would like to ensure the quick passage of that bill which will represent a major step in our endeavour to improve the fate of our young people who are looking for jobs. In this respect, it is also very important that with the report and Bill C-114 we should provide for an extension of UI benefits and move to reduce the number of weeks required before drawing unemployment insurance benefits. That was also done at the request of some of my constituents and I see that the minister did come up with an adequate response. I note that it was done in my riding. Those representations had again been made to me by spokesmen for the CNTU and I see that the department has been able to fulfil some of the expectations of those workers in my riding.

• (1730)

As I said at the outset of my remarks, we all fully realize that the situation is serious. The government of Canada acknowledges some responsibility for providing assistance, but it must also be admitted that we cannot hope to succeed if we act alone. The international situation as well as the policies and the active measures taken by the most important elements of our society—provincial and municipal governments, large corporations, small and medium-size businesses—all have some influence on the number of jobs which may be available. For instance, the Quebec provincial government recently backed out of its financial commitments concerning summer jobs for students. Nothing surprising there.

These past few years, the provincial employment agency for Quebec students has paid part of their salary to employers who hired students through the agency. This year the province will maintain its registration and introduction service, which the federal government maintains as well on a country-wide basis, but it has done away with subsidies to employers. That is one more example of our good government. Mr. Speaker, I find it deplorable that, rather than running some sort of an advertising campaing on the Constitution and on certain rights of which it had allegedly been deprived, the government of Quebec has not chosen instead to come here to Ottawa to make representations as the people are urging them to do through various polls in which they state their agreement with respect to the renewal of the Constitution. The Quebec government spokesmen should be here instead of running that kind of campaign. They should have used that money precisely to sponsor student programs. It is unfortunate that such a situation should exist.

In my own riding, Mr. Speaker, I urge employers to provide students with summer jobs, even if these jobs are to be of short duration. As a rule, people understand that the money students earn during the summer months help them get the experience they need to join the labour force successfully. I suggest, therefore, that employers should make a special effort in these hard times. Hiring more students for the summer would represent a very good investment not only for their own business but also for Quebec's economic future. Mr. Speaker, I should like to stress the fact that the situation in Quebec is in my view quite deplorable. But happily—and I would like my constituents in the federal riding of Lotbinière to know that—the federal government has really made a tremendous effort this year by increasing the budgets for my own riding by more than $100,000. That has made it possible for all the municipalities with youth projects to be fairly treated by the Government of Canada in the areas of the handicapped, recreation and community services. All the municipalities within Lotbinière have received money through the Student Summer Job Program within the limits of the financial resources available. I think that it is important for this government to continue these programs, for we are aware that our opponents wanted to get rid of the Canada Works and Young Canada Works programs the moment they came into office in 1979. I feel that we must seek increased budgets for the various programs.

[*English*]

Mr. Tom McMillan (Hillsborough): Mr. Speaker, no subject could be more relevant at this time of year than that of student and youth unemployment. Tens of thousands of young people are pouring out of our high schools, our community colleges and our universities in search of jobs, and in many cases full-time, permanent jobs. For many of those young people, perhaps most of them, the search will be a complete failure. I say complete failure because a considerable number of them will not have any success in landing any employment

at all. Others will have to settle for something less than that for which they took their training and education. Even those who have set their sights only on summer employment to help meet the steadily escalating cost of furthering their education, will find it harder to find a job this summer than at any time since the 1930s. For many in that category, failure to gain summer earnings will force them to postpone or abandon plans to return to school in the fall. Certainly very few parents are able to help their children, given the deepening recession.

Contrast the current situation with that which prevailed when the Prime Minister (Mr. Trudeau) assumed office some 14 years ago. I remember the period well because I had completed my first university degree only a few months before he took office in 1968. We were the class of '67 at what is now the University of Prince Edward Island. Some of us went on to take further studies or training, but many went directly into the job market upon graduation. As we approached graduation there was little concern about whether the market could absorb us. A fair number had already been hired by all manner of firms and companies that visited the campus throughout the academic year to recruit students.

Everyone took future possibilities and prospects of employment for granted. It was not a matter of finding a job but of getting one that made the best use of a person's talents and background. The community college system was not as well developed then as it is now. Yet the same optimism was felt by its graduates entering the labour market. It was a time of economic buoyancy, of opportunity and of promise both for them and for the country. No horizon was too far, no challenge too great. The land was strong, to use a recent catch phrase of the Prime Minister. In the late 1960s fewer than 350,000 people were permanently unemployed, compared to over one million today. The inflation rate was scarcely above four per cent, compared to above 11 per cent today. Interest rates were a mere nine per cent, compared to 15, 16, 17, 18, per cent and over today. The value of the Canadian dollar was almost at par with the United States currency. It is currently hovering at 80 cents U.S., the lowest in half a century.

The Prime Minister inherited an economy that was inherently strong, but in a short period he squandered that legacy through sheer economic mismanagement. When the class of '67 graduated, Canada's standard of living was the third highest in the world, second only to Sweden and the United States. It has now plummeted to thirteenth place behind Switzerland, Sweden, Norway, Germany, Denmark, Luxembourg, Iceland, France, Belgium, the United States, the Netherlands and Finland.

I have dwelt on the over-all economic picture for the simple reason that youth unemployment must be seen in the context of the economy as a whole, and not in isolation. Youth faces a lack of opportunity because this government has driven the economy into the ground. The answer to youth employment is not make-work projects, although they can be helpful as a temporary measure, nor is the answer exclusively to be found in any other limited approach tailor-made to youth, though no doubt the government could be doing much more than it is doing at present to devise programs with youth specifically in mind. Rather, the answer lies in restoring the total economy to health so that the potential of this great land and its people, including youth, can once more be realized through the release of its productive forces.

• (1740)

Every generation has its own distinct contribution to make to society and to civilization as a whole. No generation is the same as any other. The tragedy of youth unemployment is that this generation is being denied its turn at bat. The distinctive talents, interests, education and training of today's youth could contribute much to making our society a better place in which to live. Instead, their abilities are going to waste. Young people with good schooling in stenography, commerce, business, the building trades, the sciences, the vocational arts, even law and medicine and engineering—the traditional tickets to job security and high income potential—are finding it hard to obtain employment.

Let us look at the facts. The over-all unemployment rate last month was 9.6 per cent seasonally adjusted. A record 1,233,000 people were looking for work in April. There would have been at least another 100,000 more if one took into account those who have given up looking for work. The Science Council of Canada says Canada is becoming de-industrialized. Not only are we not creating new job opportunities, we are not even keeping many of our existing jobs. Some 223,000 jobs were lost between August, 1981, and March, 1982, largely in the manufacturing sector, but that figure applies to all sectors. More than half of those jobs were held by young men and women in the 15 to 24 age group. Nearly 53 per cent of the jobs lost in the last seven months were held by young people. Indeed, the largest single group of unemployed is in that 15 to 24 age group.

In my own region, the Atlantic provinces, youth unemployment stands at over 20 per cent, the highest of all five regions and appreciably above the national average of about 15 per cent. Yet the education, training and inherent human qualities of youth in my region are comparable to those of other Canadians. Clearly, however, qualifications are no longer the answer to labour market problems.

The problem, then, is not one of motivation or ability on the part of Canadian youth, whether in the Atlantic region or anywhere else. The problem is lack of economic opportunity, and much of the blame can be placed squarely at the feet of this federal government, specifically its high interest rate policy. The truth is, though, that high interest rates are a symptom rather than the root cause. We are in a man-made recession brought about by 14 years of this government's improvident spending, its lack of manpower planning, its failure to invest in research and development, its over-reliance on the public sector at the expense of the private entrepreneur, its limp-wristed response to the formation of the OPEC cartel a decade ago, and its penchant for governing with the next election in mind rather than with the long-term interests of the country at heart. Having allowed the country to spend itself

into enormous debt, is it any wonder that our inflation and therefore our interest rates are as high as they are? Is it any wonder that our dollar is the poor cousin among world currencies? Given that we have shunned research and development geared to producing new and better goods and services for world markets in favour of relying on exports of our unprocessed raw materials, is it any wonder that the Japanese, the Germans, the French, and many others, are beating the pants off us in international trade? Is it any wonder that nearly 40 per cent of our auto workers are laid off as one country alone, Japan, threatens to capture 30 per cent or more of our automobile market?

The Canadian government, Mr. Speaker, has instilled in Canadians a false sense of security by insulating the country from soaring oil prices with billion dollar energy price subsidies instead of investing that money to make Canada self-sufficient. Is it any wonder that eleventh-hour efforts to launch energy megaprojects are being wrecked on the shoals of the so-called National Energy Program?

The government blames international forces for the state of the Canadian economy, but we, more than any other country, have contributed to those same forces; for example, by being the world's worst managers of non-renewable energy resources. Over the past four years our industrial productivity has been rising at the second slowest rate among major industrialized nations. Unquestionably a major contributor to our poor productivity is a pathetic research and development performance. The government is content to do as little as possible to foster economic prosperity while spending as much as possible on advertising to manipulate the public into thinking it is doing much more than it is.

The youth of Canada know better, Mr. Speaker; when times are tough, they know; they are the hardest hit by economic recession, indeed depression. When employers cut back because of high interest rates, or whatever, they generally stop hiring students or other young people before they lay off people already on the job. They also tend to lay off their newer, which is to say younger, employees before they lay off those with seniority.

Where do we begin to bring about economic recovery, Mr. Speaker? The first step is to realize that the problem, therefore the solution, is to be found in Canada, not in some mythical world economy. Some of the steps required, for example greater investment in research and development, are implicitly called for in my previous remarks. For the Atlantic provinces, I would hope such a thrust would include the establishment of a fourth veterinary college for Canada, to be located in that region, it is to be hoped in my own province. An institution of that kind is urgently needed to buttress the fragile base of the agricultural and fisheries industries in the region.

In conclusion, Mr. Speaker, let me say that, beyond specific measures of that variety, Canada must get its economic house in order. The government's high inesterest rate policy is a terribly weak hand to play, if monetarism happens to be your suit, when not complemented by a wise government spending package. I am not calling for reduced expenditures necessarily, but rather for expenditures that constitute a solid investment in our country's future, which will also help to create those much needed jobs for today's youth. We need much more spending on the economic infrastructure of the country and much less on government self-promotion, on the aggrandizement of certain bureaucratic empires, and on government takeovers of industries which have the effect of not creating wealth but of scaring it away.

• (1750)

I think the young people of this country recognize that no government can solve the country's problems alone. But this government more than any other in the past, is responsible for many of the problems with which we are burdened. It is for that reason that our young people, along with their parents, will be looking forward to the day soon when they can cast their ballots for a new deal for themselves and for the country as a whole.

Mr. Brian Tobin (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I must say at the outset that this debate today reminds me a great deal of the emergency debate we had on the National Energy Program some time ago. It was cited as being a great emergency by members opposite in the Progressive Conservative Party, and when I rose in that debate to speak in this House there were about as many members present at that time from the Conservative Party as there are today. I count just three.

Mr. Thacker: We know you have nothing to say.

Mr. Taylor: You have only eight over there out of 150.

Mr. Tobin: I hope that puts things in perspective for the public. I would remind hon. members opposite that there were just two members to listen to their own representative speak during this debate.

Mr. Taylor: You have only eight members.

Mr. Tobin: I think that puts in perspective the political motivation of members opposite who make these resolutions and call for these debates but then have only two members present to listen to their own spokesman on the topic.

Mr. Taylor: There are eight on your side and there are eight on our side. Get your numbers right.

Mr. Tobin: I heard the hon. member for Hillsborough (Mr. McMillan) speak today. I listened very carefully to the series of words and phrases he used referring to Canadians all the way from being the world's worst, to being pathetic, to having a lack of initiative. He went on to discuss manipulation and to suggest that the only thing this government could do was to manipulate through advertising. What I did not hear, sadly, and what I was waiting to hear with great passionate interest because I, too, am alarmed at youth unemployment in this country were some concrete suggestions from members opposite. It is not enough to score political points and to have

two members present from an entire caucus and yet offer no concrete solutions.

Mr. Taylor: Mr. Speaker, I rise on a point of order. There are eight members on this side of the House.

The Acting Speaker (Mr. Blaker): Order, please. The Chair is prepared to recognize the hon. member for Bow River (Mr. Taylor), but not when he is not in his own seat.

Mr. Tobin: The hon. member is not in his own seat and cannot rise on a point of order.

The Acting Speaker (Mr. Blaker): The hon. member has now returned to his own seat and I think the Chair will recognize the intent of the hon. member. If he chooses to rise on a point of order, he may do so now.

Mr. Taylor: Mr. Speaker, the hon. member keeps saying there are only two members on this side of the House. That is absolutely wrong. He cannot even count up to three. We have four members in the Progressive Party and there are four members from the New Democratic Party. The hon. member opposite has only eight members on his side of the House out of 150 members. I say to the hon. member that he had better get his own house cleaned up before he starts cleaning up our side.

Mr. Tobin: Mr. Speaker, let me point out to the hon. member that he does not have a point of order. This is not our motion. We are not attempting to condemn the government. Neither was it our motion to move an emergency debate last week. It was yours, and you had three members. I would like to have a serious discussion today, not nefarious points of order.

The Acting Speaker (Mr. Blaker): Order, please. Unfortunately, with all of the other hazards of being in the chair, I do not have a crystal ball which would permit me to determine whether a point of order is nefarious or not until I hear it.

Mr. Thacker: Mr. Speaker, I rise on a point of order. In the meeting of the Standing Committee on Agriculture today we waited 30 minutes for Liberal members to show up. We had our full complement of Conservative and NDP members, but there was not one Liberal present.

Some hon. Members: Oh, oh!

Mr. Tobin: I would like to say something.

Mr. Taylor: If the hon. member would say something, we would not have to raise points of order.

Mr. Paproski: I rise on a point of order.

The Acting Speaker (Mr. Blaker): Order, please. I want to indicate that the Chair will be fairly rapid in assessing whether or not there is a point of order.

Mr. Paproski: Mr. Speaker, I would like to bring to your attention, and I think you should bring this matter to the attention of the House, that this afternoon there are four committees meeting, namely, the Standing Committee on Agriculture, the Standing Committee on External Affairs and National Defence, the Standing Committee on Finance, Trade and Economic Affairs and the Standing Committee on Indian Affairs and Northern Development.

Mr. Tobin: That is not a point of order, Mr. Speaker.

The Acting Speaker (Mr. Blaker): Order, please. I would ask the hon. member to come to his point of order as quickly as possible.

Mr. Paproski: Mr. Speaker, because the hon. member mentioned there were only a few members in the House, he is reflecting upon how many members there are here, which I think is wrong. You are the first commoner in this chamber, Mr. Speaker, and you should be able to tell those people in television land just exactly where the members are. The first thing is that the hon. member for Humber-Port-au-Port-St. Barbe (Mr. Tobin) should not reflect on the number of members in this chamber. Second, I would ask you to inform those people who are watching this program that there are other members working in different places in this House.

The Acting Speaker (Mr. Blaker): I am delighted the hon. member feels that the role of the Chair should include that of master of ceremonies for a television program. I think I should pass on that suggestion.

Mr. Tobin: Mr. Speaker, members opposite are attempting to use up the time making political points, time which I would like to have today to talk about what the government is doing. I think it is relevant and I think the people out there in television land should know when a full day of the time of this House is wasted, whether it concerns the National Energy Program emergency debate, to which no one showed up—

Mr. Paproski: You can say that, but do not reflect on the numbers in this House.

Mr. Tobin: —or whether it be an opposition day motion to which the very members who put the motion do not show up. I think the people of Canada should know that. If we are going to be serious about putting our young people back to work, members themselves had better get back to work.

Mr. Taylor: How often are you in the House?

Mr. Tobin: You moved the motion. We did not. We are here to respond to it.

Mr. Taylor: How often are you in the House?

Mr. Tobin: And you have not showed up to put forward one concrete solution today.

I was a member of a task force which spent a period of six or seven months examining primarily the question of training, training programs and institutions in this country. We made a series of recommendations. This task force was made up of

members from all parties. I must say that members of all three parties approached their task eagerly and honestly. I think we made some very concrete recommendations, not all of which have been adopted at this point by the government, but many have.

I want to refer to the national training bill introduced in this House last Friday. I see my time is quickly slipping by, but I want to highlight some aspects of that bill. The bill will go a long way to addressing those occupations which are at the present time somewhat of a paradox. Literally we have thousands and thousands of people unemployed, while at the same time many jobs are going unfilled. That in itself is a crime. The national training bill will allow higher income support rates to encourage laid-off apprentices to continue with their trades. It will authorize the waiving of the present requirement that adults must be out of school for a period of 12 months, allowing them to return to secondary institutions immediately. It will permit workers to be trained in higher level skills beyong the present 52-week period. Unfortunately, because a person can receive support for a period of only 52 weeks, many of our bright young people are taking short courses instead of going on to study higher technology or computer sciences. There is a need for people with that knowledge and there are jobs in those sectors going unfilled at this time.

Unfortunately, and sadly, because I had much to say which I thought would contribute to this debate, I must call it six o'clock.

Mr. Taylor: You have not said anything yet.

The Acting Speaker (Mr. Blaker): It being six o'clock, I do now leave the chair until eight o'clock this evening.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Neil Young (Beaches): Mr. Speaker, I am glad to have an opportunity this evening to discuss the motion before the House which deals with unemployment, particularly unemployment among young Canadians. There is an obvious need to discuss what I view to be one of the most serious problems facing our country today. Statistics certainly point to that need, and those figures in and by themselves are nothing short of a national disgrace. Last month there were some 1,233,000 persons, or 9.6 per cent of the work force, registered as being unemployed. Nearly half that number, 508,000, were between the ages of 15 and 24. On a seasonally adjusted basis unemployment among young Canadians was 16.6 per cent. The unadjusted unemployment figure increases that figure to some 18 per cent. If the hidden unemployed—those who are unemployed but who are no longer registered as looking for work—are taken into account, that figure for youth unemployment jumps to some 25.1 per cent of the youth unemployed, which means that there are some 777,000 young people between the ages of 15 and 24 who are unemployed. On top of that there will be additional thousands of summer students who will be looking for employment over the next several months in preparation for returning to schools and universities in the fall.

• (2010)

Those and similar statistics have been known and available not only to government but also to government agencies for several years now, and I rather suspect that as these monthly unemployment figures are released, many Canadians are becoming numb at the enormous size of these figures. The reason for this is not that Canadians have been entirely shocked at the figures, as the trends have been fairly steady and fairly persistent; nor do I think people generally have stopped caring about unemployment; it is simply that statistics in these magnitudes are difficult for the average person to comprehend.

The other possible reason is that numbers and statistics fail to reflect the human element and the untold misery unemployment creates for individuals and their families. There is a report today in the *Toronto Star* of interviews with a number of individuals who have recently become unemployed. The report discusses the particular problems those individuals face. One of those individuals is a young chap aged 29 who is unemployed and struggling to meet a $400 monthly mortgage payment. According to the *Star*, he is mad at the crowds, the red tape and the complete bureaucracy which stand between him and the $189 a week he knows he has coming in unemployment insurance benefits. They call it Canada Employment, but these days, with 1.2 million out of work, even the name is a cruel joke that mocks the unemployed. In his words: "Picture yourself with a family, two kids, the mortgage overdue, and no money for five weeks". This individual took home some $400 a week before he was laid off, and then he enrolled in a federally-sponsored welding course. It was at that point that he made a mistake. He dropped out of the course to take two weeks' temporary work because his government cheques were not coming in. He says he had bills to pay but that "They don't seem to know what that means; they said being broke was no excuse for dropping out". After repeated visits to unemployment insurance offices to straighten out his claim this individual says he is sick and tired of being harassed by the system his tax dollars and premiums pay for. There are countless stories like that all over this country, and some of them are recorded in today's *Star*.

In terms of young people, unemployment statistics do not reflect those who have never even had the opportunity of entering the work force. They do not reflect the total frustration of those who are seeking employment for the first time and are rejected at every turn. The statistics even show that many of those kids give up in total frustration because there simply are no jobs. In their search for jobs they not only become frustrated but they also become totally demoralized after being rejected and rejected and rejected for one reason or another, the main one being that there are no jobs to be found. The second reason is that before employers are willing to hire any of these individuals they demand and insist that they have

previous experience in a particular occupation or classification. It is a Catch-22 situation; how can a kid manage to get experience on the job when no employer will hire him because he has no experience? That probably has been the biggest failure of the government in the past. It has introduced so-called job creation measures and programs and brought them in under wage subsidy programs, which means that the government has subsidized employers to hire students or young people and split the wages, usually by 50 per cent. In an individual case the employer pays $1.50, and the government matches that with another $1.50. The experience under those programs is that the employer will exploit and take advantage of the young person for a period of, say, three to six months. Then the employer will simply get rid of the individual and hire another person so that he can take advantage of this wage subsidy program again. The first employer goes around and around. Nothing very positive happens to him, and programs like that certainly do not rectify a very bad and serious unemployment crisis.

There are other things unemployment statistics do not reflect. In other jurisdictions evidence of the long-term effects of extended periods of unemployment on the individual and on the family unit have been well documented. Unemployment statistics do not show increases in crime rates, family breakdowns, suicides and other hidden effects long-term unemployment has on the social fabric of the country, yet the evidence is there for anyone to see, and that evidence cries for the introduction of policies and programs to get us out of the mess in which we find ourselves.

What this government fails to realize is that the problems with which we are faced today did not begin overnight, and neither can they all be blamed on international influences. The problems we have today are the result of short-sighted and wooly-headed policies which have been followed by this government in particular over the past number of years, in spite of the fact that those policies were obviously wrong and not in the long-term best interests of the country or the vast majority of Canadians. This government has failed to deal with the most glaring of these problems, and that is the fundamental weakness in the structure of our economy. That weakness results from the uncontrolled domination of the manufacturing and resource sectors by foreign capital and our total lack of control over the exploitation of those vital sectors of our economy. This lack of control has resulted in the devastation of secondary manufacturing in Canada, as branch plant after branch plant has been closed. They have not been closed because many of them were not operating on a profitable basis but simply because decisions were made to supply the Canadian marketplace from other sources, usually the United States. In many cases we lost not only jobs but also the skills associated with them and the technology which developed and grew from the products which we produced. A perfect example of this is the electrical and electronics industry. It was not so long ago that that industry was a vibrant and expanding part of our economy. Just look at it today, particularly in the home entertainment field. Today we cannot go into a store and buy a Canadian-made radio, yet that particular industry employed upwards of 15,000 Canadians ten years ago. We cannot go into a store today and buy a Canadian-made stereo system. Every stereo system we buy today is made offshore, yet that particular part of that industry employed upwards of 50,000 Canadians ten years ago. In the television manufacturing industry, I believe I am correct in saying, there is only one manufacturer left in the country, and he is in serious trouble and has either made the decision or is contemplating the decision to get out of that business, which would mean that in a few years it will be impossible to buy a Canadian-made television set.

In today's economy the importation of electronic products to a vibrant industrial economy is absolutely disgraceful and a terrible reflection of the mismanagement of our country's economy by this and previous governments. The reason for this happening was plain to everyone except the government. Those plants were constructed here simply to supply and exploit Canadian markets. Now that those markets are saturated with the goods these plants were built to produce, these plants are closing down and the manufactures will simply supply our needs from plants outside Canada. There is not a manufacturing sector which has managed to escape from this fact, whether it be in footwear, clothing, rubber, auto manufacturing or in countless other areas of secondary manufacturing in this country.

• (2020)

What about the resource sector? This is an area which has been blatantly abused by successive governments for short-term gain, with little thought or consideration for present or future generations of Canadians. It has been said that this generation has no right to exploit those resources without giving consideration to the needs of future generations of Canadians, and I agree with that view. I would go further and contend that the reason we find ourselves debating this motion on youth unemployment today is the mismanagement of our resources yesterday and in past years.

I recognize I only have a few seconds of time left in which to speak.

Mr. Blais: Oh, go ahead.

Mr. Young: Hon. members are giving unanimous consent to allow me to continue, but I regret having to say that, by all indications, this government and other governments will continue with identical policies, despite all the evidence that they do not work and, in the long term, will be to the country's continuing detriment.

If this government had the political will to take action on this fundamental problem, we could very well be on the way to finding a resolution, not only to present day unemployment among our youth population, but also to resolve unemployment and the boom and bust cycles in our economy which have been a way of life for far too long. The government could do one thing and could do it very effectively, because the private sector is unable or refuses to do it at the present time. It is common knowledge that, for every job created in housing

construction there are three immediate jobs created in spin-off industries, such as the plumbing industry, the furniture manufacturing industry and the electrical appliance industry. In the long term, for every one job created, for example, in the construction of housing, there is evidence to show that 25 jobs are created in spin-off industries. It seems to me that if the government were to embark on that kind of program, to get into the construction of housing, it would not only be serving a socially useful function, but would also be providing Canadians with much needed jobs. There would be money coming back into the economy rather than money going out of the economy.

I could go on to spell out more of what we believe could be done. However, my leader, the hon. member for Oshawa (Mr. Broadbent) has mentioned in this House on many occasions, and—

Mr. Paproski: Broadbent is the Charlie McCarthy of the CLC.

Mr. Young: Pardon?

Mr. Paproski: He is Dennis McDermott's Charlie McCarthy.

Mr. Young: Mr. Speaker, the Conservatives love to direct criticism at this party and at other parties in the House. However, it is their opposition motion today. So far, they have five hon. members in the House. The bells rang for about ten minutes tonight because we could not get a quorum and because there was only one Conservative member sitting in the House—

Mr. Paproski: I rise on a point of order. Mr. Speaker, I think the new hon. member in the NDP should realize that he should not reflect on the number of people in the chamber. He must know that there are committees meeting this evening. If he does not understand what goes on in the chamber, maybe his—

Mr. Blais: There is a labour convention in Winnipeg!

Mr. Paproski: I see no reason for the hon. member reflecting on who is here in the chamber. We have other things to do than to sit in the House.

Mr. Deans: There is no rule or precedent disallowing that.

Mr. Young: Well, Mr. Speaker, I accept the admonition of the hon. member for Edmonton North (Mr. Paproski).

The Acting Speaker (Mr. Blaker): Order, please. As six o'clock approached, the same matter was raised in the House by the same hon. member, I might add. Before going to dinner, I had requested the Table officers to assist me in finding the correct citation which covers comments on the attendance of members. That has not yet been found, but my understanding is that hon. members may remark as to the attendance of members generally, but not as to the attendance of a particular member.

Mr. Deans: That is absolutely right.

The Acting Speaker (Mr. Blaker): If that will satisfy the House for the moment, I will see if I can do further research while in the Chair, and perhaps with that as a guideline, I could again recognize the hon. member for Edmonton North.

Mr. Deans: A very enlightened observation.

Mr. Paproski: Mr. Speaker, I appreciate your decision. I simply do not exactly know where this matter is dealt with in Beauchesne's. Nevertheless, we do not like reflections on the NDP attending a CLC convention in Winnipeg or on the fact that there is only a half dozen members here. I would not want to do that.

Mr. Deans: As a percentage of the total, we are a lot more numerous than you.

Mr. Paproski: I do not think it is fair that any member should reflect on the fact that there is only a handful here from their party.

Mr. Deans: Although most of us are not quite the same size, I might say.

Mr. Young: Mr. Speaker, we anxiously await the results of your research.

Why do the Conservatives like to criticize and like to say that our policies are all wrong? At least we have a policy and at least we have some suggestions to make, but I have failed to detect anything concerning youth unemployment from what the Conservative Party has said in the House today. Frankly, the only thing I could find in terms of Conservative Party policies with respect to youth unemployment came from its position when it unfortunately formed the government for the short period of time between 1979 and 1980. At that time, the Leader of the Opposition (Mr. Clark) simply promised employers that the Liberal employment tax credit plan would be replaced with the employment tax credit plan of the Conservatives, with exactly the same problems and exactly the same formula used. What did the Leader of the Official Opposition promise? The numbers dropped downward after his election. The national youth service corps, which was supposed to provide 50,000 new jobs for young people in small communities, was later targeted to provide only 14,000 new jobs when the Conservatives were in government. I will not go on. I think the country knows that the Conservative Party is long in criticizing but short in solutions.

Some hon. Members: Hear, hear!

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, I could begin by stating that it is the hon. members of the New Democratic Party who are directly responsible for the mess in which so many young people find themselves today.

Some hon. Members: Hear, hear!

Miss MacDonald: They are directly responsible because that is the party in this House which joined together with the Liberal Party to defeat the previous government and to bring in those policies which have contributed to the highest unemployment this country has experienced since the years of the depression.

I would like to direct attention to the motion before us for debate today which states:

That this House condemns the government for the economic mismanagement which has led directly to the loss of 300,000 jobs since August 1981 and produced a crisis situation for students seeking summer or permanent employment—

• (2030)

I want to repeat that last part:

—produced a crisis situation for students seeking summer or permanent employment—

We are into this debate today because a crisis situation exists in the country. The crisis is this. There are some 475,000 young Canadians between the ages of 16 and 24 who are without work today. Of that 475,000, there are some 200,000 students coming out of schools and universities who are unable to find jobs at this time.

They are spread across the country. They are in towns, villages and cities in every part of this great land of opportunity, but there is no opportunity for them this summer. They cannot find jobs. They have come out of school, college or university looking for jobs which will enable them to return this autumn to follow their studies. They are either looking for summer jobs, or they have graduated and are looking for permanent employment. They can find neither.

There are 200,000 students without jobs. There are 475,000 young people altogether without jobs. If they were to congregate in one spot, come together in one massive group from across the country, I am sure even this government would recognize the magnitude of the crisis which confronts us. Perhaps it would be more responsive than it has been so far in today's debate. What we are facing is not just a major problem for young people throughout the summer, but a massive blow to the development of our society if these young people cannot get back into the educational system this autumn.

I used the word "crisis", and I used it deliberately. The motion uses the word "crisis". That is what youth unemployment is all about in this summer of 1982. It is worse than last year and the year before. Job prospects for young people in Canada today are worse than at any time in our country's history. That is not an exaggeration. That, sadly, is a fact.

The point of this debate today is to ask ourselves how this situation came about and what, if anything, can be done at this late stage in the spring of 1982 to improve the situation in the months immediately ahead of us. As a number of my colleagues have stated in this debate, the current high unemployment is a direct result of the economic uncertainty and instability that characterizes Canada today. Government policies have created that climate of uncertainty and anxiety. As a result, investors no longer feel confident that development can move ahead in Canada. Confidence has been lost, creativity has been stifled and, as a result, jobs are not being created.

A number of members in the Liberal Party are beginning to recognize that their government's policies such as the National Energy Program, the budget, high interest rates, are not working, that they are wrong.

The policies which the federal government brought in, whether emanating from the budget or because of the high interest rate policies or the National Energy Program, are combining to produce unemployment, not jobs. These policies ensure that students will not have jobs this summer. Fortunately, Liberal backbenchers are beginning to realize the reality of these facts, but the Liberal cabinet still refuses to do so.

Earlier today I pointed out to the Minister of Finance (Mr. MacEachen) that date had been made available to Liberal backbenchers which shows that unemployment is going to get worse in the months ahead. That is a startling fact to read. It must have come as a startling revelation to those members of the Liberal backbenches who were handed this information.

I asked the minister if he had had this data made available to him and had it analysed and, if so, had he begun to produce programs that would stimulate job creation. I asked whether he had taken that data to see what could be done and whether he could come up with policies and programs to stimulate new job creation.

I do not expect the Minister of Employment and Immigration (Mr. Axworthy) to be able to do all of this himself. More than any other person, he has to have the co-operation of the Minister of Finance. That is why I raised this point with him. What was the response of the Minister of Finance? He adamantly refused to answer the question. He wants to stick with the policies he now has, even though the impact of those policies has been so severe on the labour force across this country.

In some ways, one might compare the labour force of this country to a giant bellows which expands and contracts at regular periods throughout the year. The tragedy is that it has been contracting more and more since last summer and there has been no expansion. Since last August, 300,000 jobs have disappeared from the labour force. Not only have those jobs disappeared, but there has not been the seasonal expansion one normally sees in the spring and summer which alleviates unemployment, making it possible for students coming out of school and university to find jobs.

The policies of the government have brought about a prolonged contraction of the labour force. Hundreds of thousands of workers have lost their jobs since last summer. These are permanent workers out of the work force. Young people pouring out of our schools, colleges and universities at this time of the year have to line up behind those already unemployed. Unfortunately, they stand little or no chance of getting into the work force this summer, unless some dramatic move is made now by all levels of government to deal with this critical situation.

It is not enough for the minister to stand up and talk about Bill C-114, Bill C-115 or training programs in the future. He knows he will have our support on these measures. What is important is that he take steps to face this economic dilemma that confronts 200,000 students now.

I do not pretend that the government can turn the economy around overnight. I know that is not going to happen. However, I am not sure that all the steps that can possibly be taken to avert this summer's catastrosphe have been taken.

Let us not underestimate the problems that are facing students, problems which have been aggravated by recent moves of the federal government. It is this government which has cut $1.9 billion from post-secondary education funding for the next two years. It has cut that out. The immediate impact of that move by the federal government is that tuition fees for students will go up dramatically next year.

The immediate need that students have this summer is finding a job which enables them to earn more, not less, money than they usually earn in the summer months in order that they can meet the increased costs that will face them when they return to university next autumn. They are counting on these summer jobs to provide them with these additional moneys. They are finding that those jobs simply are not there.

It is a reality that students cannot get through university solely by relying on government grants or loans to see them through their education. These loans and grants have to be supplemented by private income, by the funds that students earn when out working during the summer months. But if there is no opportunity for them to earn, then the adverse impact of that situation falls heaviest on those students who come from families of low or middle income, because those students cannot fall back on parental assistance to pay their way through the next school year. Their parents are in no position, given today's economic situation, to do more than look after the daily demands on the family budget. So these young people face not only the bleak prospect of a summer without a job but, even worse, they face the prospect of having to drop out of school, not because of lack of ability but because of lack of funds. That will scar each young person individually, Mr. Speaker, but it will leave lasting scars on Canada's ability to produce the trained manpower and womanpower that we are going to need in the years ahead. In the meantime, what do you say to these young people, to these thousands of young people who are literally bewildered by the turn of events and who desperately want to find work? How do you explain to them that the climate for job creation does not exist in Canada today? Because they will come right back and tell you that it is your responsibility to create that climate.

• (2040)

The reality of that faces me every day in my own riding of Kingston and the Islands, a riding which has such noted institutions as Queen's University, the Royal Military College and St. Lawrence College. In my riding there are some 2,000 students who cannot find work this summer, who are desperately hoping to find a job. They know that the normal factories and plants are not providing jobs the way they did last year. They know that they cannot go out and work in the local parks and local grocery stores the way they did last year.

I agree with the minister's comments earlier today that it is the responsibility of all of us to try to help the private sector, to persuade the private sector to hire more students. But the reality is that the private sector has been so brutalized by many of this government's policies, that many sectors of it can no longer stagger along in the way they normally do. They simply cannot expand to take care of an additional 200,000 students this summer, the summer students who are now jobless. At least, they cannot do so without further assistance.

Ten of the minister's colleagues recognized that situation earlier this year, when they wrote to the Prime Minister (Mr. Trudeau) as follows, and this is what they said in their letter:

> Unfortunately, young people are hit harder by the ravages of unemployment than is any other group in society. We believe that the logical solution to this urgent problem, which demands immediate attention, is to help private enterprise to hire young people. We propose a program of grants to encourage businesses to create jobs for those under 25 years of age.

They urged the Prime Minister to adopt these measures as soon as possible. But, Mr. Speaker, the federal government has not responded to that letter from the ten Liberal members, any more than it has responded to similar suggestions from members of the opposition parties.

The Minister of Employment and Immigration will know that several provincial governments—in particular, the government of Quebec, Alberta and Manitoba—have indicated their intention to take special action to help unemployed students this year. In the province of Quebec the government has recently announced a program to pay bonuses to employers for hiring students.

Mr. Axworthy: They have cancelled it.

Miss MacDonald: The minister says they have cancelled that program. If they have, I am sorry that the Quebec government has seen fit to do that, because it might have taken up some of the slack that exists today in the province of Quebec, as it exists in other provinces, among the students.

I would like to suggest to the minister—and I made this suggestion to him the other day—that there are programs which can be initiated jointly by the federal and provincial governments, working together, even at this late date, emergency programs, crash programs, which could be introduced. I plead with the minister to consider the suggestion that I made to him, on the basis of the emergency that exists, to call together his provincial counterparts. That could be done next week. It might even be possible to arrange it this week. The 11 ministers could sit down together to try to work out programs which would assist private enterprise to hire the students, so that they can be put into the labour force this summer. It is going to take a joint effort, I realize that. I know that it is not going to be easy. But the co-operation that was spoken of earlier today by my colleague from Rosedale (Mr. Crombie) was never more necessary than it is at the present time.

I urge the hon. minister, I plead with him, that he call together his provincial counterparts to see if the 11 of them cannot work out programs which will spur the private sector to doing more than they are at the present time, in an effort to hire the students and thereby reduce the crisis which faces not only the country but some 200,000 individual young Canadians this summer.

Some hon. Members: Hear, hear!

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I believe it is time we injected a few facts into this debate as opposed to the rhetoric we have been hearing from the last two speakers. Let us agree that the high unemployment being experienced by Canadian youth is a matter of grave concern.

Some hon. Members: Hear, hear!

Mr. McCauley: Young people today make up almost half of all unemployed, with an unemployment rate which is double that of the adult population. If we were to ignore the needs and aspirations of this segment of the labour force, the costs for society would be enormous. If we were to ignore this segment of the labour force—but we are not. The situation is not being ignored, Mr. Speaker.

In 1981-82 the federal government spent over $700 million to provide employment-related assistance to some two million young Canadians. With the introduction of new training programs and intensified efforts in other programs, the Canada Employment and Immigration Commission's employment assistance to young people in 1982-83 is expected to increase significantly.

However, in our efforts to deal with youth unemployment, a number of factors must be considered. Among these are our current economic conditions, the changing patterns in industry's structure and growth, the number of students looking for part time year-round work to finance their education, and the sheer size of the youth population.

We are all familiar with the phenomenon of the post-war baby boom and its effect on every aspect of our society's economy. Each year since 1975 another wave of this generation has entered the labour force, with the result that each year competition for available jobs has become all the more keen. Compounding this problem is the fact that the majority of young adults entering the labour force lack marketable work experience. Thus, their transition between school and work becomes even more difficult. Many young people leaving school find that their skills do not meet the needs of the labour market. In a tight economic climate these people are among the most vulnerable to changing economic conditions in which the last hired becomes the first fired. This, in turn, leads to unstable employment patterns, which makes subsequent job searches even more difficult.

It is therefore imperative that, in order to facilitate their future entry into the labour market, young people still in school be provided with an opportunity to obtain the kind of experience that will make them more acceptable to employers.

The summer jobs for students created through the Canada Employment and Immigration Commission have been highly successful in providing young people with the kind of work experience they need to prepare for their eventual entry into the full-time workforce. The Summer Canada Student Employment Program also has had a significant impact on summer youth unemployment each year. In fact, last summer's program was estimated to have lowered the unemployment rate for students returning to school by between 1.6 and 2.4 percentage points, on average, between May and August, 1981.

• (2050)

In recognition of the serious employment situation that the students face this summer, my colleague, the Minister of Employment and Immigration (Mr. Axworthy)—to whom I want to pay tribute tonight for doing a tremendous job in very difficult economic times—announced last summer that funding for student summer employment initiatives in 1982 would be increased by $20 million, bringing the total funding for this year's program to $120 million. This money is being used to create career oriented jobs for more than 55,000 students this summer and to place hundreds of thousands more in employment in both the public and private sectors. This is what the Government of Canada is doing, Mr. Speaker. This is what the hon. member for Kingston and the Islands (Miss MacDonald) has referred to as brutalizing the economy for students this summer. If that is brutalizing the economy, then I do not understand what she means.

Summer Canada emphasizes the creation of qualitative, career-oriented jobs that would prepare students for future labour market participation. The program consists of three components. First, in the public service employment component, summer internship for some 3,000 students is being created in federal departments and agencies. These technical or specialist jobs which relate to the students' studies, can last up to three summers, with progressively more challenging work assignments in the second and third years.

The community project stream this year will create about 32,600 jobs for students in projects generated by established community organizations throughout the country. Close to another 6,000 students will find employment in job-creation projects sponsored by federal departments and agencies through Summer Canada's federal project stream.

Included in the federal government's summer employment initiative for students are the Department of National Defence, Cadet and Reserve Training Programs, and the RCMP supernumerary constable program. These programs will create jobs for close to 13,000 more students who are interested in jobs in the military, in law or in law enforcement.

Another important aspect of the government's summer employment initiatives are the Canada summer employment centres for students. There are more than 400 of these centres across Canada which operate in the spring and summer

months. They serve as a key link in the communities between the federal effort and summer student employment, other levels of government and the private sector. In 1981-82 Canada employment centres for students accounted for some 325,961 placements in both the public and the private sector. In all, 695,365 registrations were taken and 355,769 job vacancies were listed with these student centres. Approximately 135,226 post-secondary students were placed in jobs while the remaining 190,735 placements were secondary students. This summer, despite the tight economic situation the centres expect to find employment for some 314,400 students.

The Canada Employment and Immigration Commission also operates a number of year-round programs directed specifically toward youth. These include Canada employment centres on campus, the international young workers exchange, and special youth employment centres.

The youth employment centres which operate in four provinces, Ontario, Manitoba, Alberta and British Columbia, are an extension of the Canada employment centres for students and are designed to intensify employment services for hard to place youth. They help young people develop realistic occupation and vocational plans, assist them in gaining useful work experience, and they co-ordinate the efforts of local business and labour organizations as well as other organizations and individuals interested in maximizing employment opportunities for youth in the community.

While all of the programs I have described have been developed specifically for youth, young people are also a major beneficiary of all the job creation and employment development programs offered by the government.

These programs are particularly targeted toward areas of high unemployment. Besides the opportunity to earn income at a time when they would otherwise have to rely on unemployment insurance or welfare, participants in these programs benefit by developing good work habits, learning skills that will be of use in future jobs and establishing a stable employment pattern.

Young people aged 25 and under are a major target of all these programs and it is estimated that they represent close to half the participants. In 1981-82, these figures included some 1,057 young people in the local employment assistance programs; 874 in Canada community services projects; 9,979 in the first round of Canada community development projects and 12,928 in the second round; 343 participants in the new technology employment program and 3,000 in the program for the employment disadvantaged. As well, young people are major participants in the federal training programs and represent 45 per cent of the clients of Canada employment centres and 50 per cent of the clients of the federally-funded Outreach projects.

All of these efforts are designed to assist severely unemployed youth in established positive employment patterns and in easing the transition from school to work for youth in general. While they have proved to be successful, we are not stopping here. Intensive efforts are currently being made within the Canada Employment and Immigration Commission to identify the best methods for assisting young people in becoming productive members of our work force. One of the first results of this effort was the allocation, last March, of an additional $188 million for year-round training initiatives, principally for the benefit of young people. This funding will open up several thousand new training places in skills currently in demand, such as welders, machinists and those in high technology occupations.

Our commitment to the young people of Canada is a heavy one, Mr. Speaker, but it is really an investment in the future of our country. I can assure you that in job creation, as in training, our efforts will continue to see that the employment needs of our youth are met.

Mr. Chuck Cook (North Vancouver-Burnaby): Mr. Speaker, my children have been robbed of their future by a succession of Liberal governments.

Some hon. Members: Hear, hear!

Mr. Cook: My grandchildren have been robbed of their heritage by a succession of Liberal governments. The national debt of this country means that my children and my grandchildren are faced with a debt that it may take their childrens' children to pay off.

Why do we have this kind of debate today? Why do we have this problem in the country today? We have it because the Liberals have been so profligate in their spending over the years that they do not have the money to solve this problem today.

In the first four months of 1981, in British Columbia the youth unemployment rate was 11.5 per cent, and already in the first four months of 1982 it has reached 18.7 per cent. We do not have any answer to that, Mr. Speaker.

In British Columbia, Alcan will employ 80 students in Kitimat this year when last year over 200 students got jobs there. Abitibi Price Inc. and British Columbia Forest Products Limited employed hundreds of students last year but will employ very few this year.

I must stop here, Mr. Speaker. I have been listening to Liberal statistics during this debate and, quite frankly, now I should like to talk about heartbreak, about spirits that are broken and about the many young people who are developing the view that there is no hope for them. Unfortunately, with the kind of government we have, I have no hope to offer them. Four hundred youth employment offices across the country! Well, isn't that a big deal. Except that those 400 offices are telling people between 15 and 24 that there are no jobs. Is this government creating any jobs? No, it is not. They talk statistics, this, that and the other, but are they doing anything? Are they really concerned about the youth of this country? No, they are not. Do not give me statistics, tell me about the young lad who really wants to work but is told there are no jobs.

• (2100)

What is the result of this? What really gets to me is that a young person wants to do something, wants to have a job, and

he lives at a time and in a climate where there are no jobs, a climate created by the Liberals. It means that the youth of this land, for this year and, from what I can judge, it will be worse next year, do not have a hope in hell. That is one of the most offensive things to happen in a country which could be as great as Canada. Think of the personal and the psychological effects this can have. I can tell you a bit about that, because I can remember as a very small child wanting to get a paper route and my father saying that no, he could look after us, and that there was a man out there who needed the paper route to look after his family. I can remember at the age of 14 still trying to get a paper route and the circulation manager telling me that there was no paper route for me, he had a guy with a wife and two kids who needed the money a lot more than I or any other kid did. I know what I felt like and I can understand what literally hundreds of thousands of young people in this country are feeling today. The future of this country is in our youth, and what has this government done? It has spent the money over the years wastefully, and now it cannot really go out and do the job. Quite frankly, I blame the unions, the provincial governments of whatever stripe, and I blame the Liberal federal government.

Mr. Smith: What about the NDP?

Mr. Cook: They are part of the unions. What we have here is a situation in Canada where we are looking at importing miners and technicians from other countries for major developments. Why? Because we have not trained our own people. Because the federal and provincial governments and the unions have not wanted to train the youth of this country to do those jobs. That is the greatest story of neglect by government at every level, and quite frankly I am embarrassed and ashamed of it. The day that we bring into this country a trained worker because we do not have one should be the day the youth of this nation really go into revolt. The NDP can talk about their union friends, but just how many of them are prepared to accept apprentices? They are going to compete with their workers and they do not want them.

There is a young lad in the City of Ottawa who is angry, and the reason is that he makes only $30 a week more working than he could get on unemployment insurance. What kind of incentive is that to a young, single and healthy man? You have not provided the incentive for youth to get out and hustle. You have not provided incentives for people to work more than the minimum required in order to collect unemployment insurance. Do you think that is right? We have all heard of the UIC ski team at Banff in years past, and that situation still exists today.

Mr. Riis: What is your answer to that, reduce UIC?

Mr. Cook: What are some of the answers? I listened to the minister saying: "I have not heard one good idea from the other side of the Housse". Well, perhaps I will give him a good idea. At least it is a thought, something positive. In the United States in the 1930s they had a thing called the Civilian Conservation Corps, the CCC. It employed literally hundreds of thousands of young Americans.

Mr. Riis: Sounds like socialism.

Mr. Cook: One of the things they did was to build Timberline Lodge just outside of Portland. It was built by the youth of America when there were no other jobs, and it still exists today. It is a great ski resort, I might add. Where is that kind of thinking in the Liberal Party today? I do not know, I cannot find it. Where will the money come from for things like this? The government has this country so far in debt that it is hamstrung in terms of new initiatives, but I suggest that it could take a bloated Canadian unity office and shut it down, eliminate some of this government waste and redirect those funds into youth employment. I suggest to everyone who is watching me on his television set to think about this the next time he sees a commercial from the Liberal government or a billboard telling him how great it is to be a Canadian. You already know that, so the next time you see one of those ads, think about the money they have wasted rather than trying to help the young people of this country maintain their pride, develop their skills and go on to a useful existence.

I am really scared of what is taking place in this country, Mr. Speaker. I do not mind telling you why. I think there are any number of members here who have experienced the same thing. I have met an awful lot of people who were horribly scarred by the dirty thirties in this country. When I first started to work in the 1940s there were men who believed there is only one thing to do: take a job and hang on to it, whatever it was. Security mattered above all else. I think most of us in the House have met those kinds of people. They may or may not have had a job in the 1930s, but their spirit was broken so totally that for the rest of their lives their only concern was security. They may not have liked their jobs, but it was a job and they were going to hang on to it. No matter what else came along, they would not move. They never took a risk, never did anything, I think in many cases never even had a decent holiday in their whole life. Certainly if they were offered a better job with greater potential they would not take it. They have been broken by the 1930s. We went through two generations of people broken by the 1930s. I would hate to see another generation of our youth broken by the same kind of thing, but we will see some evidence of that this summer and it is most unfortunate.

• (2110)

I would like to quote from an article on unemployment and job dislocation. It reads:

> Patrick O'Rourke, manager of employment programs with the B.C. Department of Labour, said there will be few jobs for students in the west coast forest industry this summer because of lay-offs and production slowdowns.
>
> "The loss of a large payroll in a community means other companies have to cut back, there are fewer employment opportunities and students have to compete for jobs with people who have been laid off."
>
> An economist with CEIC in British Columbia said the jobless rate for students in the province could be between 18 and 20 per cent this summer.

I might add the rate last year was 9.6 per cent, and that was bad enough.

Hon. members of the Liberal Party, you are destroying the youth of this country. You have not been creative. You are not altering your priorities. You have been wasting money on all kinds of things. For God's sake, think about what you are doing to the future of this country by spending $60 million in advertising as opposed to creating meaningful jobs in useful work for the youth of our country which they so desperately need.

Let us face it, the youth of this land do not want charity, welfare, or unemployment insurance—they want meaningful work. For God's sake, supply it or face your own children and grandchildren and explain your own failures to them.

[*Translation*]

Mr. Rémi Bujold (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, the motion presented today by the opposition party is most interesting. I believe, as others have pointed out this afternoon, that the problem is a challenge to all Canadians and of course to our government. However, when the member for North Vancouver-Burnaby (Mr. Cook) remarked that the government was doing practically nothing, to hear him talk was like being in an army column where only one soldier is in step, and the hon. member seemed to identify with this individual, since according to him, everybody else, all the other parties in this House, are not doing what should be done, and only his own party is doing something to remedy the situation for young people. I agree that the situation is most unfortunate, and our government is aware of this, because with the means available to us, we have tried to set up certain structures to help young Canadians.

People who try to make fun of the 400 employment centres we have across Canada should think twice, because these placement offices have been set up to give students across this country a place where they can find out what jobs are available. And that is why we must have the co-operation of all the parties in this House, of all provincial governments, of industry and business and everyone who can provide employment for our young people. If every employer across Canada used our employment centres to recruit students, we would be able to place far more students, because young people at the centres are trained, and the centres can, within 48 hours, provide employers with students who have the requisite qualifications and potential to fill the jobs offered by the employers. This kind of co-operation, Mr. Speaker, is absolutely essential in the present situation, if we are to provide more summer jobs across Canada for our young people.

It is absolutely no use criticizing people and trying to prove that someone is not doing his or her work properly. We must stop this in-fighting and work together to help as many young people as possible to find jobs. As I said earlier, we have 400 employment centres across the country, and in Quebec alone there are 95. Last year, in Quebec, we managed to find jobs for 75,000 young people, and this year we hope to exceed that number. But I must repeat that all businesses and especially all Quebec employers should deal with our Canada Employment Centres. The centres are there to serve employers, and there is no charge for their services. Obviously, the present situation may lead some people to take a very pessimistic view, but in any case, we have to deal with it. In addition to our employment centres, we must also concentrate on training Canada's youth. It was said earlier that we should be focussing far more efforts on the training program for young people. That is exactly what we want to do, Mr. Speaker, and it is for this reason that last Friday, the minister introduced in the House a bill to deal with a situation where, during the eighties, we shall be faced with a manpower shortage. Whether through retraining, or any other kind of training, we must prepare our young people for the labour market, and especially throughout the eighties.

This year, during the 1981-82 financial year, the federal government will be spending over $1 billion on training alone, and I am sure that no one is going to criticize this expenditure. After listening to the hon. members who spoke before me this afternoon, we can probably take for granted that the two opposition parties are going to support the government on the bill now before the House, and that it will be possible to expedite passage of the bill so that quick action can be taken to help young people enter the labour market. It is clear that the legislation must be amended, since it has been in effect for 15 years, and although it has certainly provided an excellent service to many individuals seeking training throughout the country, we must adapt it to the requirements of the eighties.

In Quebec, for instance, as a result of the Axworthy-Marois agreement announced on July 30, 1981, the province received enough money to train over 90,000 workers. Ottawa transferred to Quebec $133 million for the purchase of institutional training and apprenticeship training courses, while $30 million went to training on the job. Add to this $562,000 for native people's training and about $66 million in the form of training allowances and unemployment insurance benefits. Mr. Speaker, I feel these figures are very revealing. In fact, our new legislation is aimed at further increasing the sums of money that will be made available to people who want training that will enable them to get jobs in Canada requiring a certain degree of specialized training. Incidentally, Mr. Speaker, the consultations prior to the introduction in the House last Friday of the bill which is intended to provide Canada with a genuine occupational training charter, these consultations first took place some time last year at a federal-provincial conference in Quebec, and again last January, in Vancouver, where participants wanted the legislation now before the House to respond exactly to our needs.

• (2120)

Of course, Mr. Speaker, the federal government has no intention of intruding in a field which comes under provincial jurisdiction, in this case education. Since this Quebec conference in September, 1981, we have heard many provincial ministers and other provincial authorities accuse the federal government of intruding in an area of provincial jurisdiction. I believe, Mr. Speaker, that the occupational training problem in Canada must be viewed as a national problem. To be able to meet this nationwide demand, it is vital for a government to take care of regional disparities and meet regional needs so that the workers of Newfoundland, Nova Scotia or Quebec can look for jobs in the western provinces. The only way to give the required training to these workers is to have a central government which can co-ordinate all the training programs and see to it that everyone in the country can have access to the same courses in every region of Canada.

Needless to say, in spite of the present high unemployment rate, we must still seek thousands of specialized workers outside Canada each year. It is expected that Canada will need about 9,000 of these workers every year during the next five years, and one of the objectives of our new legislation is to reduce this need for foreign workers and achieve complete self-sufficiency within our own country. Canadians often say, and rightly so, that they have the capability, and the contract that was signed last week with Bombardier, the contract that this company signed with New York certainly proves that we have this capability, but we in Ottawa want Canadians in general, and this of course includes Quebecers, to have even more capability and to turn to professions that will be more satisfying in every way in the years to come. Mr. Speaker, I shall perhaps be accused of anticipating the debate concerning the new bill on occupational training, but I would like to point out that everything is interrelated in this sector, which is so essential if we want to ensure our young people a better future. This is also a matter of some urgency, as hon. members will know that the agreements renewed last year expired on March 31. In addition, it must be kept in mind that we need a national training program, because we are dealing with a truly national labour market, if we do not want to put Quebec workers who would want to work in Ontario or the western provinces at a disastrous disadvantage.

Mr. Speaker, I cannot overemphasize the need for greater manpower mobility throughout the country, which mobility has in fact been very beneficial to thousands of Quebecers, but I would like to come back to the new legislation on occupational training and mention one of its key components, namely the occupational skills development fund, which can be created only when the bill has been approved and enacted by Parliament. Indeed, the Minister of Employment and Immigration (Mr. Axworthy) noted last Friday that, without such approval, we cannot allocate any funds for the construction or extension of any training facility, however urgent the need.

The federal government has already allocated $108 million to a fund earmarked for this purpose during the current fiscal year, but the legislation must be passed before we can proceed with such a program. The various provinces as well as private non-profit training organizations will be able to receive the financial assistance provided by the occupational skills development fund. The new formula and the new legislation will widen the range of training courses available and the categories of eligible workers. It will provide a list of priority occupations and the extent of courses available in each field. Larger financial allocations will also be possible in some cases and the present requirement that adults must not have attended school for 12 months to be eligible to register for training courses will be eliminated, which will mean, for instance, that recent drop-outs will have access to the courses they need.

Workers will still be in a position to receive a more specialized training during a period extending beyond the current 52-week limit and, when applicable, help will also be extended to employers who must train abroad highly-skilled Canadian workers. Finally, agreement procedures with employers will be simplified as well as the payment to provinces of the moneys provided for in contracts, in order to simplify red tape and to speed up training. In other words, Mr. Speaker, the effort will concentrate to a larger extent on skills where workers are very much in demand, on the training of workers affected by new technologies and the training of unemployed workers to prepare them for future jobs in the coming years.

The challenge of the eighties must be met by offering our workers—and especially young people ready to enter the labour market—conditions that will enable them to play an active and fulfilling role in an expanded economy that will be increasingly technological, and particularly new technology oriented. Every Canadian must have an opportunity to be trained or re-trained to gain access to the two million-odd new jobs, both interesting and well-paid, to be generated by economic development in Canada. This will also enable our country to strengthen its competitive position on the international marketplace by increasing productivity, thus making achievements such as the Bombardier contract easier to come by.

In other words, training will now have to be oriented to future needs and be based on technological developments and on the corporate needs of the new decade. Therefore, the government's role is to determine the nature and scope of adult training needs, to delineate the main policies and supply individuals, companies, groups and provinces with financial help to enable them to undertake or provide necessary training. Provinces and their institutions are the main providers of institutional training; they are responsible for the establishment, management and implementation of programs. The two levels of government therefore have distinctive responsibilities in that respect, but they must work hand in hand so that, when this legislation is passed in this House, a great number of Canadians and especially young Canadians will have access to the labour market of the eighties thus making it possible for

the greatest possible number of young people to enter the labour market.

[*English*]

Mr. Robert Wenman (Fraser Valley West): Mr. Speaker, on a downtown Ottawa building the following graffito appears: "In a society that has destroyed all real adventure, the only real adventure is to destroy the society." We are seeing that kind of attitude in our young people today, an attitude which can only lead to pessimism, lack of hope, nihilism and anarchy. Are these the kinds of directions which we are really seeking for the country?

Unemployment sees first a loss of self-respect; second, a loss of respect for authority; and, finally, the unfortunate opting out or unfortunate fighting back against a society which refuses to give hope or opportunity. Last year in British Columbia there were 9.6 per cent unemployed. At that time we thought that 9.6 per cent was very high and that it could not possibly be higher. Even at 9.6 per cent we knew that there were at least some who were not really seeking work. They were registered but not necessarily seeking work or, if they were, in fact they were seeking it selectively. In other words, "I will work for this much but not for that much." There was some of that up to the 9.6 per cent, but certainly not all the way to 9.6 per cent. Now the unemployment rate of last summer has turned into 18.7 per cent young people unemployed. We are talking about people who are seeking employment. They are not seeking employment selectively; they are seeking any kind of employment and any kind of opportunity. Mr. Speaker, I wish you could see the picture I have here of Mark Fuller parading on Vancouver streets. I know you cannot see it; you could not see it if you wanted to see it; but if you could, you would see that Mark Fuller's placard says: "For hire, one slightly used 22-year old male. I need employment. Will try almost anything". On the placard is also his telephone number. The placard is a public and desperate plea for help.

• (2130)

There was a time when some young people went through a period of collecting UIC benefits when they joined the Banff UIC team or the Whistler UIC team, but they did so for just a short period of time. They did so only until benefits ran out. However, something new is happening. All of a sudden such people find that when UI benefits run out, there is no place left to go because there are no jobs, even if they wanted them. There are no jobs even for the bright, the well-educated or those who have the will to work. There are no opportunities. Bright young people are turning to welfare and from welfare to a no-hope treadmill.

We talk about how Canada was built on the basis of the work ethic. I uphold the work ethic all the time. We must rebuild the work ethic, but how can we do it? A work ethic is meaningless if there is no work. If there is no work, how can we have a work ethic?

Hon. members should put themselves into the place of high school graduates today. What opportunity do high school graduates have? They have no experience. They are out in the world looking for experience. The easy line used to be, "You don't have any experience", but now not only are there no opportunities for the inexperienced but even those who are experienced are losing opportunities and jobs. Even if those who are experienced cannot get jobs, how can those who are not? What hope is there for high school students graduating next month and wanting to go to universities, technical schools and vocational schools? It takes money to do that because the federal government is cutting back on expenditures for educational services. All of a sudden the cost of university fees, tuition, books and board will double in many cases. Expenses next year will be twice what they were this year, and the number of job opportunities will be half. Graduates will not be able to get jobs at any rate of pay. They will not be able to go back to school. What hope is there for high school students?

Mr. Riis: No hope.

Mr. Wenman: That is right, there is no hope. This is the situation not just for high school graduates but also for university graduates, technical school graduates, vocational school graduates and others who have skills. There has been no over-all strategy for education and for preparing people for the work force. The employment balance is out. People who are needed are not where they should be because there has been no over-all educational strategy and no employment co-ordination strategy for young Canadians.

It is one thing to see older people or middle-aged people unemployed. Those people have been used to the Liberal government for a decade. They are used to periods of unemployment. They have lost hope. A husband and wife, both 35 years old, came to my office. Both of them are professionals. They have worked steadily for ten years. They went to high school and, after high school, worked their way through university by working during the summers. They obtained degrees and went out and got jobs. They were employed for ten years and earned seniority in their positions. They both lost that, as well as their jobs. They have been unemployed for six months. This has never happened to them in ten years. They have a young family. Their mortgage payments doubled. They have lost their home, and that is what they came to see me about. It was not because they lost their jobs; they gave up on those a long time ago. They asked if I would call the bank or do something to try to save their home. These people have become accustomed to this no-hope government. They have become accustomed to no opportunity and the wasted potential of this land.

Some younger people, those between the ages of 18 and 25, still have a spark of hope, but hon. members should see their faces when I tell them there are no jobs for them. At one time when they came to my office I could send them to six, seven or eight places and, if they were willing to do anything for low wages, something could be found for them. I suppose now I could send them around a big circle, they would come back

and I would know they would be coming back, but I do not send them around that circle any more because I have lost hope too. Is it not sad that as a Member of Parliament I too have lost hope because I cannot find jobs for them? It used to be that when unemployment offices could not or would not help, I would, but I cannot do that any more. Chamber of Commerce businessmen tell me they have no hope and that they are not creating jobs. This lack of spirit is in young people, employers and others. It is as if nothing can be done and there is no hope.

This government is doing something. It is causing the situation in which there are no jobs, but that does not mean there are not some answers. Perhaps the government should allow young people to take their unemployment insurance cheques to businessmen or prospective employers. Those employers could match those cheques or add 10 per cent or 20 per cent to them and give young people jobs so that they could be productive. This would make for happier, better and more productive young people.

Young people would not have to take their cheques very far. For example, they could take them to municipal offices. The municipalities I represent, Surrey and Langley, had summer student employment programs. I said "had", in past tense. They would be happy to take unemployment insurance cheques and turn them into jobs. They could provide jobs for probably 25 per cent of the cost and would be happy to do so. If they could not do it at 100 per cent, they might at 25 per cent. I called a municipal engineering department, and this is the response I received:

> The Engineering Department has come to rely upon the Summer Student Employment Program to provide temporary extra staff during the peak summer construction period. These students have traditionally provided the flexibility to:
>
> 1. Temporarily replace permanent staff who should have at least some part of their vacation in summer; and
>
> 2. Get done a multitude of those tasks which are pedantic and time consuming and, although important and necessary, never seem to get done because of more urgent demands on the regular staff.

And regular staffs are being cut back and cut back. Are there really meaningful jobs? I ask this of the Minister of Employment and Immigration (Mr. Axworthy). The answer is, yes. I have the answer in my hand. There is a municipality which will create all kinds of jobs if it is given unemployment insurance cheques. That is all the minister has to do.

What can young people do? They can do labour work to replace outside workers doing construction and maintenance. Experience is not even required. They can gather data for traffic counts, public works inventories, historical research into files and so forth. They can act as secretarial and clerical replacements. They can update base maps for legal purposes, utilities and land development. They can order information and prepare computer input. They could learn something and begin to grow a little bit. They could use the human potential they have and get some further training, which would make them even more useful to our society. These are real jobs. This is in the municipality of Surrey, Mr. Minister. Here they are. Can we do that? Can we give them our UIC cheques? I wonder.

• (2140)

I do not want to stop there. There are other possibilities. Let us look at the minister's cabinet colleagues here. Let us look to the Minister of National Defence (Mr. Lamontagne). Do you know that the Minister of National Defence told me in committee the other night that the Armed Forces do not want to take into their ranks every young person who comes to them and says, "I would like to join the reserves for the summer. I would like to gain that experience and opportunity in the Armed Forces. I would like to learn a little bit of patriotism and how to protect myself and my country. I would like to become the man that the armed services promise us we can become". Sometimes the armed services say, "We do not want them. We do not want those who do not have skills, who are not able." I say to the Minister of Employment and Immigration that there are all kinds of young people who have lots of skills, lots of will and still have some hope. The Minister of National Defence said to me that out of every three who ask to go, the department takes only one because of limitations. This applies to those who want only summer training.

Mr. Riis: Would they take Trudeau?

Mr. Wenman: I do not know. The Prime Minister (Mr. Trudeau) was out there with his children. I thought that they would maybe enrol in Sea Cadets or the Reserves, but I guess there is no place for them.

Why does the Minister of Employment and Immigration not go and talk to the Minister of National Defence and take at least 25,000 of these young people and give them that opportunity? What is the alternative for them? The alternative is wandering in the streets despondently, with no hope and no opportunity to go back to school next year.

Mr. Riis: They do not like young people.

Mr. Wenman: They have something against young people, it seems. They must. It is one thing to punish the wage-earner again and again. They are so punished and pushed down that they are in a desperate state. But if the government believes in our future and wants to build up these young people, why can it not take 25,000 or more into the Reserves? Tell me why? When I asked that in the committee, you should have seen the faces of the generals of the Armed Forces of Canada light up. They have been talking about cutbacks for so long that they cannot even imagine expansion. Perhaps we should make it an emergency program. We have 18.7 per cent of the people in that age bracket in Vancouver who might welcome this kind of program. Let us give them an opportunity? Why not? That is a good idea. You know it is. We could take their unemployment insurance cheques and give them to the Armed Forces and say, "Here. Create a job. It will cost hardly anything. Build the country, build the nation, build up our young people". That is the kind of thing we want to say.

I spoke with the recreation departments in several lower mainland municipalities. I phoned them and said, "What about your recreation department?" They said, "Well, we have almost no budgets this year. Recreation got the biggest chop of

all." So those young people who were trying to keep the parks alive, trying to help other young people, trying to build themselves up, cannot do so. But the municipalities could take those unemployment cheques and create jobs in the field of recreation for the summer. There are so many things that could be done. It is not that there is not an answer. It is simply that there is a great waste, a great loss and a great frustration. I cannot believe, Mr. Speaker, that you have not experienced it in your riding or that there is not one Liberal MP who has not experienced the same. Take this idea that I have given you today, take the credit for it and use it. Create these real jobs in this real way. Give our young people a chance.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. André Maltais (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I am quite pleased to take part in the debate this evening on the motion introduced by the official opposition, particularly since it has to do with a tremendous problem faced by young Canadians, the matter of employment. However, the motion moved by the official opposition could have been drafted quite differently, because it urges the government, and I quote:

—to . . . promote the private and public sector hiring of Canada's youth so that those attending school can afford to continue to acquire needed skills, and those graduating can immediately become productive members of the work force.

This summer we expect that about 1.2 million students will join the Canadian labour force on a temporary basis. In 1981, only 11 per cent out of roughly 1.2 million students were unable to land a job, whereas this year we expect that figure might reach 16 per cent. In other words, some 200,000 young people will be unable to find work.

However, when we read the motion, we realize that they are expressly asking the government to promote the creation of jobs in the private sector as well as in the public sector. With respect to the public sector, the Minister of Employment and Immigration has announced a $100 million grant. So, to those who are urging the government to take the necessary assistance measures, I suggest that an amount of $100 million does represent an incentive and is a concrete way to lend a hand to students. They can always say that it is a fair amount but that it could be larger still, and I agree. But not unlike any government or corporation, we also have budgetary limits.

One thing which really amazes me in this type of debate, Mr. Speaker, is that we hear practically the same comments on either side: we all deplore the fact that students have no summer jobs and we also deplore the fact that family heads aged 35, 40 or 50 cannot rejoin the labour force. I suppose all that stems from the legendary generosity of Members of Parliament, but all those pious wishes combined do not point to a solution. Keeping in mind the very short time at my disposal this evening, I would like hon. members to consider two possibilities which in the course of the coming months and the coming year might help us find a formula likely to enable us to make much greater use of Canada's student and permanent manpower. The first would be to reformulate various programs and call them voluntary public service. I listened to the member who spoke before me and who, in his own words, was trying to set an objective quite similar to the one I will endeavour to describe in the next few minutes. Our young people, boys and girls, are asking for work. They do not necessarily want high wages, they want to be busy, to make a worth-while contribution to the community, but also to achieve self-fulfilment. That is what the young people want at the moment.

I remember that during four summers I was responsible for student employment on the North Shore, and most boys and girls wanted to work 32 or 42 hours a week at a reasonable salary. Those young people did not spare their efforts or their time and were anxious to share their knowledge as well as to learn. It is quite important even for employers to realize how much those young people can benefit the company. On the other hand, the company is also an excellent school for young people. At present, because of our free enterprise system, it happens that more young people will be unable to find jobs this summer. Let us keep in mind that the system is based on the fact that since we live in a free country, nothing is compulsory. Unemployment insurance and social welfare are characteristics of free countries, because in totalitarian countries, everybody would be working. Everyone is given a registration number and has to perform some duties. Then, there is no unemployment, because everybody is under state control. Thank God this is not the case in America where people are free and have free institutions. We could perhaps therefore review some programs and set up some kind of voluntary public service. And what would we do in that voluntary public service? How would it be financed? Who could belong to the managerial staff? Such a voluntary public service could be distributed throughout the country in six or seven designated areas.

• (2150)

Young people between 16 or 17 and 25 could apply for community work and benefit from contacts with native people, anglophones, francophones and other groups, and could be transferred every six months, along the lines of the methods used by countries where military service is compulsory. With this difference, that it would be a civilian volunteer service without any connection with the Armed Forces or military discipline. It is meant as an opportunity for young people to take a break from their studies, or after leaving school or giving up a job, to gain valuable experience and give society the benefit of their intelligence, energy and creativity. The volunteer service could be administrated by employees of private companies who would be seconded to the program as a contribution to the community, so that no increase in the numbers of federal personnel or of any other level of government would be necessary.

Second, this would make it possible to keep both administrative and operational activities flexible. Every two years, companies could lend and delegate staff to enable the operation to function normally. We would be able to make use of the skills of people working as education officers in the Armed Forces. We could also use DND planes. Planes of Canadian private companies could also be used, because it seems they often fly with only about 50 or 60 per cent of their passenger capacity. We have all the resources we need to make a system of this kind take shape and become operational. The will must be there, however, and a detailed analysis will be necessary, on the basis of a pilot project, after which we could increase staff as needed. In fact, we are doing something similar under the Katimavik program. Everybody knows about this particular program, and Katimavik is a little like the program I have just described. The only difference would be that salaries would be adapted to the young people joining the civilian volunteer service, and to that salary could be added an increase of 5 per cent or 8 per cent, between unemployment insurance and volunteer work. Thus, we are not taking away jobs from people in the private sector, we are not adding to the personnel of municipal, provincial or federal governments and we are giving young people a chance to develop in their country for a year or two, to discover the various parts of Canada and live with their fellow Canadians.

I have filed a document with the Minister of Employment and Immigration (Mr. Axworthy) to have it analysed by his officials. It is a document I prepared four years ago, under the title: *Vers une intégration à la vie canadienne.* If hon. members agree, it could perhaps be tabled here in the House later on. The first part of my plan is civilian volunteer service, the second part would consist in getting the unions interested in our program, and I am thinking of an apprenticeship system which would enable companies to hire young people just out of school to fill jobs with governments, Crown corporations or private companies. All that inexperienced young people would need would be the trade unions' permission to go and work for a company, although there might be already a few workers too many to do the job. But this scheme would make it possible for young people to join the labour force very quickly while gaining some worth-while experience. But that is often the tragedy in our society. Our young people can never join the labour force on a permanent basis or acquire the experience they need, so that a lot of young men and women reach the age of 25, 26, 27, 28 or 30 without ever having had a real job. Those are two schemes I should like the House to consider instead of hearing the same old complaints over and over again, that to be unemployed is a tragedy and to be unable to find work is a cause for serious concern for our young people.

I think that if we took the time to consider these two schemes very carefully, we could come up with interesting new ideas about ways to improve our present manpower training and help our society develop. Well, Mr. Speaker, I thank you very kindly for listening to me. I should like very much the leaders of both opposition parties as well as those of the government who are responsible for the manpower matters to look into my proposals. Moreover, with the House's permission, I should like to table the document I mentioned a while ago, so that hon. members may have the opportunity to better understand this plan.

[*English*]

The Acting Speaker (Mr. Blaker): I take it the parliamentary secretary seeks the leave of the House to table the document to which he referred. Is that agreed?

Some hon. Members: Agreed.

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, I would like to use the closing moments of this debate to bring to your attention, that of this House and the nation some of the concerns that we in Atlantic Canada have about the desperate plight the youth is experiencing in that part of the country in obtaining employment, and its employment future which is indeed bleak. Atlantic Canada is one of those areas that, unfortunately, is the first to experience slumps and is generally the last to come out of them.

What has transpired over the last few months and years under this government is an experience in Atlantic Canada that is woefully inadequate when it comes to trying to cope and deal with the problems the youth of Atlantic Canada is experiencing in finding jobs.

Just briefly, I want to refer to some of the comments which the Parliamentary Secretary to the Minister of Consumer and Corporate Affairs (Mr. McCauley) made earlier in the debate. He said words to the effect that if they were to ignore this sector of the labour force, referring to the youth, they would indeed be at fault. For the information of the nation, it is only fair and right that the public be apprised of what has happened to the labour force and how much attention this government has been paying to the youths who are employable and are looking for work.

In 1968, when this government under the present Prime Minister (Mr. Trudeau) came to power, the youth unemployment rate of this nation was 7.4 per cent. The most recent figures indicate that the unemployment rate in the nation now for youth is an astounding 15.8 per cent. This is the sort of tactic, program and operation that this government has implemented to take care of the youth of this nation.

I could expound with many examples from Atlantic Canada, including my own constituency, that have been brought to my attention by young people who are frustrated and by tearful mothers who are frustrated over the prospect of losing their children to other parts of the country, indeed, other parts of the continent outside this country. Unfortunately, time does not permit me to do that.

I suppose if I were to do a service to the youth of this nation, I would use the remaining minute of my time to propose a minute of silence to the youth of this country. They are going to be the losers. Believe me, the youths of this nation are losing

hope by the hundreds. When the young lose hope, the nation loses hope. They are going to be the inheritors of a hopeless Canadian society, compliments of the present government.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

PIPELINES—BUILDING OF NATURAL GAS PIPELINE TO ATLANTIC PROVINCES

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, on May 20, I asked the Minister of Energy, Mines and Resources (Mr. Lalonde) if he would provide a schedule for the extension of the natural gas pipeline into Atlantic Canada. As you are well aware, the natural gas pipeline was first promised by this government in Halifax on January 25, 1980 by the then opposition leader and now the Prime Minister (Mr. Trudeau). At that time he promised that a Liberal government would take immediate action to ensure the full co-operation of all parties in the construction of the natural gas pipeline to Quebec City and the Maritimes. He went on to say that the pipeline would have reversible capacity, so that Atlantic Canadians would have the opportunity both to use western natural gas now and to send offshore gas to central Canada at a later date. The present Prime Minister stated at that time that the natural gas pipeline would be like a railroad in the 1980s, an energy pipeline that would have the potential to be a steel link uniting the nation.

On at least two or three occasions I have asked the Minister of Energy, Mines and Resources to give us a definite commitment as to when this natural gas pipeline will be constructed. I started questioning him shortly after the May, 1980, election. He has been soft-shoeing the issue ever since. Now we pick up the newspaper and what do we see but, "Maritime Pipeline Project Near Collapse".

Mr. Speaker, Atlantic Canadians have been very patient with this government. They have been patient because they believe in promises. They are people who generally have a great faith in the leaders of the nation. There is no reason for them to think that those promises that the leaders of this nation made to them should not be kept. When they see statements like this in the press, "Pipeline Project Near Collapse", they become despairing, and for good reason.

Why is it that Atlantic Canada always seems to be on the short end of the stick when it comes to receiving any benefits from this government? They are quick to point out that the natural gas pipeline will be completed through the province of Quebec and into Quebec City by 1983. They originally anticipated and expected to have natural gas flowing into the maritimes by 1982 or 1983. Now it would appear as though there is only a bleak possibility that that will happen. They stated, a couple of years ago, that it would all depend on the viability of the prospects of the finds off the east coast. Mr. Speaker, those prospects are looking very bright indeed, but unfortunately the government's promises become dimmer and dimmer and dimmer.

Oh, they will make a great show. I dare say that the parliamentary secretary will utter great platitudes and tell us that things are going along very nicely, that everything is on schedule, that indeed the natural gas pipeline will be extended to the maritime provinces.

But one thing is certain, and I challenge the parliamentary secretary to deny it: all hope for the natural gas turnaround is now extinguished for New Brunswick or for Nova Scotia. I challenge the parliamentary secretary to refute that statement. Unfortunately, that is the prospect before us, I am certain.

Maritimers and Atlantic Canadians have the will to work, they have worked and they have contributed greatly to the prosperity in the past years of this nation. They have contributed in many meaningful ways to the development of this great nation, but for some reason or other this government in its callous, uncaring way seems totally and completely to have ignored even the fact that they exist. That is a great tragedy. It is a great tragedy for the future of the nation and it is a great tragedy for Atlantic Canadians who are facing the bleak prospect of at least another two years before they have the opportunity to deliver to the government the message that they will not be buffooned any longer.

• (2205)

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, it has been stated on many occasions in this House that the extension of the natural gas transmission system to the east coast is one of the top priorities of the federal government.

The Government of Canada has committed very considerable financial support for this pipeline, because it is in fact a central element of Canada's strategy to reduce the vulnerability to supply interruptions of those areas of eastern Canada that are presently dependent on imported oil.

The pipeline extension will provide new domestic markets for natural gas from western Canada. Under the terms of the September 1, 1981, memorandum of agreement between the governments of Canada and Alberta relating to energy pricing and taxation, Alberta will make market development incentive payments to the federal government to help fund national programs to expand domestic natural gas distribution systems, thereby making this less expensive energy source available to more Canadians. The governments of New Brunswick and Nova Scotia are strong supporters of the concept.

As the hon. member knows, TQ and M began work on the gas pipeline extension to Quebec City some time ago, however the company has encountered some difficulties which have resulted in construction delays. The federal government had estimated that the construction of the pipeline across the

maritimes would begin in 1983 and that it would reach Halifax by 1986. However, this timetable requires adjustment due to the fact that current labour difficulties have plagued the Quebec portion of the line and escalated costs by millions of dollars. TQ and M has also experienced problems related to route selection and delays in obtaining provincial government approval. It should be noted that only recently the government of New Brunswick appointed a distributor for natural gas and no distributor has yet been named in Nova Scotia.

On the matter of project scheduling I would like to report that the company is planning for a full construction season, employing a fully integrated work force. Contracts planned to be awarded in coming weeks will be completed in accordance with the company's planning schedule. TQ and M expects contractors working for it to hire as many people as they foresaw initially.

The previously announced economic spin-offs of the pipeline project still stand, a point which should be of particular interest to the people of the maritimes considering the very positive economic opportunities that can be reaped by entrepreneurs in that region of the country.

In conclusion I would just like to express the government's satisfaction with TQ and M's prediction that the upcoming construction season will be very productive. However, there have been delays caused by labour disputes in Quebec and delays in the appointment of gas distributors in New Brunswick and Nova Scotia.

THE ECONOMY—HEARINGS CONDUCTED IN MONTREAL BY GOVERNMENT MINISTERS AND SUPPORTERS. (B) RESPONSIBILITY FOR GOVERNMENT POLICY

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, on May 18 I raised certain questions with the Prime Minister (Mr. Trudeau) with reference to what has been known in the past as "the Gang of Ten". You will recall that questions were raised today, Mr. Speaker, about the "Gang of Fifteen" or was it "the Gang of Seventeen", operating out of Toronto.

The issue I raised was the issue with respect to ministerial responsibility. When a person who is a Member of Parliament becomes a minister of the Crown, that person takes an oath to act on behalf of the Crown in a capacity that is different from that of an ordinary Member of Parliament. They become part of cabinet or government as distinct from Parliament. As members of the government they are responsible for explaining government policy to the country. What has happened is that this government has caused real distress and concern throughout the country. We have the spectre of the Solicitor General (Mr. Kaplan) saying the budget is a political disaster. We have the spectre of the Minister of National Health and Welfare (Miss Bégin) saying that the employment program of the government is a disaster. We have the spectacle of the minister for Hochelaga-Maisonneuve (Mr. Joyal)—and I call him that because he does not really have any other job. He is the minister for one riding, and I do not know of any other government which appointed a minister responsible for one constituency. However, the minister, otherwise known as a minister of state, says he is going to conduct public hearings into the budget and economic policies of the government. All this creates a climate of uncertainty and puts the government's entire fiscal stance in disrepute. We have all this simply because members of the government make statements that they think the policies are wrong, there will be changes, and they create an uncertainty we cannot live with.

• (2210)

I happen to believe, Mr. Speaker, that some of the things those three ministers have stated are correct, but that does not absolve them as ministers from the obligtion in our parliamentary system to resign if they think the government is wrong. That, Sir, is why I raised the question. The answer from the Prime Minister (Mr. Trudeau) was that ministers have to respect the policies of the government, but that the ministers I mentioned are involved in consultation. Well, Sir, what these ministers are involved in is not consultation. It is, rather, active criticism of the policies of this government.

Mr. Corbett: Confrontation.

Mr. Blenkarn: My colleague says "confrontation" and I agree. The government speaks out of both sides of its mouth. A minister goes into his riding and says one thing to his constituents, and then goes to a cabinet meeting and affirms something entirely different. It creates the feeling that we cannot depend on the government or ministers of the Crown to give us honest and straightforward answers on where they and the government stand. We are entitled to those straightforward answers, and if the Minister of National Health and Welfare honestly believes we should have make-work programs to put people back to work, then she should say so, but not as the Minister of National Health and Welfare. She should resign. But as a private member of this Parliament of Canada representing her constituents she should make those statements and force the government to change its policies. But she cannot sit as a member of the cabinet and support the budget and the economic thrust of the government and at the same time go around the city of Montreal and travel across the country generally and say that changes should be made. The same thinkg applies to the Solicitor General and to the Minister of State (Mr. Joyal). There is nothing wrong with Members of Parliament, who are Liberal members who honestly believe that their government is not doing what it should do, making advocacy statements, but when a member becomes a minister of the Crown that Member of Parliament loses his or her freedom as an ordinary member and becomes a minister of the Crown of the government. There is a fine but very important distinction there.

• (2215)

This government has lost its sense of responsibility. The Prime Minister has lost his capacity to govern the country. He fails to recognize that ministers in his cabinet have an obligation at all times to support every one of the government policies. If they fail to do that, they have an obligation to give

up their seat at the cabinet table. They have an obligation to their constituents to stand up and be counted.

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I think it important to bear in mind what the Right Hon. Prime Minister's (Mr. Trudeau) comments relate to in his answer to the hon. member on May 18. They relate to the hearing process which took place recently in Montreal. It is important that emphasis should be placed on the words which were repeatedly used throughout the Prime Minister's answer, namely, that it was a consultative process.

We have ten Members of Parliament who decided to undertake hearings to listen to what interested parties had to say with regard to various government policies in a co-ordinated way. Those comments were expressed in various locations in eastern Montreal.

Surely the hon. member would not suggest, and I do not believe he has suggested, that the eight members of Parliament who are not ministers should be in any way constrained from doing that. In fact, you could say it is probably their duty, which all Members of Parliament have, to hear what their constituents have to say on whatever issues constituents want to bring to their attention.

I would suggest that the same rights, privileges and duties also apply to the two ministers involved. They may well have been wearing two hats. They would be listening to the representations made to them through this consultative process as Members of Parliament but also as ministers of the Crown.

I had an opportunity to discuss the process that took place with the Minister of National Health and Welfare earlier this evening. She advised me those consultations were successful, that a good listening process had occurred. I think there were opportunities which enabled them to clarify certain government programs and to familiarize those who were making representations on a wide range of topics with what the government has been doing with regard to their concerns.

I do not think we have heard anything here tonight that would suggest the two ministers in question were not supporting government policies throughout this consultative process. There is no evidence of that whatsoever. The hon. member suggested they were doing this or that; they were disagreeing with government policy, etc. He may or may not be correct if the hypotheses set out had occurred. The fact is they did not occur. The consultative process occurred in which ten Members of Parliament, two of whom happen to be ministers, heard what the people from the area they represent had to say on a wide variety of topics. That is a good process and it is probably something more of us should be doing more often. I commend them for having done it. There has been no suggestion whatsoever that anything they said could in any way be taken as disagreeing with government policy. They were there to listen, and they did; they were there to explain, and they did. If anything, I think they should be commended for taking such an initiative.

• (2220)

NATIONAL SOVEREIGNTY—ALLEGATIONS OF CIA PAYMENTS TO CANADIAN ELECTION CANDIDATES. (B) REQUEST THAT COMMITTEE STUDY ALLEGED CIA INVOLVEMENT IN CANADIAN ELECTIONS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, last Wednesday, May 19, I asked a question of the Solicitor General (Mr. Kaplan) concerning certain activities on the part of the CIA in Canada between the years 1970 and 1976. I indicated in my question to the Solicitor General that in 1976 a Mr. John Meier of British Columbia, a former associate of Howard Hughes and a man very knowledgeable about the operations of CIA both inside and outside Canada, met with British Columbia Senator Ray Perrault and, following that meeting, met with the Prime Minister (Mr. Trudeau) here in Ottawa. At that time in 1976 Mr. Meier provided Senator Perrault with extensive documentation and tapes concerning allegations of CIA penetration of Canadian security services and, as well, very serious allegations of funding by the CIA of specific election campaigns and candidates in the provinces of Quebec, British Columbia, Alberta, Manitoba and Saskatchewan during the years 1970 to 1976.

Last Wednesday I asked that the Solicitor General confirm that, as a result of the allegations made by Mr. Meier, the Prime Minister ordered a secret investigation by one Pierre Genest, a Toronto lawyer. I urged that the Solicitor General confirm that inquiry and make public the results of it.

In response to my question at approximately 2.45 p.m., the Solicitor General indicated that he had no information on that subject at all. He said:

> I hope to be able to look into it and comment on it shortly.

That was despite the fact that the previous morning in the Standing Committee on Justice and Legal Affairs I had given the Solicitor General a copy of a petition which, I informed him, I intended to table following question period the next day, as well as a copy of a lengthy document which I indicated I intended to question him on the following day. As of 2.45 on Wednesday afternoon we have the Solicitor General saying that he knows nothing whatsoever about this inquiry ordered by the Prime Minister.

Following up on that question and assuming that the Solicitor General was accurate in his reply, I urged that the government order a comprehensive study of these allegations by the justice committee; in other words, that the Solicitor General give the Standing Committee on Justice and Legal Affairs a reference to study the question of CIA involvement in Canada, not just during the years 1970 to 1976, but at all relevant periods until the present time. I urged that the committee have the power to hear witnesses, including John Meier, who is presently under a warrant of extradition to California which is being appealed, and that it have the power to question Mr. Pierre Genest to determine how it was that he was appointed to conduct this investigation on the part of the Prime Minister's office, what his qualifications were aside from being a prominent Liberal in the city of Toronto, what

witnesses he questioned, what was his mandate, and ultimately what his findings were.

We know very well that during this period of time the CIA was active, not only in Chile in attempting to overthrow the Allende government, ultimately successfully in 1973, but as well in Greece and in Central America, and in 1975 in Australia, in attempting to destabilize the labour government of Gough Whitlam. To those who suggest that the CIA would not be involved in Canada, I point out that indeed they were very heavily involved at that time in a number of countries including Australia, a fellow member of the Commonwealth.

• (2225)

We recently learned during the trial in the province of Quebec of an RCMP officer arising from the McDonald commission report that an officer of the RCMP alleged that some $350,000 had been funnelled by what he called a friendly nation into the independence movement in the province of Quebec. This certainly confirms the allegations which were made back in 1976 and recently repeated by Mr. Meier. In view of the seriousness of these allegations and the obvious threat these allegations, if substantiated, would pose to the sovereignty of Canada, I urge that the Standing Committee on Justice and Legal Affairs be given a reference to examine all aspects of CIA involvement in Canada to determine whether indeed the CIA has been operating in Canada, either with or without the co-operation of the RCMP security service, and that in that investigation the Standing Committee on Justice and Legal Affairs have the power to examine, in camera where necessary, all witnesses who wish to give evidence on this important subject.

In closing, I emphasize that we are dealing here with a very serious matter. We are dealing with the right of Canada to control its own domestic affairs without outside interference. We are dealing with the very democratic process in Canada and the right of Canadians to the assurance that the CIA has not in any way attempted to subvert that very important process. I look forward to the remarks of the parliamentary secretary on behalf of the Solicitor General and, hopefully, to his assurance that indeed the Standing Committee on Justice and Legal Affairs will have an opportunity to study this very serious question.

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am afraid I am going to disappoint my hon. friend.

Allegations have been made about CIA activities in Canada, raised in petitions by John Herbert Meier. The hon. member for Burnaby (Mr. Robinson) is apparently prepared to give weight to these allegations. The government is not, because it is satisfied that these allegations, which were made in the past and investigated in the past by the security service of the RCMP and, as well, on behalf of the government by counsel retained by the PMO, do not merit credence.

I might just say as an aside that I am surprised at the remark made by the hon. member with regard to the qualifications of Mr. Pierre Genest. I would have thought that as the justice critic for his party the hon. member would know that Mr. Genest is one of the most outstanding counsel in Canada.

It should be borne in mind by the House that sensational allegations are easy to make, and it would be very unwise to take seriously all allegations just because they are sensational.

The hon. member claimed recently that he had independent evidence which would corroborate what Mr. Meier said. I believe he has a duty to present it before any further investigation is justified. Mr. Meier has a criminal record, which he obtained for falsifying evidence in the United States. He has in the past jumped bail, and he is appealing extradition to the United States, where he is charged with murder.

The allegations which had any substance at all have been investigated in the past and found not worthy of belief. It would not be fair to the individuals purportedly implicated in these allegations, which have no substance, to hold a public inquiry based on these allegations.

Unless the hon. member is prepared to come clean with the House and give the facts which he believes support the allegations, he should not expect any further consideration of these particular allegations.

The Acting Speaker (Mr. Blaker): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow afternoon at two o'clock.

At 10.29 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, May 26, 1982

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

GRAIN

SHIPMENTS THROUGH SAINT JOHN, N.B.—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. During the summer months the port of Saint John lies substantially idle and the dock workers are unemployed. A tremendous assistance to these workers could be provided by the government if they would use their good offices, in the same fashion as the Solicitor General (Mr. Kaplan), to urge the Wheat Board to divert just a few shipments through the port of Saint John during this period to benefit the workers. Therefore I move, seconded by the hon. member for Mississauga South (Mr. Blenkarn):

That the government not make a decision on this critical issue to workers in Saint John by refusing the motion but show their concern by agreeing to take it under consideration, by adopting it.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

POLITICAL PARTIES

DIFFERENCES IN POLICIES—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Whereas the present economic recession is directly attributable to years of Liberal-NDP policies of zero growth, belt tightening, and restraint, I move, seconded by the hon. member for Fundy-Royal (Mr. Corbett):

That this House invites the Canadian public to cast aside the present defeatist government and participate in the liberty, prosperity and growth offered by the Conservative alternative.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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ADMINISTRATION OF JUSTICE

CALL FOR DISMISSAL OF SOLICITOR GENERAL—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise to move a motion pursuant to the provisions of Standing Order 43. In view of the fact that the Solicitor General (Mr. Kaplan) is both a cabinet minister and a law officer of the Crown, and should not intervene directly or indirectly in the judicial or quasi-judicial process, and in view of the statements by the Prime Minister that it is more important that justice be done than that it be seen to be done, and that justice must be tempered with mercy, I move, seconded by the hon. member for Skeena (Mr. Fulton):

That this House urge the Prime Minister to do justice to all Canadians who believe in the rule of law by firing the Solicitor General forthwith, but that he ensure that this justice be tempered with mercy by firing the minister gently.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EDUCATION

ASSISTANCE FOR POST-SECONDARY STUDENTS—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Reports from student aid officials in six provinces indicate that the expenses of the average aid-receiving student still exceed his or her summer earnings, savings and/or government assistance by some 15 per cent, as first reported by the 1980 federal-provincial task force on student aid. Now, in the coming academic year, fee increases at Canadian universities will be between 10 per cent and 30 per cent. Therefore I move, seconded by the hon. member for Lethbridge-Foothills (Mr. Thacker):

That this House impress upon the Secretary of State, in light of his responsibility for post-secondary payments and the Canada Student Loan Program, the urgent need for immediate financial assistance for most Canadian post-secondary students, many of whom have little hope for summer employment.

S.O. 43

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1410)

THE ECONOMY

SUGGESTION GOVERNMENT FOLLOW UNITED STATES INTEREST RATE POLICIES—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, yesterday interest rates in the United States on treasury bills fell to 11.48 per cent. The American rate on a T-bill basis is now 3.5 per cent less than the Canadian T-bill rate. Therefore I move, seconded by the hon. member for Lethbridge-Foothills (Mr. Thacker):

That, in view of the fact that the government is blaming the Americans for high interest rates, the government follow American interest policies and reduce our interest rates by 3.5 per cent, so that our interest rates are no more than the interest rates charged in the United States.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE PRESS

DETENTION OF BRITISH JOURNALISTS IN ARGENTINA—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, newspapermen and all of us who support the principle of freedom of the press want to register protest against the imprisonment of three British journalists who are detained in Argentina under charges of espionage. Whereas Canada, as a free and democratic country, cannot condone the trampling of this fundamental right anywhere in the world, I move, seconded by the hon. member for Haldimand-Norfolk (Mr. Bradley):

That the Secretary of State for External Affairs do convey through diplomatic channels Canada's concern with freedom of the press violations in Argentina and Canada's support for the representations made by many Canadians that the three British journalists, now detained, be released as quickly as possible.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

WORLD HEALTH ORGANIZATION

CALL FOR BOYCOTT OF NESTLÉ COMPANY PRODUCTS—MOTION UNDER S.O. 43

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, I rise under the provisions of Standing Order 43. The Nestlé company continues to make huge profits by pushing an infant formula which discourages breast feeding and leads to malnutrition and even death in many Third World countries. Inasmuch as 226 violations by Nestlé of the World Health Agreement have been documented, I move, seconded by the hon. member for Saskatoon East (Mr. Ogle):

That this House condemn Nestlé for continuing to kill Third World babies and support a renewed boycott of all Nestlé products in Canada to enforce World Health Organization requirements.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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HUMAN RIGHTS

CHILE—CONDEMNATION OF ARRESTS AND DETENTION WITHOUT TRIAL—MOTION UNDER S.O. 43

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, in light of recent reports from Chile of the disappearance of individuals at the hands of the Chilean CIS, I move, under the provisions of Standing Order 43, and seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That this House deplores the actions of the Chilean Central Intelligence Service for the numerous arrests and detention of individuals without trial, and further urges the Secretary of State for External Affairs to raise this important matter at the United Nations.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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FINANCE

EFFECT OF BUDGET ON SALES OF EQUIPMENT—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, the November 12 budget has had untold disastrous effects upon Canadians. One of the provisions thought up by the Minister and the bureaucrats was cutting the capital cost allowance in half for the year of purchase. This has resulted in farmers and businessmen making do with their old equipment instead of buying new equipment, and there has consequently been a string of dire results—no purchases, no sales, no orders, no

work, more unemployed; no orders, no work, more unemployed; etc., etc. Therefore I move, seconded by the hon. member for Peterborough (Mr. Domm):

That this House asks the minister to be sensible and withdraw this provision from the budget and get farmers and businessmen buying new equipment, which will put Canadians back to work, which will increase pay rolls, which will give the government more revenue. Only good can result form the cancellation of this ill-thought-out scheme.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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NUCLEAR ENERGY

EXPORT OF TECHNOLOGY AND FUEL TO ARGENTINA—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, yesterday the Council on Hemispheric Affairs, a Washington-based human rights research group, condemned the Canadian government decision to continue supplying Argentina with nuclear fuel, characterizing the decision as "cynical economic opportunism", and as being "irresponsible and, indeed, reckless." The Council also reiterated a point already made by many Canadian nuclear experts, that any non-proliferation agreements which Argentina has signed are unenforceable and that Argentina has refused to sign the 1968 United Nations Nuclear Non-Proliferation Agreement or the 1967 agreement signed in Mexico intended to make Latin America a nuclear free zone. Therefore I move, seconded by the hon. member for Beaches (Mr. Young):

That this House instruct the government to stop promoting its economic bailout of Canada's nuclear industry at the expense of non-proliferation, and further, that the government stop supplying nuclear technology and fuel to the military junta in Argentina until such time as we can be sure that our uranium products are not being used to build an Argentinian bomb.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

THE PRESS

POLICIES GOVERNING CONCENTRATION OF OWNERSHIP

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is for the Minister of State for Multiculturalism. Yesterday the minister left the House to make an announcement of the government's policies to regulate the daily newspaper industry in Canada. What is there in the minister's recommendations that would have led to the *Ottawa Journal* or the *Winnipeg Tribune* not being closed? What are the recommendations made by the minister to prevent future closings of newspapers throughout the country?

Hon. Jim Fleming (Minister of State (Multiculturalism)): Madam Speaker, I believe that the recommendations of cabinet that I announced yesterday respond to the major findings of the Kent Royal Commission, that is, the problem of increasing concentration, conglomerate ownership, cross-media dominance in a particular marketplace, and the right of Canadians, especially when so many Canadian cities have only one newspaper, to have recourse other than to the courts or the benevolence of a publisher or an editor if they believe they have a grievance.

As far as the question about what it has done to reverse the tragic demise of the *Tribune* or *Journal*, I do not believe the government is in a position to do that unless the hon. member is suggesting that we directly support newspapers with public funds in their entirety. I do not think that would be appropriate.

Mr. Beatty: The minister concedes that nothing in his recommendations will stop the closing of newspapers in Canada in the future.

ROLE OF RESTRICTIVE TRADE PRACTICES COMMISSION

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my supplementary question concerns one of the specific recommendations. In the minister's recommendations he proposes that in future non-media companies intending to buy a daily newspaper would be required to justify that action to the Restrictive Trade Practices Commission. In view of the fact that in the minister's own document, a cabinet document dated March 31, 1982, he raised serious doubts as to the legality of such a measure, why does the minister propose that Parliament should pass such legislation which he, himself, feels could be illegal?

Hon. Jim Fleming (Minister of State (Multiculturalism)): Madam Speaker, under the proposal, the Restrictive Trade Practices Commission would review a company that had interests beyond media interests and greater than those media interests to see that the ownership and running of the newspaper entity being purchased would be undertaken in a manner satisfactory to the Restrictive Trade Practices Commission independent of editorial influence or intimidation from other properties owned by the same company.

We are acting quite within the law. If the hon. member is suggesting that we are in fact acting outside the law, he is not understanding our proposal. He should also note the dating on documents, real or otherwise, which he has, that may or may not be changed by the cabinet process.

Mr. Beatty: It is a novel approach if the cabinet process suddenly changes the legality of something when the Department of Justice says it may be illegal. His document said that even this review process may be struck down by courts.

PROPOSED ESTABLISHMENT OF PRESS COUNCIL

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I would like to ask the minister about another proposal which was made in his document. It is the proposal to set up a government sponsored press council. Instead of laying on another layer of government bureaucracy at a considerable cost to taxpayers, why would the government not simply ask that existing press councils agree to hear complaints from individuals about non-member newspapers? Why could the situation not have been handled in that manner instead of proposing that the government intervene in the newspaper industry in this way?

Hon. Jim Fleming (Minister of State (Multiculturalism)): Madam Speaker, with regard to the issue of the right of the Restrictive Trade Practices Commission to review prospective purchases by the newspaper industry, we believe, indeed, in the advice of our counsel, and the Department of Justice says that we are quite within our legal rights. The hon. member is misunderstanding if he suggests otherwise. Perhaps he may be referring to criminal penalties following a rejection by the Restrictive Trade Practices Commission, or a failure to comply. That is quite different from our right to have that review process.

On the question of why do we not simply refer any grievances to the existing councils, we believe that those councils are set up to operate according to a membership that they have established. The proposed Canadian advisory council on newspapers does not force any newspaper to belong to it. It simply has the right of receiving grievances about a newspaper if that newspaper does not belong to an existing press council. As a result of all the discussions I have had with journalists, the public and a variety of interested segments of Canadian society, I believe that that was found overwhelmingly acceptable.

The only complaint I would get was from certain publishers who said, "It should rest with us to decide whether or not a grievance is fair." I do not believe that that is fair when there are so many Canadian cities with only one newspaper. I believe the public should have the right to go to an independent body, not to a government body. That council is absolutely independent of the government. An endowment fund is the proposal, not paid for by the government, and completely independent of government.

• (1420)

Some hon. Members: Hear, hear!

Madam Speaker: The hon. member for Durham-Northumberland.

Mr. Lawrence: Madam Speaker, to no one's surprise, my question relates to the continued existence in the government of the Solicitor General, which only the Prime Minister can answer. He is not here, as I know he has a four o'clock press conference, but he will obviously be turning up in the question period before the conference. May I ask the indulgence of the Chair to defer my question to that time, and ask you to recognize the hon. member for Victoria?

Madam Speaker: Well, the hon. member simply need not get up and I will not recognize him.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Lawrence: She loves me!

Madam Speaker: The hon. member for Comox-Powell River.

QUERY RESPECTING CORPORATE TAKE-OVERS

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question is also directed to the minister in charge of the Kent Commission. I would like to remind the minister of his own words in Vancouver on February 26, 1982, when he said, "Anybody who tries something fast between the recommendations of Kent and the government's decision on what to do—we'll reach back if you are trying to beat us." Will the minister explain to the House what his recommendations will be in dealing with Torstar's take-over of Inland Publishing and Maclean-Hunter's acquisition of Sun Publishing in Edmonton, Calgary and Toronto?

Hon. Jim Fleming (Minister of State (Multiculturalism)): Madam Speaker, the situation of Torstar taking over Inland Publishing took place during the course of the Kent recommendations, long before I made the statement that if, between the time of that statement and our recommendations, anything took place, they would face the fact that they had gone in opposition to a direction the government was considering. Concerning the second instance involving Maclean-Hunter, once the direction is given to the CRTC on cross-media ownership in the context of the announcement made yesterday, the CRTC will surely consider that acquisition in the light of that direction.

ALLOWABLE LEVEL OF CONTROL BY NEWSPAPER CHAINS

Mr. Ray Skelly (Comox-Powell River): A second strange situation arises in this incredible report, Madam Speaker. The minister has proposed a law which will restrict any single corporation to 20 per cent of the national daily newspaper circulation. Will the minister tell this House why he is prepared to place Southam and Thomson above the law by allowing those two firms to control approximately 60 per cent of the circulation of English-language dailies in Canada?

Hon. Jim Fleming (Minister of State (Multiculturalism)): They are not above the law, Madam Speaker. When these

firms, within the context of the laws at the time, grew to the size that they did, it was cabinet's decision that to be retroactive and break them up would be inappropriate. However, if anyone seeks to buy them, or they seek to sell any of their properties, they cannot exchange them and they will gradually have to fall back to that 20 per cent level or less. As I say, if anyone purchases either Thomson or Southam, one would only be able to purchase, as a bloc, up to 20 per cent of national average daily circulation.

ROLE OF CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, it is an incredible report, which would only bring joy to the publishers of this country in the Conservative Party.

Some hon. Members: Oh, oh!

Mr. Skelly: The third part of my question deals with the responsibility to control cross-media ownership, which will be placed with the CRTC. The record of the CRTC on cross-media ownership is absolutely abysmal, and the government has already built enormous loopholes into this new policy. There are at least ten cities in Canada in which cross-media ownership creates a serious problem, according to the minister's own criteria. Would the minister table in this House the instructions that the government will give to the CRTC to deal with situations in Vancouver, Calgary, Edmonton, Regina, Hamilton, London, Toronto, Granby, Moncton, and Saint John?

Mr. Hnatyshyn: You missed Saskatoon.

Hon. Jim Fleming (Minister of State (Multiculturalism)): Madam Speaker, the government sets a framework for the CRTC to consider when it makes decisions. Then the CRTC looks at those individual cases. The government does not take individual cases and pass judgment on them. I believe that would be inappropriate.

Some hon. Members: Hear, hear!

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CANADIAN ARMED FORCES

WARSHIP ALUMINUM SUPERSTRUCTURES

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is directed to the Minister of National Defence. The war in the Falklands has demonstrated the vulnerability of modern warships, especially those with aluminum superstructures. I wonder if the minister could tell the House how many of Canada's warships have aluminum superstructures?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, as long as I am correctly informed, I do not think any of our ships have complete superstructures of aluminum. On the question asked by the hon. member for Victoria, as we have on the board before two contractors the question of having six more frigates built in the next few years, I think it would be appropriate to look into the matter very seriously.

• (1425)

CAPABILITY OF NAVAL EQUIPMENT

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my supplementary is to the same minister. As none of our naval vessels have any capacity to counter incoming sea-skimming missiles such as the Exocet, and as our 16 older destroyers rely heavily on aluminum in their superstructures, will the minister agree that our navy is in no way equipped to fight a naval operation against an enemy?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, the hon. member got all the answers from my officials yesterday at the Standing Committee on External Affairs and National Defence. It was clearly stated that our navy is capable of anti-submarine warfare in a most efficient way, but as far as anti-missile defence is concerned it is limited.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

POSSIBILITY OF REDUCING NUMBER OF RECIPIENTS

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Minister of Employment and Immigration. Considering the thousands of Canadians who have been receiving unemployment insurance benefits for a number of months and considering the fact that by December 31, according to information received from the minister's own department, some 500,000 Canadians may no longer be receiving unemployment insurance benefits, could the minister inform the House how many Canadians will no longer be entitled to unemployment insurance by next December 31, and does the minister have any solution or form of assistance for these thousands of Canadians who will be losing their entitlement to unemployment insurance by the end of 1982?

[*English*]

Hon. Lloyd Axworthy (Minister of Employment and Immigration): As the hon. member knows, Madam Speaker, we have introduced a number of solutions for that problem. In fact just today we announced the extension of the work-sharing program which provides coverage for over 70,000 workers under the Unemployment Insurance Act. Therefore we are able to maintain a number of companies in existence and avoid lay-offs right across Canada.

Equally, we have introduced through the unemployment insurance program a number of job-sharing schemes in the areas of fisheries, forestry and mining, again providing alternative employment for people who are covered by UI. It will extend their work opportunities and work benefits by providing

a very valuable type of work through investing in the development of those very critical natural resources. We are quite aware of the situation and are trying to respond to it as well as we can. We have introduced a number of solutions. I will be very happy to provide the hon. member with the information so that he can update himself.

[*Translation*]

Mr. La Salle: Madam Speaker, I have a supplementary. Given the present situation, I assume the minister realizes the importance of the question and the growing concern of the Canadian people. However, the minister has failed to answer my question. All these programs do not provide the slightest assurance that thousands of Canadians will be able to re-enter the labour market by December 31. In the circumstances, can the minister confirm to the House how many thousands of Canadians will lose their entitlement to unemployment insurance by December 31? That is a question the minister should be able to answer. According to his department, there will be more than 500,000, and if that is the case, it would be an absolute disaster, and the minister probably realizes this, but in any case, I feel the Canadian people have a right to know whether the minister at least realizes that thousands of Canadians stand to lose their entitlement to unemployment insurance, because there is no evidence that government action will provide work for 500,000 Canadians by December 31.

[*English*]

Mr. Axworthy: Madam Speaker, I would prefer to leave the whole occupation of forecasting doom to the members of the Conservative Party because they are so good at it. We are much more interested in putting people to work and in trying to find solutions rather than engaging in that kind of wild speculation which serves no purpose.

• (1430)

One cannot predict those kinds of figures because, under the Unemployment Insurance Act, workers on benefits can develop or acquire a certain number of weeks of benefits for work during that period of time to re-establish their benefits during the work period. The hon. member should know that because he has been doing it long enough. It would be a much greater service if he engaged in trying to help us to help the unemployed rather than simply engaging in that kind of forecasting in the realm of prophecy.

* * *

MEDICAL CARE

FEDERAL SHARE OF EXPENSES

Mr. Jim Hawkes (Calgary West): Madam Speaker, my question is for the minister responsible for the social policy envelope. In light of the fact that the Minister of National Health and Welfare has been asking provincial ministers to expand the health care that is available to Canadians under insurance principles, can the minister say where the money is going to come from for the federal share? Will we get an expanded envelope, or are we going to steal from one purpose to pay for another?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, the minister is not here to answer but I would like to say there are some programs in the book, voted by the House, and accordingly we are of the view that the best medical services should be given to Canadians and we ask the provinces to collaborate to achieve this.

PROVISION OF FUNDS FOR SERVICES

Mr. Jim Hawkes (Calgary West): Madam Speaker, I would ask the Minister of State responsible for social policy, responsible for the social policy spending envelope, whether or not he has given the Minister of National Health and Welfare a commitment for increased spending that will allow for the increased services which he is saying should be provided by the provinces? Will there be more money for more service, yes or no?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I think that the estimates of the Minister of National Health and Welfare are in front of the House of Commons and the hon. member should ask these questions of the Minister of National Health and Welfare who is responsible for health services, to the House of Commons.

Mr. Baker (Nepean-Carleton): I thought you were the big cheese—le gros fromage.

* * *

ADMINISTRATION OF JUSTICE

LEGAL COSTS OF NURSE EXONERATED ON MURDER CHARGES

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, I have a question to put to the Solicitor General. On Friday last Susan Nelles was discharged on four counts of murder and exonerated at a preliminary hearing as a judge found there was no evidence upon which a reasonably instructed jury could convict. There is no way to compensate Miss Nelles for 14 months of embarrassment, anguish, and worry as a result of the charges, but there must be a way in which she could be compensated for her legal costs, which will run to between $150,000 and $200,000. In light of the fact that Clifford Olson could be paid $100,000 as a convicted murderer, by the government, will the Solicitor General consent to compensating Miss Nelles for her legal costs when she had to fight for her life when she was obviously innocent?

Some hon. Members: Hear, hear!

Hon. Bob Kaplan (Solicitor General): Madam Speaker, as the House knows, the administration of justice is a provincial matter. The investigation and the charges that were laid were

all done under the direction of the provincial authorities. I think, with respect and with the sympathy that I share for her plight, the hon. member should direct his attention to the government responsible for the decision and for the prosecution.

Mr. Nielsen: Write him a letter.

* * *

AUTOMOTIVE INDUSTRY

IMPORTATION OF PARTS MANUFACTURED IN JAPAN

Hon. Bill Jarvis (Perth): Madam Speaker, my question is directed to the Minister of State for International Trade. It relates to ongoing negotiations with the Japanese vis-à-vis the automobile market. I understand the minister's concern when these questions are raised on the floor of the House because he may feel that they prejudice negotiations. However, may I ask him, not with respect to the completed new vehicles but with respect to automotive parts, not component parts but the after market or replacement parts, has that been a subject matter for negotiation with the Japanese, and could the minister indicate to he House his position with respect to that very significant market?

Hon. Ed Lumley (Minister of State (International Trade)): Yes, Madam Speaker, that subject has been a part of the discussion with my counterpart in Japan. I indicated to him that we were not satisfied with the Canadian share of the parts market retained for Japanese automobiles. As has been indicated, there has been representation to the Japanese automobile manufacturers on our behalf to source more parts from Canada. This was also the subject of discussions at the Japan-Canada businessmen's conference which took place in Sapporo last week.

Mr. Jarvis: Madam Speaker, I hope the minister will be in a position to report some success with respect to that part of the market.

LEGALITY OF EXCLUSIONARY CONTRACTS

Hon. Bill Jarvis (Perth): The other part which has some significance is access for replacement parts into agencies that sell Japanese cars in Canada. Those agencies have contracts with the Japanese manufacturers which prohibit or inhibit access to that market by Canadian manufacturers. First, has that been raised with the minister's counterpart in Japan and, second, has the minister sought advice from law officers of the Crown as to legality of those contracts that absolutely prohibit a Canadian manufacturer from having any access to that very significant market?

Hon. Ed Lumley (Minister of State (International Trade)): Madam Speaker, I thank the hon. member for bringing this matter to my attention. That is the first time that anyone, even domestically, has brought this matter to the government's attention. Therefore it was not a point of discussion with the Japanese authorities. One other point comes to mind, Madam Speaker. I think that if the hon. member will check with the president of the auto parts manufacturers he will find that a couple of the Japanese automobile manufacturers have recently submitted lists to him and to the parts industry in Canada for submissions and possible sourcing of increased Canadian content.

* * *

SMALL BUSINESS

REQUEST FOR ASSISTANCE

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, my question is for the minister responsible for betraying the small business community of Canada yesterday. In early 1980, when the small business community was obviously entering financial difficulties, the minister responsible decided to solve their problems or assist them by marching off on a quick study. That quick study took nearly two years and cost the taxpayers of Canada $1,200,000. After waiting two years for the result, the report that was released yesterday suggested that another year of study is in order—no action, no recommendations. Will the minister please stand in the House today and explain to the small business community of Canada what he plans to do immediately to assist them and to encourage them?

[*Translation*]

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism)): Madam Speaker, once again, I am truly amazed at the hon. member for Kamloops-Shuswap. First of all, the facts he mentioned here in the House are not accurate. I am not the minister who launched the study on small business financing. The hon. member himself said, in fact, that the study was launched under the previous government in 1980. Madam Speaker, he is surprised that a study of this magnitude should be published without conclusions or recommendations. I suppose the hon. member would have preferred that I, and with me the Government of Canada, should take the word of a small group of academics and experts on the small business sector, without consulting small business itself. Madam Speaker, I feel that comments of this kind are unworthy of a member of this House who is calling for consultation with the people.

[*English*]

REQUEST THAT MINISTER HOLD PUBLIC HEARINGS

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I do realize that I made an error. The minister has corrected me. It actually took three years to conduct this study, and still no action. The minister suggests that he is interested in receiving input from the business community of Canada, yet he suggests that he assemble a consultative committee. To consult about what, I would like to ask him? If he wants to

consult with the business community, is he prepared to agree today to conduct public hearings across Canada so that the business people can have ready access to the reports and have ready access to some of the recommendations he will make? Will he hold public hearings across the country to react to this three-year study?

Mr. Nielsen: That is a great idea.

[*Translation*]

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism)): Madam Speaker, it is always easier to criticize how something is done than what is done, and I feel that since both the summary and the twelve actual studies prepared by various academics were published yesterday, Canadian businessmen and women, who are more resourceful than the hon. member opposite, will be able to read the studies for themselves and formulate comments without resorting to a formal public forum of consultation.

* * *

INDIAN AFFAIRS

SALMON FISHING ON THE RESTIGOUCHE RIVER—INQUIRY WHETHER AGREEMENT REACHED WITH MICMAC BAND

Mrs. Eva Côté (Rimouski-Témiscouata): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. The minister will recall that, last year, there was a very distressing situation in connection with salmon fishing on the Restigouche River. I am aware that the federal minister has been negotiating for some time with the native people in that area. Could the minister inform us whether an agreement has been reached, and if so, what kind of agreement or settlement was arranged?

• (1440)

[*English*]

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Yes, Madam Speaker, negotiations have been going on for two days, and there are many members on both sides of the House who will be very, very happy to hear the news that a settlement has been reached between the chief and ourselves and the Government of Quebec, so this year there will not be the unhappy incidents at Restigouche there were last year over the question of fishing.

Some hon. Members: Hear, hear!

REPORTED DISTRIBUTION OF MEDALLIONS

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, I also have a question for the Minister of Indian Affairs and Northern Development. Is it the plan of the minister to give every chief in Canada a bronze medallion? If so, why, and how much is this going to cost?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, a week or so ago my predecessor gave me notification of a memo, which obviously he has sent to some of his colleagues in the Conservative caucus, about suggestions of this kind. May I say I think it was probably done in all innocence but, in short, the answer is no.

Mr. Greenaway: Madam Speaker, just to correct the record, I was not given this memo by the previous minister. I was given this memo by an Indian chief at hearings out in Vancouver, and this memo was from the department itself outlining the whole program. In addition to that I have the minister's briefing notes wherein he agreed a year ago that this was a good program, and the minister said, "We are going to go right ahead with it."

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): You speak with forked tongue.

GOVERNMENT POSITION

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, will the minister once again tell us whether this will be done or will not be done?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, my friend, the hon. member for Nepean-Carleton, used to be in the ministry, and he should be aware that ministers do not send briefing notes to their officials. It is usually the other way around.

He should also be aware that ministers do not always accept the advice given in their briefing notes.

Mr. Baker (Nepean-Carleton): Perhaps you should.

* * *

AGRICULTURE

PROGRAMS TO ASSIST ATLANTIC PROVINCES

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I have a question for the Minister of Agriculture. The minister will know that the Department of Regional Economic Expansion has been doing less and less to help agriculture in the Atlantic region. I want to ask the minister once again what progress, if any, is being made in the consideration of removing the PFRA from that department, taking it into his portfolio and expanding it into a national program which would be for the benefit of agriculture right across the country and help strengthen that sector and the economy in Atlantic Canada.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I differ with what the hon. member said about what the federal government is doing for Atlantic Canada. I am sure he is aware of the grant which has been given to Scotia Gold in his area, which experienced a disaster last year. The DREE people under the Minister of Regional Economic Expansion

came through with a big grant. A grant has already been given to the other large food processing company there. Another one will be available shortly. There is only one thing we have not signed, and that is an agreement on agricultural development for Nova Scotia. I am looking forward to that very shortly.

I agree to some extent with the hon. member's last statement about prairie farm rehabilitation, PFRA, coming under the Department of Agriculture but, if it does, it should be for all Canada because it is one of the best programs any government in the whole world has ever developed.

ABSENCE OF AGREEMENT

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I do not know about the whole world, but I would like to follow this up with the minister briefly and remind him that we talked about this once before. He knows there are problems because of the absence of a sub-agreement, which used to be under the regular DREE program. When will the minister be able to tell the House whether he will take this initiative and take this very good PFRA program, which is highly respected in western Canada, and combine it with some scheme like the former Maritime Marshland Rehabilitation Act and apply it right across the country for the benefit of the agricultural industry? If this initiative—which I think he will agree is a good one—is to be taken, when will he give us some indication of that?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, as I have said in this House before, this is a joint agreement. The province of Nova Scotia should give agriculture the priority it needs in relation to cost-sharing programs. Nova Scotia gives agriculture a number three rating instead of number one, which I give to agriculture in Nova Scotia. That has made it more difficult to go ahead with that program. If the hon. member can persuade Premier Buchanan of Nova Scotia to give agriculture a number one rating in that province, I am sure I will have less difficulty here.

* * *

THE CHARTER OF RIGHTS

APPLICATION TO RETIREMENT AGE FOR POSTMASTERS

Mr. Maurice Foster (Algoma): Madam Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. The proclamation of the Charter of Rights and Freedoms for Canadians was signed by Her Majesty here last month. The Charter of Rights and Freedoms prohibits discrimination on the basis of age. Can the minister say if this will remove the requirement that postmasters must retire at age 65?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, this is a very interesting point which will certainly be looked into by my colleague, the President of the Treasury Board, not only as it concerns employees of a Crown corporation such as the Canada Post Corporation but also as it applies to government employees in general.

* * *

[*English*]

RAILWAYS

CROWSNEST PASS RATE—STATUS OF NEGOTIATIONS

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, my question is for the Minister of Transport. Reports from the prairies last week indicate that the draft report from Dr. Gilson is not being well received by all participants in the negotiations on the Crow rate. Is the minister still using the yardstick of consensus to measure the success or failure of these negotiations and, if he is, how does he propose to deal with the situation whereby some participants insist on payments being made directly to the railways while others insist that they be made directly to the farmers?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, nobody thought that this Gilson exercise would be easy, so when my hon. friend says there are still some items on which there is not yet a consensus, it is no surprise to me or to anyone else. However, the reports which have come out of the meetings have been generally quite optimistic. There has been agreement on a number of non-monetary items. I could list them, but I prefer not to pre-empt the report. It was my impression that some compromises were reached—in any event, were worked hard at—in terms of deciding who should be paid, the farmers or the railways. Some consensus was developing in that respect, and there are still a few days to go, and hopefully all these matters will be resolved.

PRINCIPLE OF EQUAL RATES FOR EQUAL DISTANCE

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, another item on the agenda was the question of equal rates for equal distance which, I understand from comments in the House, will be continued, unless the farmers insist otherwise. Is that still the stance of the government? Will equal rates for equal distance continue, and what kinds of conditions would have to prevail before that stance is changed?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the information I have is that indeed the principle of equal rates for equal distance will be maintained, but efforts are being made to try to find some incentive rate which will be acceptable to the agricultural community. There are some ideas which have been floated around—my friend is aware of them—respecting rates which would be beneficial for a period of time to help the development of processing, for example, in the west, and I am sure my hon. friend would agree that that would be desirable.

Oral Questions

THE JUDICIARY

POSITION OF SOLICITOR GENERAL

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my question to the Prime Minister relates to the incredible letters the Solicitor General wrote as the Solicitor General, under Solicitor General letterhead, for the purpose of influencing judicial consideration of a serious matter before the courts. The Prime Minister has had 24 hours to make his own inquiries and should tell us whether the Solicitor General is going to continue to embarrass Parliament and the government with his actions, or whether he is to be removed from the government. Is he in or out?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Solicitor General is in, and the hon. member is out.

Some hon. Members: Hear, hear!

DIRECTIVE CONCERNING COMMUNICATIONS WITH JUDGES

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, I wonder if I could ask your indulgence to quote from a very clear but short directive from the Prime Minister. As recorded at page 11771 of *Hansard* for March 12, 1976, the Prime Minister said in the House of Commons:

> But, in so far as this government is concerned, I believe that it must be clearly established that in future no member of the cabinet may communicate with members of the judiciary concerning any matter which they have before them in their judicial capacities, except through the Minister of Justice, his duly authorized officials or counsel acting for him—

In the past cabinet ministers have resigned for contravening this unequivocal rule of the Prime Minister. Why has the present Solicitor General not submitted his resignation? If he has, why has the Prime Minister not accepted that resignation?

• (1450)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member has read correctly the directive I gave in March, 1976, that no member of the cabinet may communicate with members of the judiciary concerning any matters which they have before them in their judicial capacities, except through the Minister of Justice. The question is whether a minister or anyone else can be said to communicate with a judge when he gives evidence in open court. I submit that if giving evidence in open court can be construed as communicating with a judge in an improper way, it would follow that no minister would be able to appear even as a witness in court.

Some hon. Members: Oh, oh!

Mr. Trudeau: Therefore his obligation to appear as a witness under subpoena would be dispensed with. The hon. Solicitor General communicated not with the judge but with counsel for the accused—

Mr. McGrath: For the purpose of influencing the judge.

Mr. Trudeau: —who then produced that letter much in the same way he could have called the minister as a witness and the minister would have been obliged to reply. So in my view, Madam Speaker, and I think in the view of any impartial person—

[*Translation*]

Mr. La Salle: That has never been done before.

[*English*]

Mr. Trudeau: Madam Speaker, I am ready to discuss this as long as the opposition wants. If they hold that to submit a character reference by way of a letter to counsel is an improper way of communicating with a judge, then I suggest they are inventing new guidelines. They are not following the guidelines I established.

Some hon. Members: Hear, hear!

RETENTION OF SOLICITOR GENERAL IN CABINET

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, the guidelines speak for themselves. I understand that the principle on which we operate in this country is that of separation between the executive and judiciary. The Prime Minister has been very vocal over the course of the last few months with respect to Mr. Justice Berger speaking out politically. In view of the fact that the Prime Minister asked for the resignation of the present Minister of Indian Affairs and Northern Development when he communicated with a judge to try and influence the judge's decision and sentence, how can the Prime Minister retain the present Solicitor General who is responsible for the penitentiary system, and what is the basis upon which he can justify a breach of those very clear guidelines?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the guidelines were issued precisely to cover the case to which the hon. member refers. We recall that the present Minister of Indian Affairs and Northern Development had wanted to submit a character reference. I have not reread the case in any detail to refresh my memory but, as I recall, he had been delayed in some way in submitting a character reference through the lawyer. He explained to the House that he picked up the phone and called the judge directly. As a result of that the hon. minister resigned because he had communicated directly with a judge.

Mr. McGrath: What is the difference?

Some hon. Members: Oh, oh!

Mr. Munro (Hamilton East): He did not call the judge.

Mr. Trudeau: The question then, Madam Speaker, is: should a minister be prohibited from testifying in open court? If the opposition wants to hold the doctrine that that should be prohibited, Madam Speaker, I am suggesting that we might welcome that for the future. It is not in the guidelines, but we would welcome any decision of this House that in the future no

minister should be summoned in any way to open court. I would be happy to put that in the guidelines.

Some hon. Members: Hear, hear!

APPLICABILITY OF GUIDELINES

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, this letter was written on the letterhead of the Solicitor General of Canada, a member of the executive, and the one responsible for penitentiaries. The guidelines are very clear. They say:

—that in future no member of the cabinet may communicate with members of the judiciary concerning any matter which they have before them in their judicial capacities, except through the Minister of Justice—

Do the Prime Minister's answers to date mean that all cabinet ministers are now free to write letters to judges, directly or indirectly, to influence sentencing or disposition of a case by the court? Is that the position the Prime Minister is now putting forward for members of his cabinet?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the guidelines were obviously intended to meet the specific case just referred to—and another case—where a telephone call or communication was made directly to the judge. That was found to be improper because it was using, in a sense, the authority of office to try to influence the judge in a surreptitious way, as I said yesterday, unknown to the parties in the case. But I am holding very firmly, Madam Speaker, to the doctrine that a minister is a citizen; if he is subpoenaed and the court wants to hear him, the court can issue that subpoena. This doctrine will not prevent that.

If a minister cannot testify in open court, as any citizen can, on behalf of a fellow citizen, then I say that is a new doctrine, and a dangerous one, because then we will say that any minister standing in a box is communicating improperly with the court and therefore he should not be subpoenaed, and therefore he should never be in a court of justice.

MINISTERIAL CONDUCT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, just so that we might understand this new standard the Prime Minister has established—

Some hon. Members: Oh, oh!

Mr. Clark: As soon as there is some quiet on the other side, Madam Speaker, I would like to ask the Prime Minister if his new standard is that cabinet ministers are allowed to influence judges indirectly but not directly.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, to the extent that any witness, character witness or otherwise, is influencing the judge by testifying under oath, answering questions from counsel or the court, the answer is yes. Any witness is influencing the judge, and that is the purpose of a witness.

Some hon. Members: Hear, hear!

Mr. Trudeau: Therefore the only question is whether he is influencing the judge in an improper way. I can certainly understand, as my guidelines suggest, that it would be improper to try to influence a judge directly or indirectly, but not in open court. That is why the guidelines have been issued; not to prevent ministers testifying in open court, whether by subpoena or voluntarily—

Mr. Crombie: There is a difference and you know it.

Mr. Trudeau: Yes, Madam Speaker, I know there is a difference, and if the hon. member for Rosedale wants to ask a question—

Mr. Crombie: Tell the truth.

Mr. Trudeau: If he does not think his leader is capable, Madam Speaker—

Some hon. Members: Hear, hear!

Mr. Crombie: Tell the truth.

Mr. Trudeau: Madam Speaker, the hon. member for Rosedale does not think that his leader is capable of asking questions. I just ask him to be patient.

An hon. Member: You are not capable of answering them.

Some hon. Members: Hear, hear!

Mr. Trudeau: Madam Speaker, the hon. member for Rosedale says that I should tell the truth. That is the kind of insinuation which I find insulting. It is not the kind of thing he would tell me to my face outside of this room.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please.

Mr. Trudeau: Madam Speaker—

Madam Speaker: Order.

An hon. Member: The just society.

Mr. Trudeau: Madam Speaker, I want to make it clear that I am not challenging the hon. member to anything. I am just establishing that in this Chamber the standard of debate has degenerated to the point where I do not respect the hon. member any more than he appears to respect me. I do not think that is conducive to the civil dialogue which should take place in this Chamber.

Some hon. Members: Hear, hear!

• (1500)

Mr. Trudeau: I think we should attempt to be as polite to each other in this room as we would be outside it, Madam Speaker.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Fraser: That is the pot calling the kettle black.

USE OF MINISTERIAL OFFICE AND STATIONERY

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, is it the position of the Prime Minister of Canada that it is appropriate for the office of the Solicitor General of Canada and the stationery of the Solicitor General of Canada to be used to influence a judge directly or indirectly?

Mr. Nielsen: In a criminal trial.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, that is a repetition of the previous question.

Mr. Baker (Nepean-Carleton): No, it is not.

Mr. Trudeau: I said that every witness influences a judge indirectly—

[*Translation*]

Mr. La Salle: It was the Solicitor General, not just any witness.

Madam Speaker: Order, please. We are running short of time and we cannot hear the answer. If hon. members are interested, I shall again give the floor to the Right Hon. Prime Minister.

Mr. Trudeau: Thank you, Madam Speaker. The member for Joliette seems to have made a habit of constantly shouting across the floor because he has neither the courage nor the intelligence to rise in the House.

Mr. La Salle: At least I am not trying to obstruct justice!

Mr. Trudeau: Does the hon. member wish to make charges?

Madam Speaker: Order, please. I must ask the Right Hon. Prime Minister to answer the question put by the Right Hon. Leader of the Opposition, and perhaps ignore for the time being what the member for Joliette is saying, since he does not have the floor. The hon. member for Joliette.

Mr. La Salle: I am not trying to obstruct justice. That is what I am saying.

Mr. Trudeau: Madam Speaker, I must say that if in the opinion of the Leader of the Opposition and the member for Joliette, testifying in an open court like any other witness is to tamper with justice, then, Madam Speaker, I would say yes.

Mr. La Salle: The Right Hon. Prime Minister is not answering the question.

Mr. Trudeau: Madam Speaker, I—

Madam Speaker: Order.

* * *

[*English*]

PRIVILEGE

MR. COLLENETTE—ALLEGED IMPUTING OF MOTIVES BY MR. THACKER

Mr. D. M. Collenette (York East): Madam Speaker, you may recall that earlier this day I did give you notice of a question of privilege concerning a matter that took place yesterday during the debates in the House of Commons. I refer Your Honour to pages 17733, 17734 and 17737 of *Hansard* for May 25, 1982. At the time the hon. member for Lethbridge-Foothills (Mr. Thacker) had the floor on an opposition day motion. He stated, as reported on page 17733:

> The fault lies directly with the cabinet but also with Liberal backbenchers. At the time of each vote in this House they choose to protect their personal incomes rather than choosing to vote against cabinet schemes which aggravate and cause problems rather than solve them.

Some hon. Members: Hear, hear!

Mr. Collenette: Perhaps the applause from the other side underlines the fact that I should rise today and express this case. I rose immediately I heard these words yesterday. Mr. Deputy Speaker was in the chair and was engaged in a conversation with the Clerk of the House. Unfortunately, he did not hear the exact exchange of views. Subsequently, in all courtesy, I waited until the end of the hon. member's speech and I rose again to make the case to the Acting Speaker who was then in the chair. It is my contention, Madam Speaker, that the words spoken by the hon. member for Lethbridge-Foothills yesterday constitute a question of privilege for myself and for other backbenchers especially on this side of the House, but indeed, for all members in this House.

I draw your attention to Beauchesne's Citation 316(e) and (i). This citation reads:

> Besides the prohibitions contained in S.O. 35, it has been sanctioned by usage that a Member, while speaking, must not:
>
> (e) impute bad motives or motives different from those acknowledged to a Member;
>
> (i) reflect upon the past acts and proceedings of the House.

This is substantiated in Beauchesne's Citation 319(3) which reads as follows:

> In the House of Commons a member will not be permitted by the Speaker to indulge in any reflections on the House itself as a political institution; or to impute to any member or members unworthy motives for their actions in a particular case; or to use any profane or indecent language; or to question the acknowledged and undoubted powers of the House in a matter of privilege; or to

reflect upon, argue against or in any manner call in question the past acts and proceedings of the House, or to speak in abusive and disrespectful terms of an act of Parliament.

I went on to state yesterday that this is clearly upheld in Erskine May's nineteenth edition at page 153. Finally, I want to put on the record what is found on page 424 of Erskine May's nineteenth edition under the heading of "Reflecting upon votes of the House." It reads:

The objections to the practice of referring to past debates apply with greater force to reflections upon votes of the House, unless made for the purpose of justifying a motion that the vote be rescinded. Those reflections not only revive discussion upon questions already decided, but are wholly irregular, inasmuch as the member is himself included in, and bound by, a vote agreed to by a majority.

We have been sitting here for the last few weeks and we have seen, in my humble submission, the rules of the House transgressed with some regularity. I think it is about time that members, no matter where they sit in the House, put an end to this kind of situation from occurring any further. I would submit—

Madam Speaker: I would like the hon. member to refrain from referring to the fact that the rules have been transgressed. As far as I know, I have tried not to have those rules transgressed. If the hon. member feels that they have been transgressed then he must tell me exactly on what occasion and I will try to make the necessary redress. I think it would be preferable if the hon. member stuck to the point he wants to make just now.

Mr. Collenette: Madam Speaker, I certainly withdraw my last statement. Perhaps my emotion, as a result of what occurred yesterday, ran away with my reason. But certainly the example that I gave today clearly underlines the fact that there has been a transgression of the rules of the House. When I rose and brought this to the attention of the House yesterday, as reported on page 17737 of *Hansard*, the Acting Speaker undertook to review the record and reserved judgment on it. This is why I feel it is entirely appropriate for me to raise this matter today in this context.

Madam Speaker: I was aware the hon. member might raise a question of privilege, but the exact terms of it were only given to me as I came into the House. I knew that yesterday the Acting Speaker had taken the matter under advisement. Unfortunately, I was unable to check *Hansard* fully to see exactly what the hon. member was referring to. I tried very quickly to examine the quotations from Erskine May to which the hon. member referred but I have been unable to check his other quotations. Therefore, I have to reserve judgment on the matter.

Hon. Erik Nielsen (Yukon): Madam Speaker, I certainly have no objection to your reserving your ruling on the matter. But I trust that you will hear other submissions, if you are going to treat the matter raised by the hon. member for York East (Mr. Collenette) in any other fashion than absolutely frivolous and time wasting—

Some hon. Members: Oh, oh!

Mr. Cousineau: You said that, oh, boy.

Mr. Nielsen: Therefore, I would submit, Madam Speaker, that you hear other contributions before coming to a decision—if you are going to treat the matter raised by the hon. member for York East with any seriousness at all. Since he complains about the attribution of motives by one member to another, I would suggest that you also take into consideration page 17738 of *Hansard*. You will find there that, in response to a submission I was making at the time with respect to extended time, the hon. member for York East interjected an accusation by use of the word "blackmail". He introduced that interjection with the obvious intention of accusing me of attempting to blackmail the House. My motives certainly were not those which the interjection of the hon. member for York East conveyed. My purpose in rising is to suggest that there would be an obligation on the Chair to hear other submissions, if the matter is to be treated seriously at all.

• (1510)

Madam Speaker: First of all, no one indicated an intention to speak on the particular question of privilege. However, it is still open to the Chair, after examining the first submission by the hon. member for York East (Mr. Collenette), to come back to the House and request further submissions. There is no problem there, if the Chair feels there is any necessity to go further into the matter.

Is the hon. member raising a new question of privilege about expressions which were used yesterday? He is signalling in the negative. That is fine; that is clear.

Mr. Nielsen: Madam Speaker, I do not like to have my signals interpreted for *Hansard*. I can say categorically that I do not have the kind of thin skin which the hon. member for York East has. Even though his description of my motive leaves something to be desired in so far as his conduct is concerned, I have no intention of wasting the time of the House by raising a question of privilege on it.

* * *

POINT OF ORDER

MR. HNATYSHYN—TABLING OF GUIDELINES FOR MINISTERS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I rise on a point of order with respect to question period today. During the course of question period the Prime Minister (Mr. Trudeau), in response to questions relating to the guidelines and directives sent to ministers regarding communications with members of the judiciary in the performance of their duties, read from the guidelines. If Madam Speaker looks at the "blues", I think she will see that he was reading, in response to the questions of the hon. member for Durham-Northumberland (Mr. Lawrence), from the guidelines themselves. Those guidelines have been unavailable to us as Members of Parliament and have been retained as secret documents by the government.

Mr. Cousineau: He read from *Hansard*.

Mr. Hnatyshyn: I should like to refer to Citation 327 of Beauchesne's fifth edition by Fraser, Birch, Dawson with which Madam Speaker will be completely familiar. It reads:

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

I could see from my seat that the Prime Minister was reading from a directive as opposed to any other document. I could see the paper from this distance of two sword lengths from the Prime Minister in this place in which I sit. I ask Your Honour to require the Prime Minister to table the directives and the guidelines to his ministers so that we in the House of Commons may see under what restraints and constrictions members of cabinet operate.

Madam Speaker: The hon. member is correct in quoting that particular reference from Beauchesne's. It is not clear to me—and I will check *Hansard*—whether the Prime Minister (Mr. Trudeau) was quoting from an official document or from *Hansard*, as I believe was the hon. member for Durham-Northumberland (Mr. Lawrence). We will check *Hansard*; the point of the hon. member is well taken.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

REGULATIONS AND OTHER STATUTORY INSTRUMENTS—PRESENTATION OF TWELFTH REPORT OF STANDING JOINT COMMITTEE

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I have the honour to present the twelfth report of the Standing Joint Committee on Regulations and Other Statutory Instruments, in both official languages.

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

PUBLIC ACCOUNTS—PRESENTATION OF FOURTEENTH AND FIFTEENTH REPORTS OF STANDING COMMITTEE

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, I have the honour to present the fourteenth and the fifteenth reports of the Standing Committee on Public Accounts.

[*Editor's Note: For above reports, see today's Votes and Proceedings.*]

* * *

PETITIONS

MR. SHIELDS—WITHDRAWAL OF BUDGET

Mr. Jack Shields (Athabasca): Madam Speaker, I have the duty to present a petition on behalf of a number of my constituents in the riding of Athabasca. The purpose of the petition, signed by 21 members of the Senior Dew Drop In Club, in St. Lina, Alberta, is to register their protest against the November 12 budget brought down by the Minister of Finance (Mr. MacEachen).

The nature of this petition is to request that the government immediately withdraw this destructive, discriminatory budget which is especially unfair to Canada's senior citizens. The petitioners hope that in your examination of the petition Madam Speaker, you will find the petition in order, sense the urgency of their plea, and that you might use the discretionary powers vested in your office to allow discussion and referral of this petition to the Standing Committee on Finance, Trade and Economic Affairs at the earliest possible moment.

MR. REID (ST. CATHARINES)—TAX ON IMPUTED RENT

Mr. Joe Reid (St. Catharines): Madam Speaker, I have the privilege and honour of presenting a petition on behalf of the residents of the city of St. Catharines. The nature of this petition is to show that Canadian home owners are incensed that the budget papers presented earlier in November, 1981, even referred to the possibility of taxing imputed rent.

Home owners are the backbone of the nation. They want to show their opposition now so that any government, at any future date, would be able to look back at the experience of 1982 and take the position that any additional tax on them as home owners would be completely and totally unacceptable.

MR. HEAP—TESTING OF CRUISE MISSILES ON CANADIAN SOIL

Mr. Dan Heap (Spadina): Madam Speaker, I have the honour to present a petition by citizens of the city of Toronto calling on this Parliament to request the Prime Minister (Mr. Trudeau) to refuse to allow the testing of Cruise missiles on Canadian soil.

MR. DARLING—RECONSIDERATION OF GUN CONTROL LEGISLATION

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I am pleased to submit a petition signed by 157 citizens of the district of Muskoka in the province of Ontario who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your honourable House will therefor provide a remedy. They humbly sheweth that the private member's Bill C-451, regarding gun control legislation which deals with the number of firearms in circulation in this country and the control of the number of firearms in Canada; wherefore the undersigned, your petitioners humbly pray and call upon Parliament to oppose this legislation and deal directly with the present gun laws which are cumbersome, expensive to administer, and ineffective except to harass law-abiding people. And as in duty bound your petitioners will ever pray.

MR. ROSE—REQUEST FOR DOOR-TO-DOOR MAIL DELIVERY

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I am honoured to present a petition on behalf of some 300 residents of the Eagle Ridge subdivision in my riding requesting door-to-door mail delivery. These citizens cannot understand why, especially since it now costs 30 cents to post a letter, they are discriminated against and served by, in theory, a so-called suburban service or corner lock boxes, while their neighbours in older subdivisions receive door-to-door delivery each day.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,830, 2,872, 3,677, 3,678, 3,768, 3,771, 4,183, 4,273 and 4,282.

[*Text*]

PUBLIC SERVICE STAFF RELATIONS BOARD—EDUCATION LEAVE COSTS

Question No. 2,830—**Mr. Clarke:**

1. With reference to the education leave costs recorded by the Privy Council Office for the Public Service Staff Relations Board at page 13.6, volume I of the 1979-80 Public Accounts of Canada, what guidelines were used to determine (a) which employees should obtain educational leave and whether such employees should be granted (i) leave with pay (ii) travel expenses (iii) payment for tuition (b) whether the skills to be acquired were needed on a permanent basis?

2. What percentage of the education leave cost of $4,463 was necessitated by the acquisition of new equipment and by the need to have new skills in order to use the equipment?

3. What percentage of the education leave was necessitated by reason of job redundancy because of the (a) acquisition of equipment (b) change in the role of the employing agency (c) change in the capabilities of employees?

4. What percentage of employees granted such leave in the past three years have subsequently left the public service?

Hon. Yvon Pinard (President of the Privy Council): 1. (a) and (b) A training program for the development of qualified financial administrators was developed jointly by the Public Service Commission and the Office of the Comptroller General. The selection of the employee for participation in this program was based on the interest shown by the employee, the employee's demonstrated potential to successfully complete the program, and the responsibilities of the employee's position in financial administration. The education leave costs were authorized as per Treasury Board policy: chapter 110 sub-Chapter 5 of the Personnel Management Manual—Conditions governing education, training and Development, including Subsidization.

2, 3(a), (b), (c) and 4. None.

Order Paper Questions

PUBLIC SERVICE STAFF RELATIONS BOARD—HOSPITALITY SERVICES

Question No. 2,872—**Mr. Clarke:**

With reference to the professional and special services recorded by the Privy Council Office for the Public Service Staff Relations Board at page 32.85, volume II of the 1979-80 Public Accounts of Canada, with particular reference to hospitality services (a) what was the name of each type of service (b) what was the amount paid for each service and, for contracts of a value more than $2,000, to whom was it paid (c) are guidelines used to determine when the Board will pay for hospitality and, if so, what are they (d) of the $4,383 paid for hospitality, what percentage was principally used to entertain (i) foreign visitors (ii) Canadian businessmen (iii) provincial public servants (iv) federal public servants (v) ministerial exempt staff (vi) Members of Parliament (vii) Members of Provincial Parliaments, Legislative Assemblies and the National Assembly (viii) Canadian dignitaries, such as the Governor General and Lieutenant Governors General (ix) federal Crown corporation executives (x) provincial Crown corporation executives (xi) members of federal commissions, boards and councils (xii) any other categories?

Hon. Yvon Pinard (President of the Privy Council):

(a) and (b)	Hospitality by individual officers:		$4,271
	Arbitration Conference:		112
		Total	$4,383

Contracts over $2,000—none.

(c) Refer to Treasury Board Hospitality Policy chapter No. 360 of the Administrative Policy Manuals.

(d) Records are not maintained in a way that would make it possible to provide this information.

EMIGRATION REFUSALS BY POLISH AUTHORITIES

Question No. 3,677—**Mr. Cossitt:**

To the knowledge of the government, how many persons from Poland were refused exit visas during each of the past three years by Polish authorities after approval of entry to Canada was given by Canadian authorities?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Tabulated below are the known number of refusal decisions made by Polish authorities in respect to applications by Polish nationals to emigrate to Canada. The Canadian Embassy in Warsaw is dependent on the applicant himself for such information. But since not all applicants keep the Embassy informed of such decisions or about changes in their plans to emigrate, the figures below are approximations only. However, as an indication of the co-operation shown by the Polish government prior to the imposition of martial law on December 13, 1981, it should be noted that only five cases were included on the last representational list presented to the Polish government on June 16, 1981, and of those only one is still unresolved.

	1979	1980	1981
Emigration refusals by Polish authorities—cases/(persons)	23/(45)	12/(18)	6/(12)

Order Paper Questions

EMIGRATION REFUSALS BY SOVIET AUTHORITIES

Question No. 3,678—**Mr. Cossitt:**

To the knowledge of the government, how many persons from the Soviet Union were refused exit visas during each of the past three years by Soviet authorities after approval of entry to Canada was given by Canadian authorities?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Tabulated below are the known number of refusal decisions made by Soviet authorities in respect to applications by Soviet citizens to emigrate to Canada. The Canadian Embassy in Moscow is dependent on the applicant himself for such information. But since not all applicants keep the Embassy informed of such decisions, or about changes in their plans to emigrate, the figures below are approximations only.

	1979	1980	1981
Emigration refusals by Soviet authorities—cases/(persons)	55/(129)	35/(99)	13/(30)

RCMP SECURITY FILES

Question No. 3,768—**Mr. Cossitt:**

With reference to the answer to question No. 3,230 which stated that the government will not guarantee that RCMP security files will not be destroyed, altered or changed in any way during and after transfer from RCMP jurisdiction to the new civilian security service (a) what are all the details of government policy with regard to which files would be destroyed, altered or changed (b) what are all the reasons that the government would wish to destroy, alter or change such files in any way (c) will the government immediately reconsider its decision and agree to leave the RCMP security files intact?

Hon. Bob Kaplan (Solicitor General): (a) No file destruction is taking place in the Security Service at this time. In response to recommendation No. 14 of the McDonald Commission report, I am presently considering a revised policy on the retention and disposal schedules for Security Service files.

(b) Revised destruction and retention schedules are required for the efficient operation of the Security Service; also, see part (b) of reply to question No. 3,230 printed in *Hansard* February 9, 1982, at page 14814.

(c) No.

INSPECTION OF MAIL AT PENAL INSTITUTIONS

Question No. 3,771—**Mr. Cossitt:**

1. Is it the practice of federal penal authorities to open or in any way inspect the mail received by inmates from Members of Parliament or from solicitors acting for the inmates and, if so, in how many cases was this done during the past three years?

2. Is the mail at any later time read or noted by prison authorities visiting the cells of the inmates concerned and, if so, in how many cases did this happen in each of the past three years?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

1. Mail received by inmates from Members of Parliament is considered to be privileged and CSC policy is to provide absolute confidentiality of communication. As to correspondence between inmates and legal counsel, it is normally exempt from opening and censorships. The director, however, has the authority to order that an envelope which appears to have originated from or to be addressed to a solicitor be opened for inspection where he has reason to believe that the unrestricted and unexamined passage of mail to or from a particular inmate represents a danger to the safety and security of the institution. The content may be read only to the minimum extent necessary to establish whether it is properly the subject of solicitor-client privilege. In the absence of such an order, the correspondence is forwarded to the addressee unopened. Statistics are not kept on the number of times such letters are opened.

2. It is not the policy or the general practice of prison authorities to read the correspondence that inmates keep in their cells.

MR. CLIFFORD OLSON

Question No. 4,183—**Mr. Lewis:**

1. Were arrangements made for Mr. Clifford Olson's wife to visit him at government expense while he is in Kingston Penitentiary and, if so, at what cost?

2. (a) Does Mr. Olson have a private cell in the Kingston Penitentiary (b) does he have a television set in his cell (c) are meals served to him in his cell (d) does he have a private exercise area away from other inmates?

3. Does Mr. Olson or any other person designated by him receive any regular remuneration as a result of his confession and subsequent conviction and, if so, what amount?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada and the Royal Canadian Mounted Police are concerned: 1. No.

2. (a) Yes, Mr. Olson has an individual cell as do all inmates incarcerated in federal institutions. (b) No. (c) No. (d) No, he exercises with other inmates on his range.

3. No.

CANARCTIC SHIPPING COMPANY LTD.

Question No. 4,273—**Mr. MacKay:**

1. Is the government involved in any way in Canarctic Shipping Company Ltd. of Ottawa and, if so, in what way?

2. Is the Canarctic Shipping Company Ltd. operating the *M.V. Arctic*?

3. Was the *M.V. Arctic* ever on time-charter to the U.S.S.R. chartering agency Sovfracht and, if so (a) what were the main contractual provisions of the time-charter (b) did the government approve the time-charter?

4. Has the *M.V. Arctic* any equipment, heretofore unknown to the U.S.S.R., for navigating in ice conditions?

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Transport Canada advises as follows:

1. Yes. Majority shareholder.

2. Yes.

3. Yes. Canarctic time-charters this vessel to North Water Navigation Ltd. of Montreal each winter. North Water Navi-

gation Ltd. sub-chartered it to Sovfracht for Baltic trading during winter period 1980-81 and 1981-82. (a) Unknown. This is commercial proprietary information of North Water Navigation Ltd. (b) No.

4. No.

PROVINCIAL HEALTH INSURANCE PLANS

Question No. 4,282—**Mr. Herbert:**

What was the amount in the last year for which the information is available of the government contribution in (a) Ontario (b) British Columbia (c) Alberta to the costs of premiums for public service employees under provincial health insurance plans?

Mr. Norman Kelly (Parliamentary Secretary to President of the Treasury Board): The total of the government's contributions made in fiscal year 1980-81 to the provincial authorities in Ontario, Alberta and British Columbia, on behalf of employees as a portion of their provincial health insurance premium costs, was as follows:

Ontario	$25,938,919.41
Alberta	3,398,217.62
British Columbia	9,241,861.05

[*English*]

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

[*Translation*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

[*English*]

MOTIONS FOR PAPERS

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Madam Speaker: Shall all notices of motions for the production of papers be allowed to stand?

Some hon. Members: Agreed.

• (1520)

GOVERNMENT ORDERS

[*English*]

AN ACT TO AMEND THE STATUTE LAW RELATING TO CERTAIN TAXES

MEASURE TO AMEND

The House in committee on Bill C-112, to amend the statute law relating to certain taxes—Mr. Bussières—Mr. Blaker in the chair.

On Clause 1—

Mr. Thomson: Mr. Chairman, the latest financial reports of larger Canadian oil and gas companies such as Dome, Sulpetrol, Turbo and a good many of the smaller Canadian-owned companies as well have revealed substantial losses in the first quarter of this year. I would like to ask the Minister of State for Finance to what extent this has been brought about through the petroleum gas and revenue tax which has seriously reduced the cash flows of all oil and gas companies.

[*Translation*]

Mr. Bussières: Mr. Chairman, the hon. member is making an assumption he has yet to prove, and I think that before drawing any conclusions on the basis of that assumption, he should establish a relation of cause and effect between the facts he is trying to connect. There is no clear evidence that the conclusion he is drawing is valid, and that the effect he is describing is produced by the causes he is willing to identify. So I would ask the hon. member to prove his case if he really wants to get it onto solid ground.

[*English*]

Mr. Thomson: Mr. Chairman, the losses which have been experienced by the companies engaged in the oil and gas business are self-evident. I would like to ask the Minister of State for Finance if he or his department have undertaken any studies which would show that the PGRT in itself has, in effect, produced cash losses in these companies? That is the question I am asking. There are many gas and oil companies, particularly the smaller Canadian oil and gas companies, that would have had positive cash flows in their financial statements if it were not for the PGRT. I am saying to the minister that in the case of Sulpetro, if he will take the time to look at the financial statement for Sulpetro, he will see that a cash loss in fact occurred because of the PGRT. If it had not been for the PGRT, that company would have had a positive cash flow. In making that statement I want to point out to the Minister of State for Finance that he cannot take the PIP grant as income.

[*Translation*]

Mr. Bussières: I may remind the hon. member of what I said earlier. If we look at the general state of the economy, it is quite obvious that there are certain enterprises involved in oil and gas exploration or development which are having prob-

lems. However, the hon. member may recall that many enterprises operating in other industrial sectors are also experiencing financial difficulties, so that instead of saying that the petroleum and gas revenue tax is causing the temporary financial difficulties of certain companies operating in the sector and that this tax is the specific cause, I feel the hon. member should take a closer look at each individual case. He should also realize that if we look at the National Energy Program, there are many incentive measures—also mentioned in the bill now before the House—which are aimed at helping companies involved in oil and gas exploration and development and are indeed helping them to step up exploration and development activities and thus improve their financial position.

[*English*]

Mr. Thomson: How can the minister stand up and say that the government is trying to help the oil and gas business to find oil when we have 55 rigs running in western Canada today and prior to the National Energy Program we had 455 rigs working? Would you not say that that is ample evidence of the fact that the National Energy Program is not working and not providing an incentive? The government has taken all the cash flow away from the industry so there is nothing left for them to explore with. In spite of the fact that the government may be giving a 30 per cent PIP grant to encourage an oil and gas company to search for new oil and gas in western Canada in the conventional areas, the companies still have to come up with 70 per cent of the cost themselves. The problem is that they do not have the 70 per cent, so it does not matter what the government is prepared to give them.

Furthermore, even in the frontier areas where the government puts up 80 per cent of the grant, if a well costs $40 million in the Beaufort Sea and the company has to put up 20 per cent of that, that is $8 million. Has the government made any study of the number of companies that are in a position to put up $8 million to explore in the Beaufort? In the case of a $70 million well in Hibernia, how many companies can put up $6 million? Has the government made any study of that?

[*Translation*]

Mr. Bussières: Mr. Chairman, I must say I am somewhat surprised. Allow me to turn the question around. If the hon. member were to analyse the Petroleum Incentives Program, he would realize that a grant of up to 80 per cent of exploration costs will be given to this enterprise. Assuming that a similar refund or grant were available to other industrial sectors, I wonder whether the latter would not see this as an incentive to invest in and develop their business. I may also point out that the bill before the House today, especially the second part, implements an agreement negotiated between the government of Alberta, among others, and the federal government, and that according to the terms of the new agreement, the oil and gas pricing system will, in fact, make it possible for oil companies to increase their income and thus have access to greater cash flow for continuing their exploration and development activities.

[*English*]

Mr. Thomson: Mr. Chairman, the proof is in the pudding. The fact of the matter is that oil and gas exploration is at an all-time low. Would the minister tell me why companies are not looking for oil and gas today? I can tell him the reason. They do not trust the government. I do not see what bearing the fact that an agreement was reached between the government of Alberta and the federal government has to do with the issue. The fact that the federal government and the Alberta government took the lion's share of the pie and left nothing for the industry is the reason why companies are not looking for oil. Would the minister comment on that?

[*Translation*]

Mr. Bussières: Mr. Speaker, I think the hon. member can probably try to find all kinds of causes for the fact that there is, or there may have been, a slowdown in some operations in the oil and gas industry. However, I may remind the hon. member of what I said earlier, namely, that the economy in general is in serious difficulty, and that not only investment but also the actual operations of businesses in general have slowed down considerably, and that is caused by a drop in over-all demand which has effected the general state of the economy. I may also remind him that there has also been a decline as far as energy is concerned. There has been an unexpected drop in world oil prices, and there has also been a substantial decline in energy demand. So, instead of trying to prove that the National Energy Program has caused a slowdown in some areas of oil and gas exploration or development, the hon. member should look at the measures the Program contains to stimulate investment and the exploration and development of our natural resources, namely, oil and gas.

• (1530)

[*English*]

Mr. Thomson: Mr. Chairman, I have examined the National Energy Program in depth ever since it was presented. With all due respect to the minister, I would suggest that I know more about the National Energy Program than anyone on the other side of the House, including the Minister of Energy, Mines and Resources.

Some hon. Members: Hear, hear!

Mr. Thomson: The Minister of State for Finance is standing here in the House, trying to tell the Canadian public that the reason the Canadian oil and gas industry is not going out and exploring is the price. That is what he said, that the world price of oil has declined. That is true, except that we still do not happen to be anywhere near or even close to 75 per cent of world price in Canada, so I do not see how that has a bearing on it.

He also said that general economic conditions are the cause of the decline in the oil and gas business. That is simply

tommyrot, and he knows it. I would like him to stand up and at least admit that the price and the general economic conditions—well, let us put it another way—that the National Energy Program has exacerbated the problems the oil and gas industry is experiencing. At least, let us get that on the record.

[*Translation*]

Mr. Bussières: Mr. Chairman, considering the aggregate of possible causes, I would like to ask the hon. member whether he has had a look recently at the statistics on natural gas sales, and whether he could not find another explanation here for some of the slowdowns in exploration and development. I repeat that this would be oversimplifying and even distorting the situation. Since he is so well acquainted with the National Energy Program, he will agree that it would be entirely false to say that the program discourages investment and that it has reduced exploration and development activity, when in fact it contains very generous provisions for stimulating oil and gas exploration and development.

[*English*]

Mr. Thomson: Has the Minister of State for Finance had the opportunity to look at the number of Canadian companies whose bond ratings have deteriorated in the last eight months, particularly companies involved in the Canadian oil and gas industry?

[*Translation*]

Mr. Bussières: Mr. Chairman, I think that if the hon. member wants us to sit down and analyse specific cases, we can always take the time to do this. However, I feel that if the hon. member wants to proceed with an exhaustive analysis of this bill, we will not have enough time this afternoon to examine the financial statements of companies involved in oil and gas exploration and development.

[*English*]

Mr. Thomson: What I was trying to determine was whether the Minister of State for Finance knows of the very significant deterioration in the financial position of major Canadian and foreign companies engaged in the Canadian oil and gas industry. Anyone who had any appreciation whatsoever of the industry would surely want to take a look at the macro impact of the National Energy Program on the bond ratings of those companies engaged in our Canadian industry today. I will say that if the minister does not know the answer, I will tell him the answer. The bond ratings of many Canadian companies and foreign companies have deteriorated very significantly because no one wants to invest in Canada any more. That attests to the fallacy and the disastrous consequences of the National Energy Program.

Let me move on to one further question. Does the government feel that it has been honest with the Canadian public in revealing the cost of its policies of Canadianization? Day in and day out we hear that the government is fully supported by the Canadian people in its Canadianization program. Does the minister know whether the Canadian people are really aware of the effect this policy has had on their mortgage interest rates, on the value of the Canadian dollar and on investor confidence? Can the minister say that the Canadian public is aware of those conditions and costs? Is the minister confident that Canadians are aware of the cost to them of the Canadianization program?

[*Translation*]

Mr. Bussières: Mr. Chairman, I am convinced that Canadians are well aware of the benefits of the National Energy Program and also of Canadianizing a major sector of our industry which concerns mostly the oil and gas sectors. However, Canadians see economic developments much more as a whole than the hon. member, and they consider them as interrelated elements instead of trying simplistically to blame a single cause for our present problems. The indicting statement just made by the hon. member would have us believe that Canadians see the National Energy Program as the cause of the high level of our interest rates. Furthermore, we would have to conclude that the Canadian people consider the National Energy Program as the only cause of the extremely difficult and painful unemployment rates which prevail at this time.

Well, I would like to point out to him that the many Canadians with whom I have had an opportunity to discuss the matter have a much more complex view of the situation. On the one hand, they see the benefits of the National Energy Program. They also know that we must pay the price if we want to achieve a certain rate of Canadian ownership in our industry. They also realize that the government is showing good judgment when it comes to the pressure which must be brought to bear for this Canadianization to take place, but they also know that, like all other industrialized countries, Canada is facing an extremely difficult and severe economic crisis which forces us now to live with high interest rates, high inflation and also high unemployment. Canadians also recognize, with the government, that to create again a climate of confidence conducive to capital investments in oil and natural gas prospection and development, we must establish an economic climate capable of restoring the investors' confidence and encouraging them to make the wheels of the economy turn once again, which will also bring down interest rates and unemployment. However, the fundamental cause of these problems is the climate of uncertainty resulting from a high level of inflation. This is the general picture of the economy which Canadians have. They support the government in its ongoing fight against inflation, and most importantly, they avoid blaming a single cause, namely the National Energy Program, for everything that is going wrong in this country.

[*English*]

Mr. Thomson: I do not know who the Minister of State for Finance is talking to. He cannot be talking to the same Canadians that I am talking to. I am not trying to imply that

the National Energy Program is the cause of all of our problems with respect to inflation, unemployment and high interest rates. That is not what I said. That is what the Minister of State tried to impute to my remarks. I am saying that the National Energy Program has exacerbated all these problems. It has increased unemployment &ed440;-1 in this country. It has increased the rates of interest that would otherwise prevail and has increased the rate of inflation in this country.

• (1540)

If the minister does not realize what the National Energy Program has done to investor confidence in this country, all he has to do is to talk to Canadians and ask them whether they want to invest in anything in this country today. They have completely lost confidence in this country.

Let me ask one final question of the minister. Is he aware of the workings of the machinery associated with the incremental oil revenue tax? Is the minister aware, and this is a simple question, how many producing oil wells there are in Canada today?

[*Translation*]

Mr. Bussières: Mr. Chairman, the hon. member probably would have us take a catalogue, go through the pages and have a look at it. I think the exercise he would indulge in is not that serious. He goes all the way from gross allegations as to the consequences of the National Energy Program to asking how many bolts there are on a cart's wheels. My view is that kind of exercise is entirely specious.

He suggested the Canadian oil industry was facing serious problems. I would remind him that according to data from the petroleum monitoring agency, financial results and total revenues from overall activities in the oil industry for the first quarter of 1981, which is not 20 or ten years ago, but for the first quarter of 1981, total revenues increased by 22 per cent. The hon. member suggests that things go wrong because of the National Energy Program. The NEP was in force, and nonetheless the 22 per cent increase during the first quarter amounted to some $24 billion. This is what he calls a drop in revenues. This is what he calls an energy program that threatens the whole oil industry. The hon. member should look at his figures. Net revenues, after tax profits in the oil industry from all other activities experienced a 21 per cent drop to $1.8 billion. And what caused that drop? A slowdown in certain activities. However, increased net revenues from the three other main segments of the industry made up for that decrease in activities and revenues.

I would remind the hon. member that when looking at momentary difficulties that may be experienced by an individual segment, he should look at the figures, for instance, of natural gas sales to the U.S. for the last three months, and he should state what those figures are. Because they also were affected by the American recession. Can he also give us drilling activity figures in the United States? Can he note that there are also decreases in that area south of the border? I therefore suggest to the hon. member that when he blames the National Energy Program only, he oversimplifies.

[*English*]

The Assistant Deputy Chairman: Order, please. The Chair is in somewhat of a difficulty. Because the hon. member is the first spokesman for his party, I permitted him to speak for almost five minutes over his normal allotted time. Perhaps in the present case I should seek unanimous consent to see if that is agreeable. Is there unanimous consent for the hon. member for Calgary South to put a final question?

Some hon. Members: Agreed.

Mr. Thomson: Mr. Chairman, I have one further comment. Yes, drilling activity is down in the United States by almost 30 per cent. I am prepared to admit that. As I said, Canadian activity has gone from 455 rigs down to 55 rigs in western Canada. United States activity has declined from 5,000 rigs to 3,500. That is somewhat different.

My last point is that I find it incredible that the Minister of State would stand up and quote figures from the petroleum monitoring agency for the first quarter of 1981, the three months ended March, 1981, when the National Energy Program came into effect in October, 1980.

Is the minister's knowledge of the industry so limited that he believes the industry would flip that quickly in the space of five months, that a whole industry would, all of a sudden, turn off the taps? Is his knowledge so limited that he would try to relate figures for the first quarter of 1981 to something that occurred in 1980? That is absolutely ludicrous.

[*Translation*]

Mr. Bussières: Mr. Chairman, I could turn the hon. member's argument against him and ask him if he also believes that a single cause can explain some difficulties experienced by investors in that area? The hon. member is also very much aware that when he tries to blame the National Energy Program as the sole cause of all evil in Canada, he is dead wrong. He should admit it in his comments and in the way he puts his questions.

Mr. Waddell: Mr. Chairman, I have three or four questions for the Minister of State for Finance—

[*English*]

—I am not an expert, self-proclaimed or otherwise, with regard to the energy industry in Canada. I represent a riding of little people, consumers, the ordinary people in the east end of Vancouver.

When the National Energy Program came out, along with some other people I supported the thrust of that program. I did so for two reasons. First, we wanted the Canadian consumer to get as much of a break as possible with prices, at the same time considering that we have to receive good value for western Canadian resources. Also, we do not have to follow slavishly the OPEC cartel prices. That was the feeling at home. Also

we wanted to help support Canadian companies in the industry as much as possible. We thought it terrible that such a vital industry as oil and gas should be 70 per cent controlled by foreign companies, mostly American. There was a lot of good will. Perhaps I was in a unique position to look at this as I represent a western Canadian riding, unlike most hon. members opposite, and also have a consumer's point of view. After two years we have the worst of all possible worlds. We have high prices continuing to go up, with both the Liberal and Conservatives being high-priced parties, with nothing coming back to people who cannot afford to pay those prices. There are no grants, tax credits or whatever.

There is a second problem which I have been told about by members of the Canadian industry. The minister can see that the president of Sulpetro and his assistant are in the gallery. He might talk to the president afterwards. I am told that the Canadian companies are not being helped. In fact, Canadian companies have suffered dramatically and drastically in their cash flow.

• (1550)

I say to my friends on the right that it has taken me a while to see that but I am starting to see it. The big companies like Imperial have been able to survive the National Energy Program. They can ride it out. We have the worst of all possible worlds.

I want to put my question to the minister on the basis of what I have just said. First, I am informed that the natural gas and liquids tax which is levied after the gas has reached the city gate represents a tax on gas consumers equal to about 65 cents of the burner tip price of $5.51 per MCF. This tax, plus the general gas price increases, has meant the following increases for home heating with natural gas, and I cite these costs: In Ontario, in the winter of 1980-81, the average home cost was $727; in Alberta, $425; in my own province of British Columbia, $447. In the winter of 1981-82 it went up in Ontario to $848; in Alberta to $544; and in British Columbia, way up to $708. Could the minister confirm these figures? Would he agree with me that the consumers have been hit by the National Energy Program and the agreement with the western producing provinces, and that the government does not have in place any way of helping old people and people on fixed incomes, pensioners, and poor people who are faced with this tax? Would the minister agree that this is a regressive tax on people, and would he indicate to the House what benefit the government is prepared to provide in this bill or otherwise to help people with these dramatic increases in the price of home heating?

[*Translation*]

Mr. Bussières: Mr. Chairman, first of all, I am not sure I could either confirm or deny the figures given by the hon. member for heating costs in the various provinces. I would have to look at these figures and compare them with the increase in the price of fuel and the increased tax component of that price. However, I should like to point out that the price of gas is still 65 per cent of the price of oil, and that the tax system resulting from the agreement with Alberta was actually a compromise reached by the two levels of government. I think it is very unrealistic to state that the government has no right to impose a tax or to derive income from the oil and gas industry, when that same government is setting up programs to help the industry and to help expand user capacity for gas and other energy products.

The hon. member made a point of stressing the regressive nature of a tax levied on a consumer commodity. I feel there is another aspect we must not forget. Of course, people on low incomes also have to pay taxes on heating fuel and they have to pay their heating bills just the same as people on high incomes. But the hon. member will recall that we have other ways of compensating for such increases, to provide relief for persons on fixed incomes, including senior citizens, or those on very low incomes. I may impress on the hon. member that in Canada, for instance, because of the fact that the basic tax exemption and the tax tables are totally indexed, the individual's purchasing power is, as it were, protected against increases in the cost of living.

The hon. member mentioned the case of senior citizens who, in fact, have no choice because they are often living on barely sufficient incomes and cannot do any extra work since they are retired. The government has substantially increased the guaranteed income supplement, and Canada Pension Plan benefits are also indexed. Where people on low incomes are concerned, I already mentioned the cost-of-living indexing in our tax tables. This also applies to family allowance payments, which are also a form of income supplement, a social measure, so that any increase in the cost-of-living caused either by rising oil prices or other increases is absorbed, as it were, by the cost-of-living indexing applied to the Canadian government's social measures and also to the personal income tax system.

[*English*]

Mr. Waddell: I would say to the minister, with respect, that I think there is a little bit of nonsense there. One aspect is that, with the index, the older people may get an increase in their pensions of perhaps 9 per cent, on account of the cost of living, but two things happen. One is that energy costs go up by 18 or 24 per cent. They have to pay that. The second thing is that in my province they get the pension and then a supplement from the province, and as soon as the pension is increased the province comes and reduces the supplement, so they are put in the same position, and they are suffering.

Let me ask the minister this short question and then a long one. What happened to the gas bank in the National Energy Program? It is not in the bill. It is a way of helping small producers whose gas is shut in, to stop them from all that continued pressure in the export of gas. If we had the gas bank as was originally proposed in the National Energy Program, we could help some of the cash flow of the small producers and help some of the Canadian companies.

[*Translation*]

Mr. Bussières: Mr. Chairman, I would like to be able to answer the hon. member's question about the gas bank. Unfortunately, I am not that well informed; although I was very careful to examine very closely the provisions related to the excise tax and to the Petroleum and Gas Revenue Tax, I must confess my ignorance and admit that my knowledge does not go that far. I know the hon. member punctiliously attends the hearings of the committee which is studying the energy bills and I feel confident that he will have an opportunity to direct that question to my colleague the Minister of Energy, Mines and Ressources (Mr. Lalonde) and that he will not hold it against me if I am not as knowledgeable as he is.

[*English*]

Mr. Waddell: I thank the minister for his answer. I might suggest that that is one way the government could help the small companies. Another way the government could help small companies is by changing the filling out of forms in this PGRT and IORT, which is just horrendous, I am told. We should not make it any more difficult for these small Canadian companies than is necessary. That is part of the reason they are so alienated from Ottawa. The minister might want to have a look at changing those forms.

On October 1, 1981, the wellhead price of conventional oil increased by $2.50 a barrel. This brought the wellhead price to $21.25, or $2.50 more than the planned increase of $18.75 under the 1980 NEP price schedule. It was as a result, I think, of the agreement with Alberta. However, there is the incremental oil revenue tax, which is supposed to prevent a windfall gain, between the higher priced schedule and the September 1981, agreement on conventional oil, and the old National Energy Program price. It does not come into effect, by this bill that we are studying here, until January 1, 1982. As a result, no IORT was levied between October 1 and December 31, 1981, when the price went up $2.50 a barrel more than allowed by the NEP. In addition, the old PGRT rate of 8 per cent, as opposed to the new rate of 12 per cent, also applied to that price increase between October and December. I estimate that the loss of tax revenue to the government was about $160 million because it did not apply that tax.

• (1600)

Could the minister tell us why the government decided to give the industry this windfall at that point and, if the minister agrees with what I am saying, is he prepared to accept an amendment, or to move an amendment, to collect those taxes from October to the December 1981 price increase?

[*Translation*]

Mr. Bussières: Mr. Chairman, the different method of tax collection to which the hon. member is referring must be examined and understood in the context of the general agreement which was signed by the province of Manitoba and the Government of Canada because it was an integral part of the negotiations. It is important to remember that if we keep in mind the starting positions of the parties and the agreement, there were compromises throughout the negotiation process and, as it happens, that particular development to which the hon. member is referring is one aspect of that compromise. Therefore I very humbly suggest that if we were to accept his proposal we would be breaking one part of the agreement and showing bad faith toward the province with which we have negotiated that agreement.

[*English*]

Mr. Waddell: Mr. Chairman, I wonder if the minister would consider a suggestion. It involves the whole basis for the PGRT and the IORT. Let us be frank; the reason these taxes were imposed was that in one period the oil industry was making a lot of money. The industry is in trouble now; I have acknowledged that before, but their situation last year was like that of the banks. The industry was making piles of money, and now it has been cut down somewhat. The oil industry made money; it was bound to do so as prices went up. When the market price in the United States went up to the world price, what the Americans did was to bring in a windfall profits tax. What we in Canada have done has been to bring in this PGRT.

I pointed out a few minutes ago that there seem to be at least two problems. One is that there is a lot of paper work. The second problem is that it is very difficult for small Canadian companies. They are getting it right off the bottom, and they just do not have the extra money big companies are getting. We are hurting small Canadian companies, the very companies we want to help.

Will the minister consider what I am suggesting as an alternative? Why did he not? Perhaps that should be the question. Perhaps he can enlighten me on this. I suggest one source of collection, a provincial royalty, and then the federal government could get a slice of that provincial royalty. It could be added on. There could be one royalty so that companies do not need to go to this government over here and that government over there. They could have one royalty to pay, and the federal government could get its share out of that royalty. I know that means co-operative federalism, but would that not be a possible way of collecting the money the federal government needs, instead of going by way of the PGRT and the IORT? An accountant told me she has been trying constantly for the last three months to understand how to assess these taxes. People are having a great deal of difficulty.

What does the minister think of my suggestion of proceeding with a different method of taxation and getting the same result?

[*Translation*]

Mr. Bussières: Mr. Chairman, I appreciate the concerns of hon. members and I think that the great majority of hon. members are aware of the problems faced by the industry as a result of red tape as such, which is a sort of phenomenon of inertia, and also because there are many kinds of taxes to be collected which are applicable at various levels.

The hon. member suggests that paperwork and levels of tax collection could be eliminated through a single tax system, and then the money collected would be divided among the federal and provincial governments concerned under an agreement, according to standards and volumes to be determined. That is a suggestion. The agreement will expire in a few years. When the next agreement comes up, the hon. member's suggestion could certainly be considered.

[*English*]

Mr. Benjamin: You don't have to wait that long.

Mr. Peterson: Mr. Chairman, in the midst of this debate about our National Energy Program and the PGRT, which is an integral part of the program, I think it is very useful for us as parliamentarians on all sides of the House to recall where we have been in the past, what we have come through and where we are today. The PGRT is a very integral part of a very complicated but critical and important program for the future of Canadians.

In this exercise I would like to take the House right back to the time of the last election, at which time a number of promises were made by the then official opposition. After I have gone through those promises, hon. members will find that they are all incorporated in the National Energy Program as well as in the agreement reached with Alberta, British Columbia and Saskatchewan, the producing provinces. At the time of the last election campaign we promised there would be no 18-cent excise tax increase. We also said the 1980 increase in the wellhead price would be under $4 a barrel. Third, with respect to price we said that over a four-year period the cost to consumers would be less than the cost under the Crosbie budget. We also said we would accomplish these three objectives through a mechanism known as a made-in-Canada price, a blended price.

Let us look at the record. It is obvious we did not introduce the 18-cent excise tax increase. What we have is a three cents a gallon tax which goes into the Canadianization fund, which is designed to promote one of the other major legs of our program.

With respect to the promise for 1980 pricing, we felt—and we agreed—that the price should not go up as much as the Crosbie budget had indicated, $4 a barrel, and the actual price increase which we negotiated for 1980 was $3.

Let us look at the four-year period and the predictions we made respecting cost to consumers, because it is consumers I am concerned about. I am concerned about the consumers who live in Willowdale. Consumers are the ones who are affected most directly by the entire impact of our National Energy Program. The National Energy Program is designed to provide assistance and to help and benefit our consumers. We have to admit that our producers are an integral part of this. The producers and the provinces play a key role in this, but the thrust of the program is to assist and be of maximum benefit possible, recognizing the exigencies consumers have.

Let me repeat again that the promise was that over a four-year period the cost to consumers would be less than it would have been under the Crosbie budget. The Crosbie budget predicted that by taking consumers to 85 per cent of world price, by 1984 the price would be up to $53.70 per barrel. In reality, our program as worked out in conjunction with Alberta last year was 22 per cent lower than that at $41.75 a barrel.

• (1610)

This has very important implications for the consumer. For example, the cost of heating oil would be 12 cents less per gallon, for gasoline 37 cents less per gallon, and for natural gas used to heat homes it would be $3.11 per thousand cubic feet less. Over a four-year period, comparing the Crosbie budget with the agreement we arrived at with Alberta—I think these are the important figures because they affect consumers—it will mean a saving of $450 for the average oil-heated home, $1,290 for natural gas, or an average household saving over that four years of $890.

Mr. Siddon: Tell the truth. What is the world price?

Mr. Peterson: How have we achieved this result, Mr. Chairman?

Mr. Siddon: By chicanery.

Mr. Peterson: It is very simple when you break it down. The Crosbie budget promised 85 per cent of world price by 1984. Our price, which was lower, was not a floor price but a ceiling beyond which prices would not go. If the orderly increases we provided for during that period of time were met, we would have achieved that ceiling by approximately 1986. What has happened—and I welcome it as a boon to the consumer—is that the world price has fallen. It has not risen as high as we or the Crosbie budget anticipated, the budget on which the opposition members based their energy program and, incidentally, all their criticism of our program. The world price has just been reconsolidated by OPEC at $34 a barrel. I welcome that news, although it has caused some strain because the predicted increases have not come about. But we should be applauding that, and we are.

There is another important aspect which cannot be ignored when dealing with the National Energy Program. I just talked about price. How was that price divided among the three major players involved in producing and distributing energy to consumers? Before the NEP was brought in, the share was roughly 11 per cent for the Government of Canada, 42 per cent for the government of Alberta, and 47 per cent for the industry. Pursuant to the agreement between the federal government and the government of Alberta on September 1, 1981, the federal government's share has increased to 25 per cent, Alberta's share has declined to approximately 30 per cent, and the industry's share has declined to 45 per cent.

Mr. Siddon: What do you do for your share?

Mr. Peterson: The price agreement and revenue sharing are just two portions of the NEP, Mr. Chairman. What I am

happy about in dealing with those two aspects is that we were able to honour all of our election commitments. We are able to give Canadians a made-in-Canada price lower than predicted by the Crosbie budget, which is to the benefit generally of consumers, but obviously also to the benefit of the people of Alberta because their government accepted that price and that regime for revenue sharing. Yes, the industry took a cut, but it was from 47 per cent to approximately 45 per cent.

Two other aspects of the NEP were conservation and Canadianization, and they are critical to the over-all program the thrust of which is designed to benefit the consumer. It might legitimately be asked: What do we mean by conservation? Well, number one, we want to cut down the use of energy by Canadians as much as we can. This has involved programs designed to help Canadians consume less energy. We have seen in automobiles a reduction in the size of engines and downsizing of the automobile itself. We have seen insulation programs for plants and factories through tax incentives which have been aimed to help industry enter into conservation. We have seen conversion programs to get off the expensive fuels in short supply and on to fuels which are in abundance. If we have an energy shortage, it is only a shortage of oil. That is evident because we have to import approximately 30 per cent—

Mr. Siddon: It was 20 per cent in 1979.

Mr. Peterson: —of our oil needs at this time. None of us want to be dependent on imports at world prices, so what have we done? Under the Canadian Home Insulation Program we will give home owners up to $500 to insulate their homes and improve the efficiency of their heating plant by as much as 40 per cent, or 50 per cent in some cases, through judicious use of insulation. The government has stepped in and said to Canadians that conservation is important to them because they can save money. We have also said to home owners who use oil that we will help them get off oil and on to alternate heating fuels such as gas. We have over 100 years proven reserves of gas in Canada at this time, and if you add the reserves which are not hooked up or presently too far from a pipeline, or not adequately proven, we would have even more.

I am so confident about the future of natural gas in this country that you might say I am talking almost like some of the western explorers for gas who are very bullish about our future. The problem is not that the explorers are not finding gas, Mr. Chairman; the problem is that they cannot sell it. They have no market for that gas. What have we done? More than a year ago, over the objections of the NDP, we entered into an export arrangement whereby we would have the pre-build to take Canadian gas south of the border. I am happy that we have the markets developing because of the courage we had at that time, without support from the Tories until a few of the oil companies out west started to pressure them.

• (1620)

Mr. Huntington: That is totally misleading.

Mr. Peterson: The Tories were reluctant to talk about the pre-build. They were pretty reluctant to stand up and encourage us to get ahead with the pre-build.

Mr. Blenkarn: Keep talking, you are doing a fine job.

Mr. Peterson: Maybe the Tories were worried about the NDP. I am glad that in the end the Conservative Party sided with our party against the NDP and authorized the construction of the pre-build.

I am happy about that because we can use those gas revenues from the export of gas to help us with other national programs, including the National Energy Program. &rf1400;-1

We have also encouraged the construction of gas pipelines, which will increase the use by eastern consumers of western production for which they would not otherwise have markets. This is good for the western producer and it is very good for the eastern consumers. The hallmark of our National Energy Program was the fact that gas would be priced at only 67 per cent of the price of oil. There again is an added incentive that we have built into the National Energy Program to assist consumers conserve our precious oil resources and switch to the bountiful gas reserves that we have in Canada. Again, this is a program that I have indicated is beneficial to consumers in Canada and to producers. I want to see far greater utilization of gas. But this does not mean only gas. Again, we are looking at the resources that we have.

I have said already that we have an almost infinite store of energy reserves here in Canada. Maybe we do not have them right at this present moment. Maybe they are not here exactly this day, but when we look at alternative energy sources, renewable energy, such as wood and biomass, which can constantly be replenished through adequate conservation measures, we can cater to and provide for the heating requirements of many Canadians in many parts of our country.

When we look at alternative energy, such as solar, and the use that can be made of the sun when it shines, even in a cold climate by trapping its energy and using it to help us—

Mr. Siddon: Can you prove that?

Mr. Peterson: Can I prove that, the hon. member opposite has asked. Can I prove that solar energy can be trapped and tapped in Canada to help us heat our homes? Yes, we are doing that now.

Mr. Siddon: It is very costly and it is not practical.

Mr. Peterson: It is costly, but we are doing it. Research and development is going ahead at a very fast pace. We have also introduced a program to help people who drive automobiles to convert to the more ready sources of energy. I have talked about programs through which we will put up $400 for each vehicle that will be converted from gasoline use to propane use. Propane is cheaper. It can be manufactured from the vast reserves of the natural gas that we have. This is a progressive program.

We have many alternative sources of energy, from nuclear, to solar, to biomass, to forest products, and we have hydrogen. An excellent report was released concerning hydrogen by the Special Committee on Alternative Energy and Oil Substitution chaired by the hon. member for Pontiac-Gatineau-Labelle. We do have these alternative energy sources available to us.

We have introduced a program of development so that we can get at them. The third aspect of our program, apart from the pricing and revenue sharing regime and apart from the conservation conversion scheme, is our program for Canadianization. We have said that what we want to do over the ten-year period during which the National Energy Program is in effect is to reduce foreign ownership in this key sector from 75 per cent to 50 per cent.

I know some hon. members opposite have criticized us. If they are on the far right of me and belong to the New Democratic Party, they have criticized us for not going far enough and not going all the way. If they belong to the official opposition, they have criticized us for going too far and for a program which we call Canadianization but which they, in their rhetoric, refer to as nationalization.

Mr. Siddon: That is why everybody is unemployed.

Mr. Peterson: We have introduced a program which has made possible the existence of what, I think, is one of the great institutions and hallmarks of Canadian economic development. I am referring, of course, to Petro-Canada. Again, the roots of Petro-Canada go right back to the election of 1980.

Mr. Siddon: How much cheaper is Petro-Canada's gas at the pumps?

Mr. Peterson: At that time, the Conservatives were saying "We will abolish Petro-Canada."

Mr. Siddon: How many bargains have they passed on to the consumer?

Mr. Peterson: We stood up and said that Petro-Canada must be an integral part of the development of Canada's resources. Petro-Canada is now playing a major role, not just in owning a vertically integrated oil and service company, one that goes right from producing fields to the gas pump, one to which people from coast to coast can drive to fill up their cars with gasoline made in Canada and sold by a totally Canadian company, which the taxpayers own, but it has given us a window on the energy industry. It has given us the method to determine what the facts are out there. I am proud of the role being played by Petro-Canada. But this is not the key part of our Canadianization program, it is only one small portion of it. The major aspect is to determine that the private sector in Canada has an opportunity to expand, grow and flourish. We have seen that happening.

Mr. Siddon: That is why people cannot afford mortgages.

Mr. Peterson: I would like to take the liberty, Mr. Chairman, of—

The Assistant Deputy Chairman: Order, please. I am sorry but I have tried to catch the hon. member's attention to advise him that his time has expired and that he can proceed only with the unanimous consent of the House. Is there unanimous consent for the hon. member for Willowdale to continue his remarks?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Blenkarn: Mr. Chairman, we heard a rather interesting exercise from the hon. member for Willowdale. I hope he has an opportunity to have a chat with his brother, in the Ontario provincial Liberal Party. I hope he will talk about the ownership of oil companies by the state and the way in which the party his brother operates in the province of Ontario criticizes the national energy policy and the energy policy of the province of Ontario at every possible opportunity. I thought perhaps we might have heard something illuminating from the hon. member from Willowdale. We thought that he would have read the title of the bill, it being an amendment to the Excise Tax Act. We reflected on his opening remarks that the Liberal Party had promised not to change or increase the excise tax. Of course, what this bill contains is an enormous increase in excise taxes, not only with respect to gasoline because it does not affect gasoline as such, but it affects the raw product at the wellhead prior to its going to the refinery. Instead of having an excise tax at the refinery gate with respect to separate products produced from that refinery so that the tax might be more heavy on gasoline and no tax on home heating oil and no tax on gas used for the production of fertilizer for farmers, we wind up with this horrendous tax that is impoverishing farmers and impoverishing people who are forced to heat their homes with oil. It is an unfair tax that has nothing to do with ability to pay. It is a tax on heat in a cold country. It is a tax on energy required to make farms and the rest of the country prosper. It is a tax at the base of the product. The tax is passed on with each add-on, as it passes through the system, and mark-ups are placed on the tax by people who refine and distribute the products and by people who manufacture with the products, the chemicals and other materials from gas and oil. It is a bad tax.

• (1630)

I want to ask the minister some questions. The hon. member for Calgary South asked the minister, in connection with the profitability of certain Canadian oil companies, whether the effect of these taxes had so hurt their cash flow as to make them incapable of performing in the marketplace. We know from the newspapers that the cabinet or the minister is inquiring into Dome Petroleum. Could the minister advise us on how the impact of the PGRT, the incremental oil tax and the other taxes in the bill have affected the cash flow of Dome Petroleum, so that the government may well have to advance to the company as much as $1 billion? Could he perhaps explain that to the House?

[*Translation*]

Mr. Bussières: Mr. Chairman, my answer to the hon. member is the same I gave his colleague a while ago. The hon. member is referring to an individual oil company and asks: Since apparently this company is experiencing difficulties, what proportion of these difficulties is ascribable to our tax system? Well, let me tell the member that there is no way we could determine such a proportion, and he is only taking a simplistic approach or trying to distort reality if he seeks a direct cause-effect relationship in a situation which results from a fairly large number of factors and tries to limit them to only one single factor. And I add that his question, as asked, is a distortion of facts.

[*English*]

Mr. Blenkarn: Mr. Chairman, the minister knows about the problem with Dome Petroleum. I presume the matter has been discussed in cabinet. If not, then all the speculation on the street with respect to government support to that company is just pure drivel. Perhaps the minister could advise us whether that company has been studied in cabinet. Could he tell us the tax effect of the PGRT on the cash flow of Dome Petroleum? If it were not for this horrendous tax on this primary producer, the primary producer would have the cash flow to make its payments, would not be defaulting and would not have a problem.

[*Translation*]

Mr. Bussières: Mr. Speaker, the hon. member can speculate if he so wishes and try to establish a cause and effect relationship between the situation of a specific company and the taxation system. I would simply point out that he is trying to look into a crystal ball and that I do not want to become involved in such speculations or such a completely useless exercise.

[*English*]

Mr. Blenkarn: Mr. Chairman, if the minister will not tell us about the Dome situation, whether he will tax the industry with a PGRT and what hand-out payments or whatever he will make to oil companies to bail them out, then perhaps he could tell us something about the incremental oil tax and how he proposes to deal with that tax in view of the fact that the province of Alberta has rolled back its royalties and that the effects of the incremental oil tax will increase federal government revenues. This is not because there is more profit or any increase in price, but because the provincial royalty has been rolled back to assist the industry. Will the government give the industry credit for that rollback, or will it try to grab a hunk of the rollback in further taxes to the federal government?

[*Translation*]

Mr. Bussières: Mr. Chairman, as I recall, when the agreement was negotiated with Alberta, the Alberta government had accepted the formula. I am told that representations have been made to the Minister of Finance on behalf of Alberta concerning this particular problem and that the request of the Alberta government is now being considered by the Minister of Finance.

[*English*]

Mr. Blenkarn: Well, that is not really a satisfactory answer. We have the bill before us. Is the minister proposing to introduce later an amendment to the bill to reduce the incremental oil tax or oil charge so that the tax will not be increased or the government's revenue will not be increased just because the province of Alberta reduced its royalties on a short-term basis in order to help the industry?

The minister knows from the representations which the government has received from the province of Alberta that the industry is in trouble and that it is being overtaxed. This is why Alberta cut back its taxes, despite what the agreement in September indicated. Why would the minister take advantage of that reduction in tax in order to increase federal taxes, and where are the amendments to cover that situation?

[*Translation*]

Mr. Bussières: Mr. Chairman, as I have just told the hon. member, this matter has been referred to the Minister of Finance on behalf of the Alberta government, and I do not intend to table any amendment concerning this specific issue today. As I have already stated, the Minister of Finance is now considering the request made by the Alberta government.

[*English*]

Mr. Blenkarn: Mr. Chairman, if the minister will not take into account the difficulty in the industry, the particular help which the province of Alberta has given the industry, or the fact that the province of Alberta recognizes that the agreement in September was based on false precepts, will the minister withdraw the bill now or delay it today so that he can look again at the situation? Clearly the bill was drafted and these taxes were calculated on the basis of some kind of huge increase in oil prices behind the contemplation in the Alberta agreement. The facts are that oil prices are going down and world energy prices are going down and that companies producing energy are having a hard time because their prices are going down, their taxes are going up and their costs of production, by the very nature of inflation, are going up. Obviously they are having a hard time, and the minister knows this; he and his colleagues are dealing with the problems of Dome Petroleum right now. Will he withdraw the bill and renegotiate the agreement with Alberta to make some sense out of it? The taxes set out here are too high for the industry to bear.

[*Translation*]

Mr. Bussières: Mr. Chairman, it is quite obvious that, for the moment, there is no question of withdrawing the bill at this stage of the proceedings. The hon. member says that it is the whole energy agreement that should be revised. I would simply note that when specific issues are raised, such as that which he has mentioned, they are taken into consideration. However, there is no need to delay the passing of a piece of legislation

until a decision has been made or even to withdraw a bill. The hon. member is familiar enough with the practice of the House to know that the government can introduce another bill at any time to make changes and that this does not prevent Parliament from working. I therefore suggest in all humility that we should go on considering this bill and that if the Minister of Finance were to arrive at certain conclusions as a result of his discussions with the province of Alberta, he could always say so in the House and ask us to examine any new proposals. However, this does not prevent any progress being made with respect to a piece of legislation, especially as concerns this bill.

• (1640)

[*English*]

Mr. Blenkarn: I know that the person piloting this bill is the Minister of State for Finance. Presumably he is piloting the bill as an associate of the Minister of Finance and presumably is able, with a bill of this nature, to commit the government. To suggest that the Minister of Finance is the only person who can commit the government with respect to this tax matter seems rather strange to me. Surely in the Committee of the Whole we should have a minister who can commit the government. That is the purpose of having bills put before the committee. If we have a situation where we have a minister before the committee who is not able to commit the government, then the whole process is called into question.

There are many definitions in this bill, such as definitions of old oil and new oil. These definitions are left to ministerial discretion. I would like to ask the minister what expertise he has in his department or that the Minister of Energy, Mines and Resources has in his department which can really define and determine what field is old oil and what field is new oil and when new oil becomes old oil.

[*Translation*]

Mr. Bussières: Mr. Chairman, on the first point which has to do with his preliminary remarks, I would like to say to the hon. member that we are dealing with the bill. It is quite proper, of course, for members to point out some of the difficulties which they are uncovering in the bill. They can also indicate the concerns of that industry or other groups, but the hon. member should not suggest that any issue or problem should be solved right now. I think he understands well enough how this House operates to know that an issue can be under consideration, that some decisions could be taken subsequently and that Parliament could be called to reconsider the existing legislation. We never pretend when we consider a bill that it will ever solve all problems once and for all.

The member refers to the definitions of oil as it appears in the bill. Surely he has noted in the bill that there are specific definitions for old oil and for new oil. I could also refer him to the agreement signed between the governments of Canada and Alberta also specifically defining the various kinds of oil which enabled us to set up a blended price for Canadian oil. In the same legislation and in the agreement concluded by the governments of Canada and Alberta, there were provisions defining the various kinds of oil.

[*English*]

Mr. Blenkarn: Earlier the hon. member for Vancouver-Kingsway asked the government why it had not studied different forms of taxation like a windfall profits tax and the concept of an energy bank. The minister will know, of course, that the reason the government did not look at that is that it was in the Crosbie budget and was part of the program of the Progressive Conservative Party when it was in government. It did not want to bother looking at that aspect. I thought we should let the House appreciate that matter.

What provision is the government prepared to make to alleviate the cost of these taxes to people who are forced to heat their homes with oil? There are different classes of users of petroleum products. A number of people in my constituency cannot hook up to natural gas because it is not available to them in their particular parts of Mississauga. On the other hand, the price of oil keeps rising. While those who are able to use natural gas can perhaps take advantage of a slightly lower price for natural gas, people who are heating their homes with oil are faced with the enormous taxes provided for in this bill, not only royalties but the PGRT and all sorts of other taxes. Those taxes are rather significant. Would the government do something to alleviate the cost of home heating oil to some extent?

[*Translation*]

Mr. Bussières: Mr. Chairman, in a previous answer, I referred to some of the provisions that exist in the Income Tax Act as well as to certain indexation mechanisms that allow us to compensate for the increase in the cost of living, the cost of living index includes a component which refers to energy cost increases. I would have a few comments to add to what I said earlier. For instance, I would like to remind the hon. member that the Department of Energy, Mines and Resources administers a very generous program to help consumers insulate their homes.

By promoting better home insulation, this program allows home owners to substantially reduce their heating costs and save money. I would also like to remind the hon. member that the Department of Energy, Mines and Resources has a program which encourages homeowners who use oil to heat their homes to convert to other forms of energy, and this also produces savings. Let us take for instance the case of the homeowner who replaces his oil-heating system with a gas system. Since gas prices will be as much as 60 per cent lower than oil prices, the oil substitution program will allow him to reduce his heating costs.

These are two programs which can help reduce heating costs brought about by the increase in energy prices. All this, Mr. Chairman, is in addition to the indexation mechanisms that apply to basic income tax deductions, taxation tables, family

allowances, old age security pensions and guaranteed income supplement and help those who need it the most to assume the burden of cost of living increases which, as I noted earlier, also include energy price increases.

• (1650)

[*English*]

The Assistant Deputy Chairman: I recognize the hon. member for Sarnia-Lambton.

Some hon. Members: Hear, hear!

Mr. Cullen: Thank you, Mr. Chairman.

The Assistant Deputy Chairman: Order, please. It may be that the hon. member for Mississauga South wants to seek unanimous consent to make a last comment.

Mr. Blais: No.

The Assistant Deputy Chairman: But other than that, the time allotted to him has expired. Perhaps I should explain that in Committee of the Whole, the time allotted to individual members takes into account the time used by the minister in replying.

Mr. Blais: Agreed.

The Assistant Deputy Chairman: The Chair will recognize the hon. member for Sarnia-Lambton.

Some hon. Members: Hear, hear!

Mr. Cullen: I thank the hon. member for Mississauga South for being so reasonable in his understanding of the time available. I make no comment on the fact that he is leaving because many of us must attend committees. I have just come from a committee myself.

Needless to say, as an individual who represents an area which has been called, at least in our part of the country, the centre of the petro-chemical industry, I have a very vital interest in the National Energy Program and, more particularly, in the negotiations which were carried on, happily and satisfactorily to the benefit, or at least to the mutual credit, I would say, of the three producing provinces and the federal government.

I read the speech of the hon. member for Calgary Centre with some interest and it made me realize why we sometimes have difficulty getting our messages across in western Canada, because without any Liberal members in the province of Alberta, all we hear, of course, is one side, or all that the people of Alberta are hearing—

Mr. Siddon: Why can't you elect any?

Mr. Cullen: —is one side of the energy issue, as though the federal government were doing something unique in endeavouring to secure some revenue from the production of oil in the province of Alberta. An hon. member across says to get out and tell them. I certainly do tell them, at every opportunity.

Mr. Siddon: How do they receive you?

Mr. Cullen: They receive me very well because they are quite often surprised to hear that there is another side to the issue and that countries with oil production feel it is appropriate to receive revenue when they sometimes give depletion allowances and, in other cases, capital cost allowances. They are all significant areas of federal tax concessions which made it possible to discover this oil in the first place. Legislation was passed which stated that we would pay more than the world price for oil so that the oil industry could be developed. I think that that was an appropriate and co-operative effort, and the people of eastern Canada were prepared to go along with that.

When one speaks in a reasonable and rational way with the people of western Canada, they are prepared to appreciate that the federal government, given its myriad responsibilities and the concessions of the Canadian taxpayers right across Canada, is certainly entitled to some revenue from oil production. The hon. member for Calgary Centre has a rather selective memory of the history or sees fit to ignore it, because Premier Lougheed proceeded in the past in a way which was not as democratic as we had a right to expect.

I remember, and it was not that long ago, that we had a one eighth royalty for oil which was allowed by the federal government as an expense of doing business, finding the oil, producing the oil and marketing the oil. Overnight, the government of Alberta made a decision to move from that one eighth royalty to a 45 per cent per barrel share of the benefits from the production of oil. At that time it was not the federal government which took the initiative in condemning this particular move; rather, it was the multinational corporations. I well remember the president of Imperial Oil, and I believe he was the chief executive officer, Mr. Twaits, who said that Premier Lougheed had thrown away the rule book. There was certainly no consultation or discussion with the federal government. As I understand it, there was not even any discussion with his provincial counterparts. Simply on his own initiative, unilaterally, that whole system of one eighth royalty for oil moved up to 45 per cent overnight. What a bonanza there was when the OPEC countries said, "No, we will not allow oil to be priced at $3 or $3.50; we will quadruple the price of oil overnight." There was Premier Lougheed with his 45 per cent share, finding that he could not spend all that money. Hence the birth of the Heritage Fund.

I do not begrudge Alberta's Heritage Fund. I do not begrudge the people deriving a significant benefit from a natural resource which is in their particular province. The Constitution was amended because the federal government formerly had title to the natural resources in the provinces. In the interests of giving the provinces some economic benefit, it was amended so that they could have ownership of these natural resources. Surely, in the long run, Canadian federal

taxpayers right across Canada, in every province and in the territories, who are picking up the tab for part of the development of the oil industry in Canada, have a right to share in the benefits accruing from oil production in Canada.

There have been suggestions that there has been a rape of the resources, that we are trying to take more than we should be taking, or that it is inappropriate action by the federal government. It is inconceivable to me that anyone could actually say it is inappropriate for the federal government to contemplate a tax on the production of oil and gas or their products. Surely, the Canadian public has a right to expect more than that.

I hear gratuitous insults from the hon. member for Calgary Centre concerning the civil servants who work on these particular projects. The initiative and the idea for this has come as a Liberal policy. It was discussed during the election campaign, we brought it to fruition, and we said that we would negotiate with the producing provinces to see if we could come up with some regime which would provide the federal government—the federal taxpayer, in effect—the provinces and the corporations with sufficient funds so that the oil industry could be developed. We said that the province which owned the natural resource should derive significant benefit, but that the federal government was also surely entitled to some revenue.

There were long and skilful negotiations. I believe the minister used the word "skilful" when making his remarks on second reading. I believe the Minister of State for Finance was bang on when he indicated that appropriate, but skilful negotiations had taken place. It should be understood that it was not the federal government which acted unilaterally to impose a tax on a natural resource which was the property of a province. I repeat that it was not the federal government. This tax came about as a result of negotiations and not because the federal government imposed its will on the provinces.

There were other areas in which we thought we were entitled to some more revenue from taxes on gas and there were concessions. The federal government did not get everything it was looking for in the negotiations but, most assuredly, neither did the provinces. I think there is room for all to benefit. The oil companies, the provinces which own the resources and the federal government can benefit.

We have come up with an appropriate agreement for the benefit of all. Nobody will lose as a result of this particular negotiation. Again, it was not a negotiation with only one of the producing provinces; in effect, we reached an agreement with Alberta, Saskatchewan and British Columbia. Therefore, as the minister said earlier, this House has been asked to approve the agreement signed by the Government of Canada and those producing provinces. This agreement has already been reached and we are simply being asked to endorse an agreement by the people most directly involved in the benefits accruing from oil production in Canada.

In another area, I am hearing the suggestion that "Canadianization" means "nationalization". Maybe this suggestion is deliberate and maybe it is not. We all know of this, we must consider it and I think we must be careful. I would say to the official opposition, stop trying to fool the Canadian public. Stop calling it nationalization. The Conservatives know what nationalization is. They know—

Mr. Huntington: It is nationalization, Bud. Be honest.

Mr. Cullen: —what Canadianization is, and there is a significant difference. "Canadianization" means something which will be beneficial to Canadians, not just Canadians in the producing provinces, but Canadians right across the country, all of whom have made tax concessions so that we could, in fact, have an oil industry in Canada.

Mr. Huntington: That's state ownership, Bud. You know it.

Mr. Cullen: Now we hear another hon. member from the opposition yelling. Unfortunately, he is not yelling into a microphone; I can only hear the noise. I cannot hear his words, so it is very difficult to respond.

I am simply saying, Mr. Chairman, that it is inappropriate, either in hyperbole or in deliberately making these comments, to suggest that Canadianization is nationalization. I would not be in favour of that. I doubt that there are many Liberals who would be in favour of nationalizing the industry, although I know the little blue rump over there does not feel that way.

• (1700)

We should be very careful not to underestimate the Canadian public, particularly in the province of Alberta. They recognize what Canadianization means. They realize it is not nationalization. The people know the benefits that will accrue to Canada, not to other countries, as a result of multinational involvement.

Another area that should be highlighted is conservation of oil, our depleting natural resource. We have to find other areas where oil can be produced. One does not have to be a genius, which seems to be the suggestion of the hon. member for Mississauga South, to determine the difference between new oil and old oil. It may become complex and there may be some areas where it is necessary to have an honest debate and where a judgment call will be made. It will not be made in a unilateral fashion but as a result of discussion with the industry, the producing provinces and the federal government.

With regard to the Constitution, the criticism we are now getting is for all of those things that we took out of the Constitution as a result of negotiating a settlement. All the criticism I have heard about the content of the Constitution has been about those things we have taken out of it. That is because we could not get agreement with the opposition or the provinces.

Mr. Taylor: You took out property rights.

Mr. Cullen: I wondered how long it would take my hon. friend to start interrupting. I do not want to get into another debate on the Constitution, but it was a criticism from a member opposite. The record should be clear that the provinces were not very keen about property rights. They said that property and civil rights were their jurisdiction.

Mr. Taylor: The Liberals and the NDP took them out.

Mr. Cullen: It is a great Constitution. It can be improved upon. Now that members of the opposition have taken the Constitution to their heart, as they took the flag to their heart, they will now work hard to improve upon it. I am sure we will get that kind of contribution.

I want to talk about the area of conservation. Canadians can play a role in this area. They are being encouraged to do so by this kind of legislation and other agreements under the National Energy Program which were criticized out of hand by the hon. member for Calgary Centre. There were gratuitous insults to civil servants which were unfair. He suggested there was something wrong with the federal government moving in this way. He says there is something wrong with the government, which says we have scads of gas, certainly a lot more gas than oil, so let us put some incentives in place so that people will switch from oil to gas. I am sorry the hon. member for Mississauga South in all of his constituency does not have the opportunity to take advantage of clean-burning, non-smelling, safe gas. He should be encouraging the province of which he is a member and the companies to get into that area and distribute this natural gas.

There is not much more I want to say at this time about the bill because the minister spelled it out so beautifully at the second reading stage. However, I did want to set the record straight with regard to the suggestions made by the hon. member for Calgary Centre. I have had the opportunity of working with the civil servants he has gratuitously insulted by calling them eager beavers and other names not nearly so complimentary. It is my experience that the Canadian government and the Canadian people are well served by their civil servants. If we could bring their spirit of dedication to all people across this country, this would be a much better country than it is at the present time.

Attacking a piece of legislation is one thing. Attacking civil servants who are giving effect to policies, not policies which come from civil servants but from this government and this party, implementing them and showing how they can be carried out effectively, is wrong. They deserve praise, not criticism from members opposite.

If I might repeat myself, this bill is an agreement between the federal government and three producing provinces. It provides adequate compensation to the oil companies. We are only being asked to endorse it because there has been agreement by all three parties involved in the production of oil. This bill should receive quick and speedy passage.

Mr. Siddon: Mr. Chairman, earlier in his remarks, the hon. member for Sarnia was singing the praises of the Canadianization initiatives which he is somewhat sensitive to when they are called nationalization initiatives. He will appreciate that if we lived in a country which produced more than it consumed and invested more than it squandered, private individuals might be able to afford to invest in the patriation of our oil and gas industry. However, when we have to go outside Canada, as Petro-Canada has, to borrow large blocks of money at guaranteed rates of return to foreign lenders, that in no way helps to Canadianize our oil and gas industry. It merely furthers our ludicrous rush toward national bankruptcy of which there are evident signs throughout this country today.

The hon. member knows that this is a mockery. The government is using sleight-of-hand to suggest that its initiatives are designed to Canadianize the oil and gas industry, at a time when people cannot afford to borrow the money required to maintain the loans against their farms or businesses or to renew their mortgages. He knows that this so-called Canadianization program is merely another government power grab designed to make Canadians more and more dependent on the state and to destroy their individual rights and freedoms to invest and save as they wish.

I want to deal with Bill C-112 from the point of view of the impact of the regressive tax measures included in it, particularly the natural gas and gas liquids tax, upon consumers, especially those in western Canada.

I take hon. members back to the fall of 1980 when the residents of British Columbia en masse, to the tune of some 30,000, petitioned this House through petitions filed by various members of Parliament from British Columbia, expressing their absolute rejection of any attempt by the Government of Canada to impose a federal excise tax on natural gas. The petition expressed their "absolute rejection of any attempt to impose a federal excise tax against the export of natural gas and hydroelectric power from British Columbia." It further states that "such action would constitute a disguised form of supplementary income tax against every resident of British Columbia" and finally stated "We will not accept it."

The government and the Minister of Finance must have been pretty concerned about those 30,000 signatures. The Minister of Finance presented a budget on October 28 in which he said that, as a consequence of the representation from the western provinces, the government had decided not to impose an excise tax on natural gas. The way in which the paragraphs were structured was very clever. I quote from page 8 of that budget speech:

> In these circumstances and after careful consideration, the Minister of Energy, Mines and Resources and I have concluded that it would be desirable to abandon our preferred plan—

That being an export tax.

> —and seek an alternative approach which we hope will meet the concerns of the producing provinces.

He then went off on a tangent without telling the audience in this House of Commons what that approach was. In the next paragraph he stated:

> This alternative approach involves the imposition of a new uniform federal tax on all natural gas.

Subsequent to that budget speech, the level of taxation has been increased further through the provision of these amendments we are now dealing with. A very neat agreement was achieved between the province of British Columbia and the federal government which essentially renounces the concept of an export tax by a bit of sleight-of-hand. It says that we set the tax rate to zero, but maintain the domestic natural gas tax,

which adversely affects every resident of western Canada, and increasingly Ontario and Quebec, who must consume natural gas or would prefer to consume natural gas as an alternative to oil.

• (1710)

This tax against consumers, Mr. Chairman, is in no way compensated for by the indexation of pension benefits and the guaranteed income supplement increases that the Minister of State for Finance referred to earlier. In fact, this is a quantum jump in the tax bills of the residents of western Canada and also of the residents of central Canada.

I asked the Minister of Finance on October 31, 1980, in this House whether he did not feel that this tax was discriminatory in any way because of the way it impacted the residents of certain provinces. The Minister of Finance responded as follows:

—the increased tax is in lieu of an increase in price which is not to take place and that the increases in gas prices that will take place over the next several years will be lower than those projected in the December budget.

I would like the Minister of State for Finance to clarify that. Does he not agree that this natural gas tax is discriminatory against people who have had to convert and have found it very convenient to convert to natural gas? Does he not agree that it provides a disincentive for conversion to tax all of the ratepayers and taxpayers of Canada, including the old age pensioners, the widows and the disabled, at amounts which in the first year approached $100 for one heating season and which now amount to an increase of something of the order of $300 or $400 a season? Is this not discriminatory against home owners who must use natural gas? Is this not inflationary? And how does he justify this substantial increase in home-heating costs, given that the Minister of Finance said that this tax is in lieu of an increase in price?

[*Translation*]

Mr. Bussières: Mr. Chairman, I do not believe the natural gas tax is discriminatory. In order to dispel the notion that it is, one must realize that the tax applies to natural gas right across Canada. It does not apply to one area only, but throughout Canada, so that natural gas users pay the tax no matter where they are located geographically. I should also like to point out to the hon. member that the tax has a redeeming feature in that, because of the price scales, natural gas will always cost 65 per cent less than oil, and therefore will always carry a lower price, so that in fact it will still be preferable to use it as a source of energy, for instance, to heat one's home, precisely because of that difference in price. Those then are two aspects one must keep in mind in attempting to prove that the natural gas tax is discriminatory, or that it might discourage its use as a source of energy.

[*English*]

Mr. Siddon: Mr. Chairman, if we look at the amount of revenue from new energy taxes that is set out in the 1980 budget of October 28 and in the 1981 budget of November 12, we see that there is some $15 billion projected to the end of the 1983-84 fiscal year. In the 1980 budget $6.6 billion is predicted to come from the natural gas and gas liquids tax, and some $5.1 billion due to the 8 per cent PGRT in the 1980 budget. In addition, some $2.6 billion more is projected in 1981 in supplementary energy taxes, which are spelled out in the Minister of Finance's budget of November 12, 1981. As well we have the Canadian ownership charge, the special levy, the PGRT increase to 12 per cent, effective with this legislation, and the IORT. All of these amount to some $15 billion of revenue, which will be extracted from the residents of western Canada principally over the next two or three years, until the end of the 1983-84 fiscal year.

I have to ask the minister again, is that not discriminatory? What is the return for the residents of western Canada? How does he answer to the individual residents who must heat their homes with natural gas, or who live in apartments, as in the case of some senior citizens in my riding who got a supplementary bill in December, 1980, because of this discriminatory natural gas tax, leading to a monthly bill increase of some 30 per cent?

How does he answer to correspondence of the following type, of which I have received many letters. I am reading from a letter to the Hon. Minister of Energy, Mines and Resources dated April 2, 1982. It says:

Dear Sir:

The recent increases in residential natural gas prices are a real concern to me. I am on a monthly instalment plan with B.C. Hydro and have just received my statement of account. Although my consumption is slightly down, my monthly payments have increased from $79 to $106 per month. This is a 34 per cent increase. Obviously, I have asked some questions.

He goes on to point out that the cost to the consumer in British Columbia of residential natural gas has risen from $1.90 per thousand cubic feet in November, 1980 to $3.70 per thousand cubic feet at the present time. That is almost a doubling of his natural gas cost. Where is the equity in that? He states:

This increase is imposed 85 cents by federal and 77 cents provincial and 30 cents by B.C. Hydro. That represents an 80 per cent increase in government taxes in 16 months.

Those figures are per thousand cubic feet. The federal tax is a major element in that. I must say that the provincial government of British Columbia has been "complicit" in this perpetration on the residents of British Columbia. In their self-righteousness they too said: "We do not want an export tax on natural gas." But they were quite pleased to conspire with the Minister of Energy, Mines and Resources and stick it to the domestic consumers, to the extent of these massive tax increases, amounting in total to 80 per cent, on natural gas in 16 months.

My question goes as follows, in the words of my constituent:

Your government is calling on Canadians for restraint. That makes sense and many companies and citizens are doing just that.

But my constituent continues:

My salary increase this January was 10 per cent. In the light of these facts, how can you conscientiously make such gas increases? Furthermore, how can you expect home owners to pay such increases?

I have two questions:

1. Why was such a large increase necessary, and how can it be justified?

2. I understand 15 cents is designated to pay for PetroCan. Please advise the advantages to me as a taxpayer in buying PetroCan.

He concludes:

I would appreciate simple clear answers, not the typical political jargon which is so often offered by politicians.

Mr. Chairman, I ask the Minister of State for Finance to answer those questions for my constituent. How can he sit there and say that the natural gas taxes, the PGRT and other energy taxes, are not discriminatory, faced with evidence of that nature?

[*Translation*]

Mr. Bussières: Mr. Chairman, in his remarks the hon. member denounced the conspiracy between the government of his province and the government of Canada in the establishment of a taxation system. I think that he is using an overly strong word. All hon. members, including him, have certainly wished at a certain point in time—in any case, I do recall that before we reached the first agreement with the province of Alberta I heard members of his party express the fervent hope that the government of Canada would conclude an agreement with the producing provinces along the lines of a sharing formula with respect to profits from the development of natural resources, particularly gas and oil. In his remarks the hon. member indicated that a petition tabled in the House had been signed by several thousands of residents of his province urging that exports of natural gas not be taxable. That issue was indeed a major factor in the negotiations.

And as the hon. member mentioned, the government—this is confirmed in the bill under consideration—has reduced to zero, in other words has cancelled the tax on exports of natural gas. However, it did reach agreement with the producing provinces on another type of system. Out of the total $1.80 increase per cubic metre to which the hon. member referred, the tax on gas, which is the federal government revenue, amounts to 45 cents, and 15 cents are levied for the Canadian ownership program. In other words, the federal government is not the only one that gets money through taxation.

Within the over-all scope of those agreements, one must keep the objectives in mind. First, we must come up with an appropriate system satisfactory to the parties, namely the provinces and the central government whose responsibility is to maintain the great national objectives in the field of energy as well as in others. Those national objectives, which hon. members know as well as I do, consist in achieving self-sufficiency as early as possible and a degree of Canadian ownership in the gas and oil development and exploration sector. Naturally it will cost money to reach those great objectives and all Canadians are expected to pay part of those costs. As I said earlier, the tax does not apply in only one region, it will be levied in all regions of the country and, the tax notwithstanding, the use of natural gas still remains an advantage over other energy sources. I also pointed out that the government has established certain programs aimed at encouraging people to rely on a different source of energy, oil or natural gas for instance, and despite the tax system Canadians fully understand and realize that it is indeed an advantage to use natural gas to heat their homes.

[*English*]

Mr. Siddon: Mr. Chairman, the Minister of State for Finance knows it is the height of hypocrisy, a ridiculously phony argument and virtually dishonest, to say that if some 30,000 residents of British Columbia were vigorously opposed to an export tax, they would somehow accept a domestic tax on natural gas. That is just the phoniest excuse which could ever be offered by the Minister of State for Finance or anyone else on the government side to justify a general tax on natural gas. It is utterly ridiculous and it is insulting to the people of British Columbia to suggest that, because they oppose an export tax, somehow they would be more favourably inclined to accept a domestic tax which would hit every one of them in the pocket book.

I have just one final short question. When is the Minister of State for Finance going to tell us—and can he tell us right now—how much spending has been undertaken in the name of that elusive western development fund which was promised in the budget of October 28, 1980? Two billion dollars were earmarked to be spent by the end of 1983, with a total commitment of $4 billion. How much money is in that fund at present, how much has been expended and are the revenue flows coming up to the levels predicted in the budget of 1980? How much is there, and how much has been spent? I think the people of this House and the people of western Canada would certainly be interested in knowing that, considering that all of these energy taxes are collected by ripping off western Canadian residents to the extent of $15 billion.

Mr. Benjamin: They also promised that fund in 1972, in 1974 and in 1979.

[*Translation*]

Mr. Bussières: Mr. Chairman, I did not mean to say that because the citizens in British Columbia or other producing provinces did not want an export tax, a tax was forced on them. This is not at all what I said.

What I said is there were representations made, as the hon. member indicated, there were negotiations involving producing provinces and the Canadian government, during which we attempted to reach a harmonious agreement for the sharing of resource exploration and production revenues between the various levels of government and the industry. In that context, I would suggest to the hon. member that the Canadian government's share of the oil and gas revenues, under the agreement between the Canadian government and the province of British Columbia, is $3.2 billion; the British Columbia government's share is $4.6 billion, so it is higher than the Canadian government's share, and the industry's share is $4.5 billion. In other

terms, the Canadian government is getting the least from the total tax base.

The hon. member is asking: How much of that money comes back to western Canada, British Columbia and the other provinces? Unfortunately I cannot give fhim those figures which pertain to the western fund. However, I would like to tell him that the Minister of Transport already had an opportunity to announce substantial expenditures for the improvement of transport infrastructures in western Canada, and this is part of the moneys the federal government will collect and reinject in that area.

However, the hon. member will certainly agree that within a federal system, under the principles of federalism, we cannot—and I am sure this is not what he is trying to do—balance everything we get and we give in double-entry form. I think the hon. member subscribes to the principles of our Canadian federalism, that wealth should be shared across the land, with have-not regions benefiting from the wealth of richer provinces, through major redistribution programs administered by the Canadian government.

I am also convinced that his objectives are also shared by Canadians in British Columbia.

[*English*]

Mr. Hargrave: Mr. Chairman, I have a series of five questions I hope to put to the Minister of State for Finance, but before I do that I want to say to the House that this has been a very frustrating and trying afternoon. I have very high respect for the Minister of State for Finance. I worked with him on the Standing Committee on Finance, Trade and Economic Affairs when we were revising the Bank Act and when I was involved in agricultural matters, but we are dealing with the wrong minister here today. Even though the bill is in the name of the Minister of State for Finance, these are energy matters.

When my colleague, the hon. member for Calgary South, was opening the discussion this afternoon, the Minister of Energy, Mines and Resources did come in, but he did not sit in his own seat; he sat behind it for ten or 15 minutes and visited. I think the least we could expect is that the Minister of Energy, Mines and Resources would be here to listen. He also should be able to respond. This is a very frustrating afternoon because our concerns about these three natural gas taxes are not being satisfied.

These taxes really concern me. Natural gas is part of my heritage. It is part of the heritage of the city of Medicine Hat. It all began over 100 years ago.

My first question deals with a situation in the city of Medicine Hat. As a result of these taxes the people of Medicine Hat have already paid over $15 million, but they have done so under protest. They have already paid, so they have done nothing illegal, but they have paid under protest. They have initiated court action on which, for obvious reasons, I will not expand now. But some of the citizens of Medicine Hat are refusing to pay that portion of their utility bills which is due to these natural gas taxes.

• (1730)

On April 19, 1982, I submitted a petition in this House with the names of 12,689 very upset people on it. I have never seen my constituents so concerned about a punitive and discriminatory tax in the nearly ten years I have been here. My first question to the Minister of State is whether he is even aware of this petition and what is behind it. Would he comment on that, please?

[*Translation*]

Mr. Bussières: Mr. Chairman, I remember quite well that the hon. member has already drawn the attention of the House to the special case of the city of Medicine Hat and to the natural gas tax which affects the citizens of that city. His colleague from Esquimalt-Saanich tells me that my preamble is phrased in some kind of vernacular. As the hon. member pointed out, we worked together on various other bills and I will add that I am not trying to hide behind some vernacular. The problem faced by his city has already been drawn to my attention and I do sympathize with what he said. However, I understand that court action has been initiated. I think that the hon. member himself has been very cautious in his comments and it would be rather inappropriate for me to be more specific with regard to that particular case considering that it is already before the courts.

[*English*]

Mr. Hargrave: Mr. Chairman, it is not so much the case involving the city which may affect us, it is the case involving the government of Alberta which has been upheld in that government's favour by a five to one decision so far. However, that is another matter.

My second point deals with the greenhouse industry. It is a huge industry in Alberta, the fourth largest in Canada, and the heart of it lies in southern Alberta. The implications of these taxes for the greenhouse industry are such that in one year the cost of heating fuel has increased six times.

This is a 100-year-old industry which was started there because we did have at one time cheap natural gas. The percentage increases in the cost of natural gas in that industry are the highest in Canada. As an example, Redcliff Greenhouses, a firm just five miles west of Medicine Hat, paid $9,130 for natural gas in 1979, just 1.3 per cent of their gross costs. In 1981 it had increased to $40,000, or 4.5 per cent, and it is estimated at $83,800 for this year, or 9.9 per cent of gross costs.

That industry is facing the real possibility of not being able to function at all next winter. If you multiply that one example by the hundreds there are throughout Alberta, you will appreciate how serious this situation is to that industry.

My second question to the minister is whether he has any feeling for what it does to an industry which was once one of the largest employers in my city of Medicine Hat.

[*Translation*]

Mr. Bussières: Mr. Chairman, I know that the Minister of Agriculture has already raised with the Minister of Finance the concern stated by the hon. member. It is a special matter that will have to be considered. The problem could be solved either through the tax system or through the Department of Agriculture. However, the matter will have to be looked at very closely if we are to establish whether that sector is more penalized than others and to what extent a special compensation should be provided. I can assure the hon. member that his representations and those made by the Department of Agriculture will be carefully considered by the Minister of Finance.

[*English*]

Mr. Hargrave: Mr. Chairman, my third question is more general and relates to the cost of raising food. In Alberta there are 85,000 farmers, 80 per cent of whom now have natural gas as the result of a huge rural gasification program which was really quite an achievement on behalf of Alberta farmers. Those farmers are now, of course, subject to these natural gas taxes and they have had a significant impact on their cost of production. It is not only the cost of heating their farm homes, barns and that sort of thing, but more importantly it is what these taxes have done to the cost of commercial fertilizer. I am sure the minister is aware of that, and if he multiplies that situation by the thousands who use commercial fertilizers he will get an idea of what the added costs have been. More specifically, in southern Alberta natural gas has now become the most expensive form of energy for operating sprinkler irrigation systems, especially the automated pivots which will sprinkle an entire quarter section. All of this adds significantly to the cost of producing food.

I would like to ask the minister if he appreciates the reality of this situation and if there is any indication at all that the government will recognize in this bill, by way of amendment or otherwise, the high cost of natural gas used in the production of food.

[*Translation*]

Mr. Bussières: Mr. Chairman, the increase in energy costs as a factor in the cost of production of farm products and foodstuffs is consistent with the general increase in energy costs and thus contributes to the increase of that part of the food basket that is affected by this factor. Should a special tax system apply to regulate these cost factors when they increase because of a rise in energy costs? I suggest that if we replied affirmatively and provided the necessary amendments and adjustments in the taxation area for the production of energy and food, we would have to use the same mechanism to deal with other sectors also using natural gas and which could be affected. I am not saying that the problem does not exist, for it does exist. I am just saying that if we make adjustments in this sector, for that part of energy costs which is a factor in the production of food, we will have to make adjustments also for this factor in other areas of production, which would result in a very complex tax system that would be very difficult to administer. However, the problem which the hon. member described does exist.

Mr. Chairman, while I am on my feet, I should like to remind the House that as a result of the discussion I had with the hon. member for Calgary Centre, it had been agreed that—

• (1740)

[*English*]

Mr. Huntington: They don't want it from the west, they want it from the south.

Mr. Bussières: I had the discussion with the hon. member for Calgary Centre regarding the amendment to Clause 7—

[*Translation*]

—in view of representations made in this debate on second reading as to the disposition of Clause 8 of the original bill, which has become Clause 7 of this bill, I should like to move an amendment and, instead of having a total maximum tax rate as provided by Clause 7 of the new bill, there would be a period of time equal to the duration of the agreement which we want to approve, there would be a maximum established in respect of each year for the various taxes. So, as this amendment appears in Clause 7, I ask that we deal first with Clauses 1, 2, 3, 4, 5, and 6, and when we reach Clause 7, I could read the amendment which, if I understand correctly, has been accepted by all hon. members.

[*English*]

The Assistant Deputy Chairman: The hon. member for Medicine Hat has a few moments left. I see the hon. member for Calgary South indicating that he wants to speak. He has been kind enough to advise the Chair that he may want to move certain of the clauses.

Mr. Hargrave: Mr. Chairman, I have two very quick questions. They relate to the oil and gas-well servicing industry which is so important to the town of Brooks and also to Medicine Hat in Alberta. That industry has had a terrible time as a result of the National Energy Program and that is well known. Is the government giving any consideration whatever to matching the recent proposal by the Alberta government which recognized what that particular servicing industry is going through? Is the government giving any consideration to that in light of the fact that all of these servicing industries are Canadian owned, small entrepreneurial type businesses and in many cases individually owned?

Is the government also giving any consideration to the situation with respect to the heavy crude, which is all through southwestern Saskatchewan and part also on the Suffield block, where these wells are pretty well all capped because it is uneconomic to produce and there is no upgrading station. Is there anything new on the question of an upgrading station which at one time had been planned in Saskatchewan?

[*Translation*]

Mr. Bussières: Mr. Chairman, I think the Minister of Energy, Mines and Resources would be in a far better position than I am to answer the hon. member with regard to the heavy crude upgrading plant. Unfortunately, I do not have the information requested and I would suggest that he put his question, which by far extends beyond the scope of this tax, to the Minister of Energy, Mines and Resources.

[*English*]

Mr. Hargrave: Mr. Chairman, how about the natural gas servicing industry?

[*Translation*]

Mr. Bussières: About the natural gas servicing industry, I must admit to the hon. member that that proposal is not now under consideration.

[*English*]

Mr. Thomson: Mr. Chairman, as agreed with the Minister of State for Finance, we are prepared to accept Clauses 1 through 6 and 8 through 33 on division. Perhaps the minister would care to make his motion amending Clause 7. The hon. member for Calgary Centre has had to be absent from the House today and is the only one who is aware of the precise details, but I can accept the amendment that has been made in principle. However, I would ask the minister to be good enough to confirm that he has conveyed the precise amounts that are contained in the amendment to the hon. member for Calgary Centre when he moves his motion to amend Clause 7.

[*Translation*]

Mr. Bussières: Mr. Chairman, I can confirm to the hon. member that I have had the opportunity of giving the hon. member for Calgary Centre a copy of the amendment as worded here. He confirmed to me by telephone last week that he agreed with the terms of the amendment I intend to move. When you so advise me, I shall be ready to move it.

[*English*]

Mr. Waddell: Mr. Chairman, on behalf of the New Democratic Party, I am prepared to give our unanimous consent. As I understand it, and I want to put this on the record, the original bill had a high ceiling on the taxes that are mentioned in this amendment. It meant the government would not have to come back to Parliament, perhaps never, to get those taxes changed. The opposition did not like that. The opposition wanted the government to be more accountable to Parliament, especially in tax matters. The government said it had to be flexible. The government has made somewhat of a compromise now, and I think we can accept that. The government has said that it will phase in the taxes to give it some room to manoeuvre. It means that if the government wants to bring in a dramatic increase in taxes, it would have to come back to Parliament and we would have some accountability.

In any event, we welcome the amendment. It would be better if the government withdrew the act, but I am prepared on behalf of the New Democratic Party to give our consent to the amendment.

The Assistant Deputy Chairman: Shall Clauses 1 through 6 inclusive carry?

Some hon. Members: On division.

Clauses 1 to 6 inclusive agreed to.

The Assistant Deputy Chairman: The Chair will stand Clause 7 for a moment.

Shall Clauses 8 through 15 carry?

Some hon. Members: On division.

Clauses 8 to 15 inclusive agreed to.

The Assistant Deputy Chairman: Shall Clauses 16 to 33 inclusive carry?

Some hon. Members: On division.

Clauses 16 to 33 inclusive agreed to.

On Clause 7—

Mr. Bussières moved:

That subclause 7(2) of Bill C-112 be amended by striking out lines 18 to 37 on page 7 and substituting the following:

"(d) prescribing, for the purposes of paragraph 25.13(5)(d), a rate of tax, not exceeding

(i) one dollar per gigajoule in 1982 and 1983

(ii) two dollars per gigajoule in 1984, and

(iii) three dollars per gigajoule in 1985 and thereafter,

and the date on which the rate becomes applicable;

(e) prescribing, for the purposes of subparagraph 25.14(4)(a)(iv), a rate of tax, not exceeding

(i) nineteen dollars per cubic metre in 1982 and 1983,

(ii) thirty-eight dollars per cubic metre in 1984, and

(iii) fifty-six dollars per cubic metre in 1985 and thereafter,

and the date on which the rate becomes applicable;

(f) prescribing, for the purposes of subparagraph 25.14(4)(b)(iv), a rate of tax, not exceeding

(i) twenty-seven dollars per cubic metre in 1982 and 1983,

(ii) fifty-three dollars per cubic metre in 1984, and

(iii) Seventy-nine dollars per cubic metre in 1985 and thereafter,

and the date on which the rate becomes applicable; and

(g) prescribing, for the purposes of subparagraph 25.14(4)(c)(iv), a rate of tax, not exceeding

(i) twenty-nine dollars per cubic metre in 1982 and 1983,

(ii) fifty-eight dollars per cubic metre in 1984, and

(iii) eighty-six dollars per cubic metre in 1985 and thereafter,

and the date on which the rate becomes applicable."

The Assistant Deputy Chairman: Is it the pleasure of the House to adopt the motion?

Some hon. Members: On division.

Amendment (Mr. Bussières) agreed to.

Clause 7, as amended, agreed to.

The Assistant Deputy Chairman: Shall the title carry?

Some hon. Members: On division.

Title agreed to.

The Assistant Deputy Chairman: Shall the bill, as amended, carry?

Some hon. Members: On division.

Bill reported.

● (1750)

The Acting Speaker (Mr. Blaker): The business of the House as established in the House order to the effect that committee stage of the bill be completed before six o'clock this evening has now been done. Although the House order does not mention the matter of concurrence and a division, I presume that is what hon. members would expect the House to proceed with.

Some hon. Members: Agreed.

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)) moved that Bill C-112, to amend the statute law relating to certain taxes, as amended, be concurred in.

[*English*]

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Call in the members.

The House divided on the motion (Mr. Bussières), which was agreed to on the following division:

(*Division No. 179*)

YEAS

Messrs.

Axworthy	Beauchamp-Niquet (Mrs.)	Bégin (Miss)
Bachand		Berger
Blais	Foster	MacGuigan
Blaker	Francis	Mackasey
Bloomfield	Frith	MacLaren
Bossy	Gauthier	MacLellan
Breau	Gendron	Maltais
Bussières	Gimaïel	Marceau
Caccia	Gingras	Massé
Campbell (Miss) (South West Nova)	Gourde (Lévis)	Masters
	Gray	McCauley
Campbell (Cardigan)	Guilbault	McRae
	Harquail	Munro (Hamilton East)
Chénier	Henderson	Nicholson (Miss)
Chrétien	Hervieux-Payette (Mrs.)	Ouellet
Collenette	Hudecki	Parent
Corbin	Isabelle	Pelletier
Côté (Mrs.)	Johnston	Penner
Cousineau	Joyal	Pepin
Cullen	Kelly	Peterson
Cyr	Killens (Mrs.)	Pinard
Daudlin	Lachance	Prud'homme
De Bané	Lajoie	Regan
de Corneille	Lalonde	Robinson (Etobicoke-Lakeshore)
Demers	Lamontagne	
Deniger	Landers	Rooney
Dingwall	Lang	Rossi
Dion	Laniel	Roy
Dionne (Chicoutimi)	Lapierre	Schroder
	Lapointe (Charlevoix)	Simmons
Dionne (Northumberland-Miramichi)		Smith
	Lapointe (Beauce)	Tardif
Duclos	LeBlanc	Tobin
Dupras	Leduc	Tousignant
Ethier	Loiselle	Trudeau
Evans	Lumley	Turner
Ferguson	MacBain	Watson
Fisher		Weatherhead
Flis		Yanakis—108.

NAYS

Messrs.

Althouse	Hargrave	Nielsen
Baker (Nepean-Carleton)	Hawkes	Oberle
	Heap	Ogle
Beatty	Hnatyshyn	Orlikow
Benjamin	Huntington	Patterson
Blackburn	Jarvis	Reid (St. Catharines)
Blenkarn	Keeper	
Bradley	Kempling	Robinson (Burnaby)
Clark (Yellowhead)	King	Roche
	Kushner	Rose
Clarke (Vancouver Quadra)	Lambert	Sargeant
	La Salle	Scott (Victoria-Haliburton)
Corbett	Lewycky	
Crombie	MacDonald (Miss)	Shields
Crouse		Siddon
Darling	Mayer	Skelly
Deans	McCain	Speyer
Dinsdale	McCuish	Stewart
Domm	McGrath	Taylor
Elzinga	McKenzie	Thacker
Fraser	McKinnon	Thomson
Fretz	McMillan	Towers
Fulton	Mitchell (Mrs.)	Vankoughnet
Gamble		Waddell
Gilchrist	Munro (Esquimalt-Saanich)	Wilson
Greenaway		Wise
Gurbin	Neil	Wright
Halliday	Nickerson	Young—76.

[*Translation*]

Madam Speaker: I declare the amendment carried.

Motion agreed to.

It being after six o'clock, this House stands adjourned until tomorrow at two o'clock in the afternoon, pursuant to Standing Order 2(1).

At 6.18 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, May 27, 1982

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

INCREASE IN NUMBER OF FARM BANKRUPTCIES—MOTION UNDER S.O. 43

Mr. Vince Dantzer (Okanagan North): Madam Speaker, four months ago I moved a motion in the House regarding farm bankruptcies and called upon the government to make the necessary amendments to the Farmers' Creditors Arrangement Act to make it an effective instrument to be used by farmers to prevent bankruptcies. Since then, the government has taken no steps whatsoever in this direction. We now learn that primary industry and farm bankruptcies are up by 134 per cent over 1980, and in the first four months of 1982 over 3,600 businesses declared bankruptcy, including 158 farmers. Therefore I move, seconded by the hon. member for Peace River (Mr. Cooper):

That this House call upon the Prime Minister and his cabinet to open their eyes and recognize the harm they are inflicting upon Canada's business and farm communities. We urge the government to adopt policies immediately to allow farmers to keep their land and continue to produce food for Canadians.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL DEFENCE

DEFENCE CAPABILITY OF NAVAL SHIPS—MOTION UNDER S.O. 43

Mr. Ron Stewart (Simcoe South): Madam Speaker, the sinking of the British warships in the Falkland Islands ought to be a valuable object lesson to our Minister of National Defence (Mr. Lamontagne). These modern British warships, with aluminum superstructures and poor missile defences, are woefully inadequate against sophisticated missile attack. The minister has stated our navy's role is one of anti-submarine warfare, but how can Canada's ships carry out their assigned NATO anti-submarine defence if they have been sunk by an Exocet-type missile fired from some 30 to 40 kilometres away? Therefore I move, seconded by the hon. member for Fundy-Royal (Mr. Corbett):

That Canada's naval ships presently under refit to the tune of $200 million to $300 million, yet still missile defenceless, be assigned the highest priority to ensure their capability to defend themselves against sophisticated missile attack and to provide the utmost in protection for the lives of our fine Canadian sailors.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

RAILWAYS

INSPECTION OF CARS USED TO TRANSPORT DANGEROUS GOODS—MOTION UNDER S.O. 43

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, it has recently been reported that yet another tank car containing yellow phosphorous, a highly dangerous and explosive material, was found to be leaking in the Hamilton rail yards. This most recent incident, when taken together with the many similar incidents which I reported to the Minister of Transport (Mr. Pepin) on February 26 and March 2, 1982, clearly indicates that the procedures used to ensure the safety of residents and workers in areas immediately adjoining rail lines and yards are inadequate. Therefore I move, seconded by the hon. member for Beaches (Mr. Young):

That the minister require that each and every railroad car used in the transportation of hazardous or dangerous materials be inspected immediately and that a program of inspection at the point of loading be instituted forthwith in order to avoid what can only be described as a potential catastrophe from becoming a real catastrophe.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE PRIME MINISTER

MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise under the provisions of Standing Order 43 to ask this House to take special notice of the recent anti-social behaviour of the Prime Minister while in this Chamber. His challenges and

taunts are demeaning to the conduct of this Chamber. I therefore move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That members of this House refuse to take the Prime Minister's actions seriously as it appears he is saying, "Two of you hold my coat and one of you hold me."

Madam Speaker: The hon. member for Bow River.

* * *

AGRICULTURE

CONDEMNATION OF PROPOSED CANAGREX CROWN CORPORATION—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, Canada's Liberal federal government has no credibility left at all. Canagrex was introduced as a federal co-ordinating body to increase Canada's agricultural exports, but Bill C-85 goes way beyond this function. Wide sweeping powers will permit this corporation virtually to control and take over agriculture, even to the point of telling farmers what they must grow, to say nothing about eliminating the existing export organizations in Canada and, if passed, as stated in *Macleans* magazine this Crown corporation could grow "like a cancerous cell" and "multiply and eat away at the country's food industry". Therefore I move, seconded by the hon. member for Medicine Hat (Mr. Hargrave):

That this House deplores this back-door method designed to socialize the farms of this country and demands that the bill be axed along with the responsible minister and the government.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HEALTH CARE

IMPACT OF USER FEES ON PROVISION OF SERVICES—MOTION UNDER S.O. 43

Mr. David Orlikow (Winnipeg North): Madam Speaker, I rise under the provisions of Standing Order 43 to move a motion arising from discussions being held between the Minister of National Health and Welfare (Miss Bégin) and her provincial counterparts.

Whereas user fees charged Canadians by hospitals or doctors, or opting out by doctors from provincial medical insurance plans, violate the promise of medicare to guarantee Canadians from all income levels free access to a comprehensive range of prepaid health services, and whereas the reduction of federal contributions to hospital and medical insurance plans through cuts in transfer payments has led to the increasing by the provinces of user-pay fees, and to an increasing number of doctors opting out in order to increase their income over what they receive from the provincial medical insurance plans, I move, seconded by the hon. member for Selkirk-Interlake (Mr. Sargeant):

That this House call on the government to return to the former system of sharing the cost of hospital and medical insurance plans and to work with the provinces so that user fees and opting out by doctors can be brought to an end.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

CALL FOR TABLING OF AGREEMENTS ON BEAUFORT SEA EXPLORATION—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, on May 10, 1982, the government announced with considerable fanfare that it had concluded six agreements with Esso Resources Canada Limited covering $600 million worth of oil and gas exploration in the Beaufort Sea. The timing was presumably intended to take the heat off the government for its failures with the Alsands and Alaska gas megaprojects. Whereas it would now appear that no such agreements exist, save for some letter of intent, I move, seconded by the hon. member for Capilano (Mr. Huntington):

• (1410)

That the government either table these agreements if they exist or admit that it has misled both this House and the Canadian public.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

EMPLOYMENT

SUGGESTED FEDERAL-PROVINCIAL MEETING ON STUDENT SUMMER EMPLOYMENT—MOTION UNDER S.O. 43

Mr. Tom McMillan (Hillsborough): Madam Speaker, student summer unemployment in the coming weeks is expected to skyrocket to 200,000, or to 16 per cent. This disastrous situation will compel many young people not to return to their education in the fall because they will be unable to pay their tuition, which most colleges and universities are having to hike following federal government funding cutbacks. I therefore move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That the Minister of Employment and Immigration immediately convene a meeting between himself and his provincial counterparts in order to devise a

strategy to assist the private sector to hire summer students during the current employment and education crisis.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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[*Translation*]

UNEMPLOYMENT INSURANCE

NUMBER OF PERSONS NOT ENTITLED TO BENEFITS—MOTION UNDER S.O. 43

Hon. Roch La Salle (Joliette): Madam Speaker, I wish to present a motion under the provisions of Standing Order 43. Having received reliable information yesterday from the Department of Employment and Immigration to the effect that by December 31, 500,000 Canadians will have no other alternative but to go on welfare, since they will have exhausted their entitlement to unemployment insurance benefits, and whereas the minister responsible has refused to either confirm or deny this information which was obtained from his own department, I move, seconded by the member for Esquimalt-Saanich (Mr. Munro):

That the House unanimously urge the Minister of Employment and Immigration (Mr. Axworthy) to publish as soon as possible the approximate number of Canadians who will no longer be entitled to unemployment insurance by December 31, and a negative reply will merely give my statement greater weight.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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[*English*]

KENT ROYAL COMMISSION

CALL FOR WITHDRAWAL OF NEWSPAPER LEGISLATION PROPOSAL—MOTION UNDER S.O. 43

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, I rise under the provisions of Standing Order 43 on a motion of urgent and pressing necessity. Whereas the government's response to the Kent Commission legitimizes the problem rather than resolves it, and whereas the hysterical response of some of the nation's publishers committing themselves to fight—in the air, on the land, and the sea, and in the gutters of Canada—the provisions of the government's response, and whereas it is unlikely that a newspaper act will ever appeal before this House of Commons or will ever be passed by it, I move, seconded by the hon. member for Skeena (Mr. Fulton):

That the minister responsible for the Kent Commission withdraw the proposal for a newspaper act for the time being and consult with the Minister of Consumer and Corporate Affairs with a view to bringing in amendments to the Combines Investigation Act and establish a special media branch for the time being within the bureau of competition policy to develop a framework for a competitive Canadian communications industry.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CHARTER OF RIGHTS

APPLICABILITY TO PUBLIC SERVANTS—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax West): Madam Speaker, the cases of Neil Fraser and Paul McNeill have exposed the existence of codes of conduct governing the personal behaviour of federal public servants. The Canadian Human Rights Commissioner indicates those codes of conduct violate freedom of speech in Canada. I move, seconded by the hon. member for Fundy-Royal (Mr. Corbett):

That the Minister of Justice give real meaning to the Canadian Charter of Rights and Freedoms by reviewing codes of conduct governing federal public servants and determining whether the code provisions violate freedom of thought and expression and are thereby unconstitutional.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

INCREASE IN UNEMPLOYMENT—GOVERNMENT POSITION

Hon. David Crombie (Rosedale): Madam Speaker, my question is directed to the Minister of Finance (Mr. MacEachen). The minister, in his budget statement on November 12, predicted that the unemployment rate this year would be in the order of 7.8 per cent. The minister knows and, indeed, the country knows, that the rate is now 9.6 per cent, and that is in the order of one and a quarter million Canadians out of work and walking the streets looking for it.

Yesterday the Minister of Employment and Immigration (Mr. Axworthy) in a statement to the Mining Association of Canada, said, "Lay-offs are continuing at a relatively high level and we must face the likelihood that high unemployment will persist for some time to come".

• (1415)

Clearly the government's understanding of the economy is in disarray. Does the Minister of Finance believe that increased unemployment over the next few months is the only answer the government can give?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am not quite sure I understand the hon. member's question. I am not sure if he is referring to the announcement made by the Minister of Employment and Immigration extending additional funding for the work-sharing program, which has been a real success in the country. If he has that in mind when he asks me whether that constitutes the government's approach to unemployment, I would say that that, among other specifically targeted approaches, has been the way we have attempted to deal with the unemployment problem.

REQUEST THAT TAX BE REMOVED FROM BUILDING MATERIALS

Hon. David Crombie (Rosedale): Madam Speaker, even the Minister of Finance must blush when he takes credit for a program that was designed to be temporary and short-term in order to deal with a situation created by his government. That situation is no longer acceptable to the people of Canada. The minister knows that the Canadian Construction Association predicted for this year alone an unemployment level of 20 per cent. That is 150,000 workers out of work. Time and again the Construction Association has asked the government to take the federal tax off building materials. Why does the minister refuse to continue to take off that tax, something which would help put the construction industry on its feet?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): As the hon. member knows, Madam Speaker, the removal or imposition of a tax is a budgetary matter and these changes are not normally announced or dealt with in questions on the orders of the day.

LEVEL OF INVESTMENT IN RESEARCH AND DEVELOPMENT

Hon. David Crombie (Rosedale): Madam Speaker, everyone knows that a fundamental key to any recovery in growth over the next decade in this country depends very much on our investment in research and development. Despite the government's pronouncements, Canada still has a record which is second to last of all industrialized nations for investment in research and development. How can the minister take pride in that record? If he cannot take pride, why does he not now increase investment in research and development so that hundreds of thousands of jobs can be created?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has raised a third subject in his series of questions on the orders of the day. All of them have been very good. They have pointed to various areas of the economy where he is suggesting that the government intervene to provide more support, in one case through the removal of taxation which would mean declining revenues for the government. In another case he suggested increased grant incentives for research and development. As the hon. member knows, all of these proposals, however worthy in themselves, have financial consequences. They have to be financed either through increased taxes or increased deficits. It is not my impression that his party, or his financial critic, has advocated that one of the methods of dealing with the current situation is to set out deliberately to increase financial deficits in Canada.

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FORESTRY

LUMBER EXPORTS TO UNITED STATES

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I have a question for the Minister of State for International Trade. The minister is aware of a commission that has been meeting for some time in the United States regarding the possibility of imposing an import restriction on Canadian lumber. The commission has now reported without recommendations. The decisions will be up to the administration and politicians to make as to whether such restrictions should be imposed by the United States.

• (1420)

First of all, has his department monitored the hearings of the commission? Second, has his department offered help to the companies which defended the Canadian position, including the government's position? Third, what is the minister doing now through the Department of External Affairs to assure that the Canadian position is put properly and that such restrictions will not be imposed on Canadian industry?

Hon. Ed Lumley (Minister of State (International Trade)): Madam Speaker, in response to the questions put by the hon. member, first of all we have monitored the situation very closely, not only here in Ottawa but also on the west coast where the hearings were held, and also in Washington. In reply to the second question, we have not offered any financial assistance to the industry with respect to their representations. Third, we think that the information presented, based on the witnesses, shows that there is no evidence that Canadian firms were dumping into the United States market. It is a North American problem and we hope that the authorities in the United States will agree with the recommendations of the commission.

REQUEST THAT CANADA MAKE REPRESENTATIONS TO UNITED STATES AUTHORITIES

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, it is quite clear from reports that we are receiving from Washington that the decision made there will be a political one, and that the whole question is overshadowed by current events or by other events which relate to the National

Energy Program, FIRA and so on; and that the Americans will be looking for a way to punish this government and Canadians generally for some of its other anti-American actions. There is a clear need, the companies have told us, for our diplomats and our government to intercede at this point, to intervene in the interest of Canada and in the interest of this important industry which is already on its knees.

What is the minister doing? What can he tell us today? Will he give instructions to the embassy in Washington? Will he dispatch his officials? Will he himself meet with his counterpart in the United States to assure that what he asserts with respect to this report will actually coincide with fact?

Hon. Ed Lumley (Minister of State (International Trade)): Madam Speaker, obviously I cannot make an assurance on behalf of the United States government. We have made representations at the political level, at the diplomatic level, and at the administrative level. We are very confident, Madam Speaker, based on the information given during those hearings and regardless of some of the political statements made by certain congressmen in the United States, that the United States special trade representative will not find any grounds for imposing sanctions as suggested by some of the political leaders in the United States.

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HEALTH CARE

EXTRA BILLING BY PHYSICIANS—MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of National Health and Welfare. For three years the minister has talked tough inside and outside the House about the need to remove extra billing from our medicare system, arguing quite correctly that this was contrary to the principle of medicare itself. Yesterday she had the chance to deliver. Considering that she began yesterday's meeting once again by asserting that extra billing was contrary to the spirit of medicare and that steps had to be taken to remove it, my question is straightforward. Why did she cave in?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, that same minister has the pleasure to announce to the House today, and to all Canadians, that she has now the agreement of all the provinces, the agreement in writing of all the provinces, that the question of extra billing—which in a way she was alone in speaking on, at times—the question of extra billing is now one which will be addressed and that the control of it will be part of conditions to make sure that medicare remains universal, which has always been our objective. I am very pleased with the co-operation of all the provinces.

Some hon. Members: Hear, hear!

REQUEST THAT MINISTER RESIGN

Hon. Edward Broadbent (Oshawa): Madam Speaker, the minister has said no more in her words now than she said for three years, no more than she conceded yesterday. I would like to begin my question with this. Just last month she said:

> If you permit additional surcharges in the system for Canadians who can afford to protect themselves against it . . . you are back to pre-medicare days and very rapidly the whole system will collapse. Do not kid yourself, this is abolishing the universality of the program. You cannot have it both ways.

That is what the minister said. I agree with her. Considering that yesterday she said something which flatly contradicts this, namely, she is accepting the principle of extra billing but simply wants to control it, I say to her that she cannot control it both ways. Will she have the integrity to resign?

• (1425)

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I could give the hon. member a long list of *Hansard* quotations in which I answered his colleague, the hon. member for Winnipeg-Birds Hill, that a ban on extra billing could not be imposed unilaterally by the federal government. The hon. member prefers to call it a ban. I have not requested a ban on extra billing from provincial ministers. I have expressed to them word for word what the hon. member quotes as something I have often said to Canadians. I suppose I have been pretty convincing, because control of extra billing is now part of the dossier of negotiations. This is a great stride toward strengthening medicare for all Canadians once and for all.

Some hon. Members: Hear, hear!

Mr. Broadbent: The minister is a master of linguistic solutions to the problem. She used to talk about removing extra billing. Now we hear hypocrisy; she is talking about controlling extra billing. That is very different.

PRINCIPLE OF UNIVERSALITY

Hon. Edward Broadbent (Oshawa): Madam Speaker, the minister has just said the federal government does not have the necessary authority. I would like to act with the provinces in this area. The minister's boss, the Prime Minister, said in 1980:

> —the federal government must use its powers to bring the provinces back to the principle of universality.

That is what the Prime Minister said. Is the minister now saying that the Prime Minister was wrong? If the Prime Minister was right, why does the minister not get up and say that the federal government will bring the provinces into line?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, to a master of rhetoric I would like to say that I cannot do that for a very simple reason, and that is that there is a Constitution in this country. We helped to bring it about, and we respect it. The ten provinces happen to be in charge of administering health services in Canada, and we happen to distribute about half the cost of those services

based on five basic standards. We achieved something remarkable yesterday, of which I am very proud for Canadians, and that is that surcharges and user fees on the one hand, and extra billing on the other, are now part of the dossier and will be looked into. Parameters and conditions will be developed in order to strengthen medicare and keep it universal. That is remarkable and very important, and I think the hon. member should help us achieve that.

Some hon. Members: Hear, hear!

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THE JUDICIARY

JUDGMENT USED BY SOLICITOR GENERAL IN SUBMITTING CHARACTER REFERENCES

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is directed to the Prime Minister. In another context the Prime Minister characterized the ways of the Solicitor General as being unforgiveably naive and showing poor political judgment. Within the context of the English case and the Arrindell case, the Prime Minister knows that in one case the Solicitor General knew the accused indirectly and that in the other case his knowledge was not extensive. There were two counts of robbery relating to two different cities. A loaded gun was used. The Solicitor General put the prestige of his ministry on the line by using the Solicitor General letterhead. Will the Prime Minister agree in these circumstances that the Solicitor General used poor judgment?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I dealt with the substance of the issue yesterday. On the matter of judgment, I would say that is a question of judgment.

Mr. Speyer: Madam Speaker, that type of attitude and answer demonstrates how blunted the ethics of the Prime Minister really are.

Some hon. Members: Hear, hear!

QUERY RESPECTING PRIME MINISTER'S STATEMENT

Mr. Chris Speyer (Cambridge): Madam Speaker, my second question arises from an answer the Prime Minister gave two days ago in which he said:

—I think it is more important that justice be done than that it appear to be done.

If it is more important that justice be done than that it appear to be done, how does the ordinary citizen have any faith in a system of justice in which justice does not appear to be done, as in the case of English and Arrindell?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it seems to me my statement is self-evident. Certainly justice has to be done, and that is the basic principle. If it can also appear to be done, so much the better, but I realize you can never make a good case sound like a good case in front of members of the opposition because they have pretty poor judgment.

Some hon. Members: Oh, oh!

• (1430)

REQUEST THAT PRIME MINISTER SEEK RESIGNATION OF SOLICITOR GENERAL

Hon. James A. McGrath (St. John's East): Madam Speaker, my supplementary question for the Prime Minister concerns the role of the Solicitor General as the minister responsible for the administration of penitentiaries. It raises a very serious question of conflict of interest, not to mention the bad judgment of the Solicitor General. The two accused persons are now serving sentences in the penitentiaries of this country which are under the jurisdiction of the Solicitor General. Clearly he is in conflict of interest because there was an intervention by the Solicitor General before the courts on behalf of these two people which was clearly in conflict with the guidelines. That would seem to put them in a rather privileged position vis-à-vis their supervisors and caretakers who are accountable to the Solicitor General.

Given that clear conflict of interest, and forgetting all about bad judgment, will the Prime Minister not now ask for the resignation of this accident-prone minister?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I apologize, because I did not understand the reasoning of the hon. member's suggestion of a conflict of interest. If he is saying that the actions are contrary to the guidelines, that is the issue in the debate with which I dealt yesterday to my satisfaction.

REQUEST THAT SOLICITOR GENERAL BE RE-ASSIGNED WITHIN CABINET

Hon. James A. McGrath (St. John's East): Madam Speaker, perhaps I could put the question another way. The letters that were filed with counsel and with the court on behalf of these two accused persons who are now serving sentences, are on their records. They will emerge during the process of parole and they will emerge during the process of classification within the penitentiary system. That is clearly a conflict of interest situation. If the Prime Minister cannot see that, then there is something wrong with his judgment. Consequently, I would ask, forgetting about the guidelines, if he is not prepared to ask the Solicitor General for his resignation would he at least have him assigned to a less sensitive portfolio?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the answer to the question is no.

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF JUSTICE OF BULGARIA

Madam Speaker: I have the honour of bringing to the attention of the House the distinguished presence in our gallery of Mrs. Svelta Daskalova, the Minister of Justice of Bulgaria.

Some hon. Members: Hear, hear!

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[*English*]

NATIONAL PAROLE BOARD

ROLE OF SOLICITOR GENERAL

Hon. Erik Nielsen (Yukon): Madam Speaker, may I put a question to the Prime Minister. Since he has now found that it is perfectly acceptable for the Solicitor General to attempt to influence a judge in his consideration of sentence, will he apply the same standard and find it acceptable that the Solicitor General can make similar representations to the National Parole Board?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not think that would be exactly the same situation. I would have to give consideration to the hon. member's request or question. The Parole Board comes directly under the authority of the minister, and the courts of justice do not, of course. If he were to make an application to the Parole Board through some open process wherein the Parole Board asks to hear character witnesses, I would withhold my judgment. Obviously if it is a communication directly to the Parole Board on behalf of another person, then he would not be acting in parallel to the case in the courts, where he acted in open court in a precise way.

I would have to hear more about the hypothetical situation from the hon. member. Is he asking if the Solicitor General could be a character witness in some hearing by the Parole Board, or is he asking if the minister could phone a member of the board directly and try to influence him?

RESPONSIBILITY FOR APPOINTING NEW MEMBERS

Hon. Erik Nielsen (Yukon): Madam Speaker, the Prime Minister seems to be in some doubt about the propriety of making such representations by the Solicitor General to the National Parole Board. Since the Solicitor General today on departmental stationery—at least it was received in the mail today—announced the appointment of, I believe, four or five new members of the Parole Board, and until the Prime Minister has come to a crystallized decision on the propriety of that kind of representation, would he not consider that it might be advisable to remove the responsibility for appointing new members to the Parole Board from the Solicitor General, in the interim?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not think that is a constructive course because the Parole Board operates for hundreds of cases which have nothing to do with this one. I would not suggest it would be proper to hold up the process of parole for some prisoners who might be deserving of it, just because of a hypothetical question asked by the hon. member.

What I am prepared to do, as I suggested the other day, is to discuss a revision of the guidelines with anyone who is interested to see whether in the future we want to prevent ministers in any way from testifying in open court on any subject, or as character references. That is why I cannot accept the suggestion of the hon. member.

REQUEST THAT MINISTERIAL CONDUCT GUIDELINES BE REFERRED TO COMMITTEE

Hon. Erik Nielsen (Yukon): Madam Speaker, since the matter has raised considerable interest and a fair degree of doubt, would the Prime Minister consider referring the question of the revision of the guidelines dealing with the conduct of ministers in this particular instance to the Standing Committee on Justice and Legal Affairs so that recommendations could be made to the House and to the government with respect to updating them? This would ensure that every vestige of doubt about the propriety of conduct of ministers in situations like this would be removed.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I would be happy to receive the advice of opposition members and members of my own party about revision of the guidelines as they apply to the future.

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ST. LAWRENCE SEAWAY

QUERY RESPECTING TWINNING OF LOCKS

Mr. Gilbert Parent (Welland): Madam Speaker, my question is directed to the Minister of Transport. Some months ago a joint committee was set up between Canada and the United States to study the shipping traffic between the two countries using the Welland Canal. I am told that that report has been completed and that there will be a substantial increase in the traffic. Can the minister tell the House if active consideration is being given to twinning the flight locks either at Thorold or Port Colborne at present or in the very near future?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there has been quite a debate on that subject to which I have already referred. Some analyses, like the Misener report in Ontario, sees that dramatic jump into the next phase of the history of the Seaway as coming within five years, others say ten years. There is a joint study between Canada and the United States which says 18 years.

Mr. Baker (Nepean-Carleton): What do you say?

Mr. Pepin: I say we are not there yet. I expect that quantum jump to take place in early 1990s. In the meantime, and this is the important thing, a number of things are being done such as a number of widenings of the Welland Canal in places to permit the passage of two ships, and a number of improvements in the traffic system by the use of electronics. The tariff has been changed also to favour the longer ships. Therefore number of things are being done on a progressive basis to meet with the growing demand on the Welland Canal.

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HEALTH CARE

EXTRA BILLING BY PHYSICIANS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question follows on those that my leader put to the Minister of National Health and Welfare. For the first time the minister has indicated to the House that she has altered the government's position from one of eliminating extra billing to a position where the federal government now appears to think it is going to control extra billing. May I ask the minister what the federal government's position is? Is it to eliminate extra billing, or is it to control extra billing?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, the hon. member makes a mistake in the first part of his question. The goal of the government as it has always put forward to the public, to the different parties or to the different players, has remained the same. It is the strengthening of medicare by the clarification of the five basic standards or conditions which have been in the act for more than 20 years. That has always been the purpose. Two of these conditions in particular, universality and accessibility, have appeared to be threatened in the last three years by two avenues that no one can ignore, namely, extra billing and user fees. Both of these have been recognized as part of the process of negotiation which started yesterday with a very successful meeting toward controlling it. The purpose is to strengthen medicare.

• (1440)

QUERY RESPECTING GOVERNMENT INTENTIONS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, in the process of trying to strengthen medicare will the minister recall her own statement to the Standing Committee on Health, Welfare and Social Affairs not a month ago when she said, "If you permit additional surcharges in the system for Canadians who cannot afford to protect themselves against it, you are back to pre-medicare days and very rapidly the whole system will collapse."

I ask the minister, and I would appreciate a straight answer, is it the intention of the government to abdicate the long-held position that there should be no extra billing, or is it simply the intention of the government to find some way to control it?

Hon. Monique Bégin (Minister of National Health and Welfare): Of course, Madam Speaker, that is exactly what I have said and will continue to say across Canada. I would like to see extra billing reduced to zero. I have explained often to the official health critic of the NDP, who does not seem to understand how the system works, that the federal minister alone cannot ban extra billing, and that a provincial minister cannot ban extra billing if he or she loses doctors to neighbouring provinces. That is the problem. We addressed it in a very realistic way yesterday, and I am very pleased about that. I still do not see why the member plays with words. The idea is to keep medicare universal, and we will succeed because this is a program which all Canadians love best.

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THE JUDICIARY

CHARACTER REFERENCES WRITTEN BY SOLICITOR GENERAL

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, will the Solicitor General tell us whether, when he wrote the Arrindell and English letters on his stationery in his capacity as Solicitor General, he expected and intended that the content of those letters would never be communicated to a judge?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, the letters indicate quite clearly that I was intending to offer my evidence to the lawyers for them to use as they saw fit, including in court.

APPLICATION OF CABINET GUIDELINES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, since the Solicitor General has now indicated he wrote the letters with the intention that they be communicated to the court, will he tell us how he finds that action to be consistent with the guideline of the Prime Minister which says:

—no member of the cabinet may communicate with members of the judiciary concerning any matter which they have before them . . . ?

Hon. Bob Kaplan (Solicitor General): The Prime Minister answered that yesterday, but I take that guideline to apply to informal, off-the-record contact between members of the government and judges, and not to evidence given formally in open court.

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NATIONAL ENERGY BOARD

EXPORT OF POWER BY ONTARIO HYDRO

Hon. George Hees (Northumberland): Madam Speaker, my question is for the Prime Minister. Three weeks ago, in answer to a question, he advised me that the decision of the National Energy Board allowing Ontario Hydro to export power to the United States from its Nanticoke plant would be coming before cabinet for consideration. I ask the Prime Minister if

that has taken place and, if so, did the government decide to reverse the NEB decision until it received a satisfactory guarantee from Ontario Hydro that it intended to instal machinery at that plant capable of greatly reducing emissions which create acid rain?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the matter has not yet come before full cabinet and therefore there has been no decision taken, conditional or otherwise.

INSTALLATION OF ANTI-POLLUTION DEVICES

Hon. George Hees (Northumberland): Madam Speaker, knowing how cabinets work and that matters which are desired to be brought before cabinet are done so very quickly, and that it now appears the government is simply not dealing with the matter in the hope that it will go away, does the Prime Minister not think it is incumbent upon him and his government to stop trying to duck this issue and face up to their responsibility of convincing the American government and people that this country is willing to adopt the same anti-pollution measures we have been so strongly urging them to adopt during the last year or two, and in this way make it possible for our two countries to wage war against acid rain successfully?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I want to inform the hon. member that he is misrepresenting the strength of his case if he thinks I assume the matter will go away. I know as long as the hon. member is sitting in his seat the matter will not go away, and I hope that will be forever. In the meantime, the ministers most directly involved, the minister responsible for energy and the minister responsible for the environment, are discussing the matter with the intention of bringing a joint position to cabinet. Naturally, the very sound and sane representations of the hon. member will be taken into account in that deliberation.

Mr. Hees: Big Brother will be watching.

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NATIONAL UNITY

PUBLICATION ISSUED BY CANADIAN UNITY INFORMATION OFFICE

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is directed to the Prime Minister and relates to an expensive and glossy publication put out by the Canadian Unity Information Office in April of this year, which contains very large extracts of comments by the Prime Minister on the Crowsnest discussion in a speech to a Liberal fund-raising campaign on March 18, 1982, in Regina. Part of this document indicates that the Prime Minister said:

> The NDP, I understand, has been going up and down the province claiming that variable rates would be a part of any new formula, that the decision has already been made. Well, that is simply not true.

How can the Prime Minister justify the distribution, at public expense, of highly partisan Liberal propaganda, especially during the month in which there was a provincial election campaign?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the truth of the matter is that there were in the west at the time a number of people who thought the decision on variable rates had been made. The Prime Minister's purpose was to indicate that was not so. I remember that the paragraph quoted goes on to say that if western farmers do not want variable rates, they will not get variable rates. That was meant to be a reassurance to the western farmers that their views would be taken into account in this matter. As a matter of fact, if my friend reads the communique on the statement I made in Winnipeg on February 8, he will realize that part of it was left to Dr. Gilson to negotiate with the interested parties. This is what is going on now, and we expect a report in a few days.

TIMING OF PUBLICATION

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I think the minister missed the whole point of my question, which is that this is clearly a partisan political position being put forward on behalf of the Liberal Party of Canada at public expense. I am not a defender of Premier Blakeney, but I resent public moneys being used in my province for the purpose of putting the Liberal line across. We saw the results on April 26.

Some hon. Members: Question.

Mr. Hnatyshyn: That brochure also says:

> Understandably, Premier Blakeney now finds this to be an inconvenient time to display this earlier realism.

Is it the Prime Minister's intention to have this kind of publication put out in each province before each provincial election, so that the Liberal Party's position can be put before the electorate at public expense?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member is misinformed. I am informed that this publication came out after the election, not during it as the hon. member has suggested.

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PORTS

FINANCING OF GRAIN ELEVATOR AT PRINCE RUPERT, B.C.

Mr. Jim Fulton (Skeena): Madam Speaker, my question is directed to the Minister of Transport regarding the problems the Prince Rupert grain consortium is having in obtaining financing for the elevator at Prince Rupert. As the minister knows, that consortium considers the likelihood of obtaining that financing to be only 50-50. Since Alberta is carrying 75 per cent of the cost with a $200-million loan at 11.5 per cent, and $25 million of the cost in excess of $260 million, would the minister be so good as to advise this House what luck he has

had with his representations to cabinet in the past week to find further funds? Does he have another $10 million to make the grain elevator go, or does he consider it certain that it will go without any further support?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have already indicated that the consortium has come to see us asking for more money on top of the $32 million, increasing to $37 million, which has already been committed to that enterprise. I have already told the House that they had two ideas in mind. The first one was for the consortium to try to find out from the bidders if they could get a reduction on the bids they received, and I understand that they have accomplished that. The second possibility was that the consortium could cut off some "unnecessary" part of the elevator, and they are working on that now. They would then come to us with that information and they would ask for the $10 million which they suggested we might add to the previous amount. This is where we are now. We expect them to knock at the door very, very soon in order to put a case for an added amount of money.

• (1450)

Mr. Fulton: Madam Speaker, it is an interesting time for the government to start playing hard to get on getting money. Eighteen months ago it offered $100 million to the same consortium, interest free, to build a larger elevator. Here we have a smaller elevator and they are asking the consortium to chop it even smaller. They are getting rid of the surge capacity. They are getting rid of all the footings. The $65 million Falls River hydro project to provide power to Ridley Island has been cancelled. The CN bridgework between Terrace and Prince Rupert has been cancelled or indefinitely delayed.

REQUEST FOR SUPPORT

Mr. Jim Fulton (Skeena): Madam Speaker, will the minister support this project? If necessary, will he take an equity position in the elevator to ensure that it goes ahead? Is it or is it not in the Canadian interest?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am confused—

Mr. Fulton: That is right.

Mr. Pepin: —and I think I have good reason to be.

Some hon. Members: Hear, hear!

Mr. Pepin: The hon. member is mixing his provincial chickens with his federal eggs. He is throwing it all at us now in a hodge-podge manner, not making a distinction between what the federal government and what the provincial governments are doing in this matter. The federal government is doing tremendous things for the port of Prince Rupert. My friend should recognize that, and usually he does, but today he is in a pugnacious mood. We have provided money for the three growing facilities there—one in grain, one in coal, and a coming one in petrochemicals.

The judgment as to whether $37 million is enough or whether it should be $47 million is one which is debatable, but one on which the government has to make a decision in relation to other investments it has made in that port and has to make elsewhere. This is not a question of philosophy; this is a question of quantum.

* * *

[*Translation*]

ENERGY

EXPORT OF POWER BY QUEBEC HYDRO—POSSIBLE DIFFICULTIES

Mr. Pierre Deniger (La Prairie): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources and concerns the statement made yesterday before the Special Committee on Energy by the Chairman of the Board of Directors of Hydro-Québec, Mr. Joseph Bourbeau. Could the minister inform the House and the Canadian people whether he has been advised of Mr. Bourbeau's statement that an amendment to the National Energy Board Act, namely, Bill C-108, might create certain problems for Hydro-Québec, since the proposed legislation would make it possible to modify a power export licence for reasons of public convenience and necessity, and might cost Hydro-Québec $10 billion, and could the minister also inform us whether he has heard that Mr. Bourbeau stated he could not care less about the power corridor between Newfoundland and the United States?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I have, in fact, been advised of Mr. Bourbeau's statement. Some time ago I heard that Hydro-Québec was worried about a specific provision to which the hon. member is referring. I asked my officials to get in touch with Hydro-Québec and obtain further details. Unfortunately, we have been unable to get additional information as yet. We have also been in touch with a number of public utility companies in the United States, and we have received no indication that the proposed provision might create any problems. However, I can assure the hon. member and the House that the government will not allow a provision that would cause such prejudice, if that is is indeed the case, to remain before Parliament. If after consultations, which I hope we shall soon be able to have with the appropriate authorities, it is concluded that prejudice is a possibility, we shall not hesitate to amend the bill to ensure there is no prejudice to the Hydro-Québec contract.

[*English*]

FISHERIES

PLIGHT OF GILLNETTERS ON LOWER FRASER RIVER, B.C.

Hon. John A. Fraser (Vancouver South): Madam Speaker, I have a question for the Minister of Fisheries and Oceans. The minister will remember that in early April, and then again in committee, I asked him what possible means could be taken to assist the gillnetters in the lower Fraser River. Also the minister will remember that there was a proposal put to the department for a net buy-back program and also a sum of money per fisherman to take them out of the industry, given the fact that it is very, very difficult for them to fish at all because of the need to protect chinook stocks. The minister knows that there will be a meeting this Sunday in New Westminster of the gillnetters. I ask him again whether he has had an opportunity to discuss this further with his officials and whether he is prepared to give any kind of an answer to these gillnetters?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, as I indicated to the hon. member in committee, the fuel proposal did not appear to be one which could be administered with efficiency and with realism. The question of nets is still being discussed. I understand that my officials are also trying to find, as they did last year, some additional fishing space in the fishing plan for the coming season, but I have no easy solution to offer the hon. member.

REQUEST THAT DEPARTMENTAL OFFICIALS ATTEND MEETING

Hon. John A. Fraser (Vancouver South): Madam Speaker, the minister knows that at least to some degree, and perhaps to a greater degree in some cases, these gillnetters in the Fraser River need income from fishing. The minister realizes that, in taking them out as a conservation measure, they are put in a very difficult and unequal position. I am not saying unfair; I am saying "unequal". Would the minister undertake at this time to ensure that he has officials of his department at the meeting on Sunday in New Westminster to hear the comments of the gillnetters, to respond to those comments, and perhaps to come up with some solution which is equitable with respect to the livelihood that these particular fishermen are having to give up?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I fully recognize the difficulties which are imposed upon the groups of fishermen who, for conservation reasons, are restricted in their activities. It is difficult for us always to ensure that for each dislocation there will be some form of compensation. We try to average over a number of years and to find a way to keep the incomes of fishermen within reasonable levels. As the hon. member knows, if a group of fishermen has an income loss which is unusual, and if the prices support board concludes that the income has been reduced very substantially, then the board, which is an independent body with fishermen representatives, makes recommendations to the minister.

As to the question of the meeting on Sunday, if it is a meeting to which my officials are invited obviously they will, as usual, be present. However, if it is a meeting to demonstrate, I hope the hon. member will understand that no useful purpose will be served.

* * *

HOUSE OF COMMONS

FILLING OF VACANCIES

Mr. Bill Wright (Calgary North): Madam Speaker, my question is directed to the Prime Minister. He will have a vague recollection that there are three vacancies in the House of Commons. Would he not consider that the residents of these three constituencies should have representatives in the House of Commons and, if not, why not?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Madam Speaker, I do consider that they should, and indeed Parliament made this quite clear in an amendment to the law some years ago when it indicated that the government would have to declare the date for a by-election within six months of the vacancy being recognized.

Mr. Wright: Madam Speaker, the Prime Minister has not given us any good reason why these by-elections should not take place.

POSITION OF PRIME MINISTER

Mr. Bill Wright (Calgary North): Madam Speaker, I ask the Prime Minister again: is he not a political coward for not holding these by-elections?

Right Hon. P. E. Trudeau (Prime Minister): Well, Madam Speaker, if I am a coward, obviously every member of the House is a coward because we agreed in the House to give any government six months to—

Mr. Nielsen: How about Spadina?

Mr. Wright: Call it right now!

Mr. Trudeau: He wants me to "call it right now". I will not do it right now, Madam Speaker.

Some hon. Members: Oh, oh!

* * *

• (1500)

UNEMPLOYMENT INSURANCE

REQUEST THAT BENEFIT PERIOD BE EXTENDED

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, my question is for the Minister of Employment and Immigration. The minister responsible for unemployment insurance is aware that 500,000 unemployed Canadians stand to lose their

unemployment insurance benefits if they cannot find sufficient work over the next six months in order to requalify. Yesterday, the minister stated that he is more interested in finding solutions than in making predictions. Is the minister prepared to take the preventive action now of extending the period during which Canadians can collect unemployment insurance, until unemployment comes down to 4 per cent?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I believe that the circumstance of being unemployed is serious enough without having hon. members of the House, such as the hon. member for Winnipeg-St. James, engaging in false scare tactics to try to inflame and enrage a circumstance which is already quite grave. I do not think he should be following the example which was set in the House yesterday by the hon. member from Joliette. It was really uncalled for.

What we are concerned about is that we are monitoring the situation very carefully. We will continue to provide a number of programs through the Unemployment Insurance Act to help those who are unemployed and we will continue to show the kind of sensitivity required for the plight of the unemployed, rather than engaging in the kind of scare tactics that the hon. member is patenting as his own particular product and contribution to this problem.

QUERY RESPECTING STIMULATION OF ECONOMY

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, a few days ago the President of the Treasury Board described any move toward a fiscal stimulus to create new jobs as dangerously counter-productive. Yet the Minister of Employment and Immigration stated yesterday that he is much more interested in putting people to work. Will the minister tell the House whether he is now prepared to support stimulating the economy to put Canadians back to work, or does he agree with his colleague that stimulating the economy is dangerously counter-productive?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, we have had a number of exchanges on this. However, I would point out to the hon. member that at the present rate of expenditures in my department alone we are providing assistance to over half a million Canadians, to provide them with either direct employment or opportunities to be retrained during this difficult period. That, I believe, shows a very clear and continuing commitment by this government to help those who have needs.

* * *

PRIVILEGE

MR. CROSBIE—ALLEGED MISLEADING STATEMENT BY MR. CHRÉTIEN—RULING BY MADAM SPEAKER

Madam Speaker: I am prepared to rule on the question of privilege which was raised the other day by the hon. member for St. John's West (Mr. Crosbie). I realize that he is not in the House. The hon. Minister of Justice (Mr. Chrétien) is in the House.

I am in the hands of the House. I usually do not rule in the absence of a member who has raised a question of privilege but I do not like to delay my rulings. Perhaps I could ask the hon. member for Yukon (Mr. Nielsen) if he would prefer that I rule today or delay it until the hon. member for St. John's West comes into the House.

Mr. Nielsen: Madam Speaker, under the circumstances, I think perhaps it would be convenient if you rendered your ruling today.

Madam Speaker: On May 20, 1982 the hon. member for St. John's West raised a question of privilege alleging that on May 18, 1982 the Minister of Justice deliberately misled the House in certain answers he made to certain questions.

The procedure on a breach of privilege is well known to this House. A member complaining of a breach of privilege must do it at the earliest possible opportunity during the course of a sitting if a question of privilege arises out of proceedings in the Chamber, or by giving notice to the Speaker at least one hour prior to the opening of the sitting. The member must conclude the statement on a question of privilege with a motion providing the House with an opportunity to take some action which normally is the reference of the matter to the Standing Committee on Privileges and Elections for examination.

The role of the Speaker in these cases is to determine whether the case meets the conditions which would entitle debate on the motion to take precedence over all other business.

I would first of all like to review two important precedents relevant to the case before us and which were referred to in the presentation to the House. The first is the Lawrence-RCMP case of November and December, 1978; the second is the Profumo case at Westminster in 1963. The House will recall that in the latter case Mr. John Profumo had made a personal statement to the House which contained words which he later admitted not to be true. Subsequently, the House resolved that Mr. Profumo was guilty of a grave contempt of the House. This is the episode which gave rise to the citation in May's Nineteenth Edition at page 142 that:

> The House may treat the making of a deliberately misleading statement as a contempt.

The other precedent, one of our own, involved correspondence between the then Solicitor General and the hon. member for Northumberland-Durham, as the constituency was then called. The member had been in correspondence with the minister on a certain matter involving the RCMP and the minister's reply had been drafted by RCMP officials. The former Commissioner of the RCMP later admitted before the McDonald Royal Commission that "the practice was very often minister's letters were not exactly drafted on precise statements of fact". I refer to the House of Commons *Debates* of November 3, 1978, at page 778. In this case, my predecessor, Speaker Jerome, found that, prima facie, a contempt had been committed and said:

—I cannot conceive that there is any one of us who would accept the argument that this House of Commons has no recourse in the face of such an attempt to obstruct by offering admittedly misleading information.

These two precedents are clear and unequivocal. In each case there had been evidence, an admission in fact, that a deliberate attempt had been made to mislead and that this was the condition precedent to the prima facie finding of privilege. In the Profumo case, the member himself admitted that he had attempted to mislead the House; in the RCMP case, the admission was made by the then Commissioner in evidence before a Royal Commission.

Having reviewed precedents relating to the matter, namely the deliberate misleading of the House, let me take a little time to review the precedents relating to the procedure being followed.

In the course of debate on the evening of February 22, 1978, the hon. member for Northumberland-Durham (Mr. Lawrence) stated that the then Minister of Finance (Mr. Chrétien) had "intentionally, deliberately, overtly and openly" misled the House. The next day he gave the Speaker a notice of his intention to raise a question of privilege "respecting the manner in which the Minister of Finance deliberately misled the House ... ". During the discussion of the question of privilege the hon. member for Northumberland-Durham withdrew unequivocally the unparliamentary language he had used the night before.

Later, on February 23, 1978, at page 3295 of *Hansard*, Mr. Speaker, Jerome struck down the notice of privilege given earlier by the hon. member for Northumberland-Durham because it contained the word "deliberately", and he did so without prejudice to the hon. member to raise the matter again in a substantive motion. The congruity of this case with the present one is clear but one ought not to draw the wrong conclusions from either. We are precisely following the procedure which emerged from the precedent my predecessor so clearly established.

The use of unparliamentary language in debate was dealt with in both cases in accordance with the practices of the House. The notice of privilege was drafted in such a way as to avoid the use of unparliamentary language. The House insisted in both cases that unless the discussion is based upon a substantive motion drawn in proper terms, reflections must not be cast in debate upon the conduct of members. These principles are at the very heart of Speaker Jerome's approach to the problem which confronted him in February, 1978. They are the principles by which the Chair was guided last week in the preliminary discussion of the present question of privilege.

Let me deal for a few moments with the issue before the House. Members will appreciate that the Speaker is not called upon to determine the substance of the case. The Speaker, in other words, does not sit in judgment upon hon. members. To do so would be to usurp a power which only the House enjoys. The role of the Chair is to determine the narrow procedural issue of whether or not the complaint meets the conditions which justify its taking precedence over all other business. That is, was it raised at the earliest opportunity and does it, on its face, appear that privilege is involved? I refer to Beauchesne's fifth edition, Citation 84.

Citation 84(2) is clearly drawn from a passage in May's nineteenth edition at page 347, which reads as follows:

• (1510)

It has often been laid down that the Speaker's function in ruling on a claim of breach of privilege is limited to deciding the formal question whether the case conforms with the conditions which alone entitle it to take precedence of the notices of motions and orders of the day standing on the order paper of public business; and does not extend to deciding the question of substance, whether a breach of privilege has in fact been committed—a question which can only be decided by the House itself. The conditions with which a claim of privilege must comply in order to be accorded precedence are those mentioned above, that is, (1) a prima facie case of breach of privilege must be made out and (2) the matter must be raised, of course, at the earliest opportunity.

It should be quite clear that the Speaker does not decide, in substance, whether or not a matter shall be debated in the House. Provided a proposition meets the procedural requirements established by the House, the House disposes of the matter as it sees fit, and on this point may I offer for the consideration of hon. members another passage from May's Nineteenth Edition at page 349.

Many motions, more or less affecting privilege, have been brought on in their turn, with other notices of motions; and on occasions matters to which the Speaker has refused precedence as a matter of privilege, have been raised on a motion moved at a later date.

Therefore, I am satisfied that the Chair ought not to interfere in the substantive issue which has been raised by the hon. member for St. John's West but only in the procedural elements: was it raised at the earliest opportunity, and does it appear, on the face of it, to involve privilege? If the answer to both questions is yes, the motion will be given priority and the House will decide. If the answer to either question is no, the motion can, of course, still be offered to the House at some other time, but it will not enjoy the priority with which a prima facie finding of privilege would endow it.

Setting aside, then, the substance of the issue which does not fall within my purview, I can easily dispose of the first of the procedural elements. The matter was raised at the earliest opportunity.

I have somewhat greater difficulty with the second, for I have before me two contradictory assertions made by hon. members. The hon. member for St. John's West in his motion asserts that the minister misled the House deliberately. The minister says he did not. Hon. members know that the House must accept the word of an hon. member, as stated in Beauchesne's fifth edition, Citation 322, and I quote:

It has been formally ruled by Speakers that a statement by a member respecting himself and particularly within his own knowledge must be accepted, but it is not unparliamentary temperately to criticize statements made by a member as being contrary to the facts; but no imputation of intentional falsehood is permissible. On rare occasions this may result in the House having to accept two contradictory accounts of the same incident.

I cannot attach greater credibility to the word of one hon. member over another. The Speaker cannot interpret statements made by hon. members which must be accepted at face value. The hon. member for St. John's West claims he had been misled. I accept that. He claims he has been deliberately

misled. I accept that too, but as an assertion, not as a fact upon which I could find privilege; because the minister, who has the same right to have his word accepted in this House, says there is no attempt to mislead, deliberately or otherwise, and I accept that, too.

Herein lies the dilemma. The Chair cannot give precedence to a motion offered under the head of privilege unless it can be determined, prima facie, that a contempt has been committed. Such a determination cannot be made in this case without an inquiry. Therefore, it seems to me that it is less than satisfactory to approach this case through the procedures of privilege, that some other route ought to be examined. I refer hon. members to the passage from page 349 of May's Nineteenth Edition cited earlier, and also to those comments of Speaker Jerome when he struck down the notice of privilege of the hon. member for Northumberland-Durham in February, 1978. Again, the parallels between the two cases are clear. I quote from page 3295 of *Hansard* for February 28, 1978—and here I am quoting my predecessor:

> I would think, therefore, that the action would be to strike out the hon. member's notice of privilege because it contained the word "deliberately", on the basis of clear precedents. It is entirely without prejudice to the hon. member to raise the matter again in a substantive motion after he has had the opportunity to consult these precedents. Whether or not that course is open, in the light of the interventions that have already taken place by the Minister of Finance in the proceedings to this date, in which the Minister of Finance indicated that he did not mislead the House on those occasions, would have to depend on other precedents in which, when matters of this sort or similar to this have been raised a minister or a member has risen in his place in the House and said that the House was not misled, or if it was misled, it was certainly not done intentionally. Under the practices of this House his word has always been accepted, and the matter has always been finalized. Since the minister has already said that, whether the matter ought to go further is something only further reflection can determine.

Finally in this connection, let me refer to the Rykert case of March 11, 1890. Four allegations were made against Mr. Rykert, the second being to have made a false statement to the House calculated to mislead. The House dealt with that matter, not as privilege, but under a substantive motion on notice. I refer to *Hansard* for March 11, 1890, as reported at page 1714. The motion was debated and amended, the matter was sent to a committee which reported, and the report was concurred in.

In conclusion, then, let me summarize. The Speaker cannot determine whether a contempt has been committed. That determination is for the House alone. Assertions have been made to that effect, but they remain assertions, and as such do not provide grounds for the Chair to find a prima facie breach of privilege. They can be proved or disproved only after an inquiry which the Chair cannot make. On the other hand, our precedents provide another route to follow if the House wishes to pursue this matter, not through the claim of privilege in which the Chair can do nothing but uphold the well-established rules and precedents, but by way of substantive motion on notice. Since such a motion would by its very nature call into question the conduct of a member of this House, the House itself may choose to give priority of debate which the Chair cannot give under the rules of privilege, since, as I have said, I am not satisfied that a prima facie case has been established.

* * *

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the reports of the Clerk of Petitions stating that he has examined the petitions presented by hon. members on Thursday, May 20, 1982, and finds that the petitions meet the requirements of the Standing Orders as to form.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Pinard: Madam Speaker, I would like to indicate what the order of business will be for the coming days. The representatives of each party have agreed to dispose of the three stages of Bill C-114, relating to unemployment insurance, tomorrow, Friday. If time remains after we have disposed of the three stages of Bill C-114, we will start debate on second reading of Bill C-115, concerning occupational training.

[*Translation*]

As far as the business of the House for next week is concerned, on Monday we shall proceed with second reading of Bill C-109 which provides for assistance in respect of dwellings with urea formaldehyde foam insulation. Tuesday will be an opposition day, and on Wednesday, we shall proceed with consideration of energy Bills C-102 and C-107 which are reported by the Special Committee on Energy, in that order. On Thursday, we shall be considering further energy bills, in the following order: Bill C-103, provided the bill has been reported from committee, and Bill C-104. If Bill C-103 has not been reported from Committee in time for consideration on Thursday, the House will not be considering energy bills on Thursday but Bill C-109 on urea formaldehyde instead, and if there is still time after completion of the debate on the latter, we shall resume debate on Bill C-115 on occupational training.

ROUTINE PROCEEDINGS

[*Translation*]

TRANSPORT

PRESENTATION OF TENTH REPORT OF STANDING COMMITTEE

Mr. Pierre Deniger (La Prairie): Madam Speaker, I have the honour of tabling the Tenth Report of the Standing Committee on Transport.

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

* * *

[*English*]

PETITIONS

MR. OBERLE—UNEMPLOYMENT INSURANCE CLAIMANTS

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, it is my duty to present a petition signed by 1,331 residents of Prince George, British Columbia. The petition advances a protest that, by virtue of the work-sharing program recently implemented by the federal government, unemployment insurance claimants who are unable to participate in this program and who are yet allowed to earn only 25 per cent of their weekly benefits without penalty, are unfairly discriminated against. These workers are not only receiving substantially less income than the program beneficiaries, but are penalized if they secure part-time employment of any substantial nature outside the program.

● (1520)

The petitioners hope that in your examination of the petition, Madam Speaker, you will find it in order and that you will exercise the discretionary powers vested in the office of the Speaker of the House of Commons to allow discussion and referral to the appropriate committee at the earliest possible time, in order that inequities arising from an otherwise constructive use of public funds be redressed.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: 2,834, 3,616, 3,617, 4,153, and 4,240.

[*Text*]

NATIONAL MUSEUMS OF CANADA—EDUCATION LEAVE COSTS

Question No. 2,834—**Mr. Clarke:**

1. With reference to the education leave costs recorded by the Department of the Secretary of State for the National Museums of Canada at page 13.6, volume I of the 1979-80 Public Accounts of Canada, what guidelines were used to determine (a) which employees should obtain educational leave and whether such employees should be granted (i) leave with pay (ii) travel expenses (iii) payment for tuition (b) whether the skills to be acquired were needed on a permanent basis?

2. What percentage of the education leave cost of $64,811 was necessitated by the acquisition of new equipment and by the need to have new skills in order to use the equipment?

3. What percentage of the education leave was necessitated by reason of job redundancy because of the (a) acquisition of equipment (b) change in the role of the employing agency (c) change in the capabilities of employees?

4. What percentage of employees granted such leave in the past three years have subsequently left the public service?

Mr. Jack Masters (Parliamentary Secretary to Minister of Communications): I am informed by the National Museums of Canada as follows:

1. (a) and (b) Please refer to Treasury Board Policy, Personnel Management Manual, chapter 110-5, "Conditions governing education, training and development, including subsidization".

2. While statistical data in National Museums of Canada does not enable us to determine whether education leave costs were necessitated by the acquisition of new equipment requiring new skills from employees, it should be noted in this regard that no high technology equipment requiring special training was acquired by the corporation during the period in question.

3. Nil.

4. Statistical data compiled for the annual training and education review for any given year does not include a review of what educational leave a departing employee may have enjoyed while with the corporation.

CANADA ASSISTANCE PLAN

Question No. 3,616—**Mr. Herbert:**

Under the Canada Assistance Plan, by province, what is the annual per capita government contribution to day care centres?

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): The following schedule represents, on a per capita basis, the federal contribution under the Canada Assistance Plan, towards the cost of provincial and territorial day care services. The federal contribution to provinces and territories does not represent 50 per cent of all costs incurred by the provinces and territories for day care services, as certain day care programs, clientele and costs are ineligible for cost sharing purposes as determined by the Canada Assistance Plan Act, regulations and guidelines.

1981/82 Canada Assistance Plan Contribution
Towards
Day Care Services

	Costs	Total Population*	Per Capita
Newfoundland	$ 300,000	585,000	$ 0.51
Prince Edward Island	200,000	125,000	1.60
Nova Scotia	2,800,000	857,000	3.27
New Brunswick	400,000	710,000	0.56
Quebec	10,500,000	6,340,000	1.66
Ontario	23,700,000	8,625,000	2.75
Manitoba	3,500,000	1,055,000	3.32

	Costs	Total Population*	Per Capita
Saskatchewan	2,400,000	980,000	2.45
Alberta	7,000,000	2,160,000	3.24
British Columbia	10,500,000	2,710,000	3.87
Yukon Territory	100,000	22,000	4.55
Northwest Territories	100,000	43,000	2.33
	$61,500,000	24,212,000	

*Source: June 1, 1981 Inter-census figures, Statistics Canada

DAY CARE CENTRES

Question No. 3,617—**Mr. Herbert:**

What is the estimated number of pre-school children presently in day care centres and, of these, how many are in centres that are cost shared by the government under the Canada Assistance Plan?

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): The National Day Care Study in 1980 indicated that 92,423 pre-school children (12.16 per cent of children under six years whose mothers worked outside the home) were in approved day care spaces*, including family day care spaces. It is not possible to give a precise number of children in centres being cost shared under the Canada Assistance Plan but it is estimated that at least 60 per cent of the above-mentioned number of children (that is, 55,454 children) were in such centres.

*Approved day care spaces refer to spaces in provincially approved or licensed centres as opposed to private or casual day care arrangements.

OIL IMPORT COMPENSATION PAYMENTS

Question No. 4,153—**Mr. Mazankowski:**

For the fiscal years 1980-81 and 1981-82 (a) what amount did the government pay in total to subsidize oil imports and what amount did it pay by company (b) what were the average (i) gross costs (ii) subsidies per bbl for each company?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): The Department of Energy, Mines and Resources reports as follows:

(a) Oil Import Compensation Payments

Company	Payments	
	1980-81	1981-82
	($)	
BP Canada Ltd.	75,144,866	151,744,807
Ultramar Inc.	320,120,774	409,092,460
Gulf Canada Products Company	348,180,832	298,201,811
Imperial Oil Ltd.	731,681,434	716,709,403
Irving Oil Ltd.	800,765,665	693,275,510
Murphy Oil Que. Ltd. (Spur Oil)	10,706,716	4,317,255
Petro-Canada (formerly Petrofina)	80,304,251	165,741,922
Shell Canada Ltd.	297,318,715	361,456,336
Sunoco Inc.	46,144,377	131,526,286
Texaco Canada Inc.	324,129,543	377,937,663
Total (crude oil)	3,034,497,173	3,310,003,453
Compensation payments for petroleum products	127,209,986	128,226,155
Total payments	3,161,707,159	3,438,229,608

(b)(i) and (ii) Pursuant to section 92 of the Petroleum Administration Act, the requested information is privileged and, therefore, cannot be released to the public.

MANAGEMENT INFORMATION SYSTEMS FOR HEALTH INSTITUTIONS

Question No. 4,240—**Mr. Herbert:**

Are eight provincial health ministries participating with the government in the funding of the development of management information systems for health institutions and, if so, which two provinces are not participating and were reasons provided for non-participation?

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): Yes, eight provincial health ministries and two territorial ministries are participating with the government in the funding of the development of management information systems for health institutions. British Columbia and Quebec are not participating. Yes, reasons were provided for non-participation.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 2,666 could be made an order for return, this return would be tabled immediately.

[*Translation*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Is it the pleasure of the House that question No. 2,666 be deemed to have been made an order for return?

Some hon. Members: Agreed.

[*Text*]

DEPARTMENT OF NATIONAL REVENUE

Question No. 2,666—**Mr. Friesen:**

1. What are the job classification titles under which an individual would be employed in the Customs and Excise Branch of the Department of National Revenue?

2. For each classification, in 1979 and 1980, how many individuals were employed in (a) Cascade, Delta, Courtney, Douglas, Vancouver, Victoria and Penticton in British Columbia (b) Calgary, Cardston, Coutts, Edmonton, Lethbridge and Medicine Hat in Alberta (c) Carievale, Estevan, North Battleford, Regina and Saskatoon in Saskatchewan (d) Churchill, Gretna, Lena and Winnipeg in Manitoba (e) Belleville, Cochrane, Cornwall, Kenora, London, Ottawa and Toronto in Ontario (f) Clarenceville, Lachute, Lévis, Montreal, Nicolet and Trois-Rivières in Quebec (g) Bathurst, Edmundston, Campbellton, Fredericton, Moncton and Saint John in New Brunswick (h) Bridgewater, Chester, Halifax, Middleton, Sydney and Truro in Nova Scotia (*i*) Burgeo, Corner Brook, Channel-Port aux Basques, Grand Banks and St. John's in Newfoundland (j) Charlottetown, Montague and Summerside in Prince Edward Island and what was the (i) range of salary (ii) average annual salary?

3. Under each classification in each office in part 2, did any individuals (a) request a transfer to another province and, if so, how many and to which province

(b) resign and, if so, how many and for what stated reason (c) have their employment terminated and, if so, how many and for what reason?

Return tabled.

* * *

[*English*]

STARRED QUESTION

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, would you be so kind as to call starred question No. 4,291?

[*Text*]

*CANADA HOME RENOVATION PLAN (CHRP)

Question No. 4,291—**Mr. McGrath:**

1. Do either the local or national Canada Mortgage and Housing Corporation offices have any information about the application of the program announced by the Minister of Public Works to reimburse repairs on existing homes and, if not, can the Minister say on what date detailed information and application forms will be available, in view of the fact that the building season is now getting under way?

2. Can the Minister indicate in what specific areas of the country the plan will be applicable, so that Canadians who wish to renovate can begin to make plans?

[*Translation*]

Mr. Henri Tousignant (Parliamentary Secretary to Minister of Public Works): Madam Speaker, further to the question put by the hon. member for St. John's East (Mr. McGrath) which was essentially as follows: Do either the local or national Canada Mortgage and Housing Corporation offices have any information about the application of the program announced by the Minister of Public Works to reimburse repairs on existing homes. The reply is as follows:

The National Office of CMHC has complete information about the Canada Home Renovation Plan. Distribution of detailed information and application forms to local offices began on April 21. All offices are now in a position to provide information and application packages.

The Plan is available in all areas of the country, but funds will be targeted to areas experiencing high unemployment. The Atlantic and Quebec Regions will therefore receive a large part of the total allocation.

[*English*]

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

Madam Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

Mr. Beatty: Madam Speaker, on February 19, I placed question No. 4,041 on the Order Paper. In that question I asked:

1. What action (a) was taken (b) is currently planned by the government on each recommendation of the (i) Second Report of the Second Session of the 30th Parliament from the Standing Joint Committee on Regulations and Other Statutory Instruments (ii) Fourth Report of the First Session of the 32nd Parliament from the Standing Joint Committee on Regulations and Other Statutory Instruments (iii) Report of the Task Force on Regulatory Reform (iv) Reports of the Regulation Reference of the Economic Council of Canada?

I am informed that the answer to that question was made available by Treasury Board to the Privy Council office some weeks ago. There seems to be a delay in the Privy Council office in answering that question. Several months have lapsed since February 19. Can the parliamentary secretary tell the House, first, the cause for the delay in the Privy Council office and, second, when the answer to that question will be made available to the House?

Mr. Smith: Madam Speaker, I do not know the answer to that question offhand, but I will be happy to make inquiries and see if I can expedite the tabling of the answer.

GOVERNMENT ORDERS

[*English*]

AN ACT TO AMEND THE STATUTE LAW RELATING TO CERTAIN TAXES

MEASURE TO AMEND

Hon. Yvon Pinard (for the Minister of State for Finance) moved that Bill C-112, to amend the statute law relating to certain taxes, be read the third time and do pass.

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, I am pleased to begin the third reading debate on Bill C-112 on behalf of the official opposition. This bill is part of a large number of energy bills arising from the National Energy Program. They caused some difficulty when they were originally incorporated in a large package. They have now been broken down into bite size so that we can more easily digest, scrutinize and provide constructive criticism.

We are now dealing with Bill C-112, the major taxation device of the National Energy Program. It contains several aspects which are responsible for drawing large amounts of money into the government treasury from consumers all across the country.

An interesting feature of the taxation changes occurring as a result of this bill is that we are faced with this bill and the whole National Energy Program at a time when the rules provided by successive Liberal governments were felt to be inadequate to deal with the situation that developed in energy and also with regard to deficits and the financing of government operations.

These rules, all of the taxation regimes and all of those things which control energy companies in Canada, had originally been provided by Liberal governments. This was for all companies which had their head office in the United States or some other country or those which had a branch corporation in

Canada or an enterprise active in Canada. These rules were put in place because the government obviously felt they would be adequate to deal with the amount of control and taxation that was required for energy.

All of a sudden we have had a major change in the rules as a result of the National Energy Program. What the companies find frustrating is that the rules were changed in the middle of the game. They were changed arbitrarily by government to suit the purposes of government that had been controlling all of their activities up to that time for their own purposes.

Whether you call it unfair or not, it is at least a grand confusion and a grand difficulty. A great deal of insecurity has arisen because the rules were changed in the middle of the game. As a result of Bill C-112, there are some specific changes.

I would like specifically to mention two changes that should be questioned on the grounds of constitutionality. The first is raised by Clause 3(1). Referring to the natural reservoir in Canada, the bill provides:

> "offshore area" means Sable Island or any area of land that belongs to Her Majesty in right of Canada or in respect of which Her Majesty in right of Canada has the right to dispose of or exploit the natural resources and that is situated in the submarine areas adjacent to the coast of Canada and extending throughout the natural prolongation of the land territory of Canada to the outer edge of the continental margin or to a distance of two hundred nautical miles from the baselines from which the breadth of the territorial sea of Canada is measured, whichever is greater;"

This same type of clause is included in other bills, specifically Bills C-106 and C-103. The important point on the question of the appropriateness of that clause is whether or not, at a time when the Supreme Court of Newfoundland has been given this question of control to decide upon on behalf of the province, and also when the federal government has put the same question before the Supreme Court of Canada, we have a right to incorporate a clause like this in this or any of the other energy bills we have before us now. That is a major question. It is certainly a major concern of the government of Newfoundland. I would think it is a major concern of the Government of Canada, which has given the Supreme Court of Canada the job of making a decision on who does control those offshore resources.

• (1530)

Until that decision is made, what we have here now, in this and other bills, is almost a prejudgment on what that decision will be. A bill that is really predicated on the basis that the Government of Canada will control all those resources in their own way cannot but be offensive to the people of Newfoundland. It cannot but be a difficulty if the Supreme Court of Canada looks at it and says, "What are we doing here? We have statutes of the federal government already in place which already assume the decision that we are going to make." I think that is the first question to ask in terms of constitutionality.

The second question is a little more technical. Equally as important probably for the purpose of the bill is Clause 10. Under Clause 10, new Section 47.1(1) says:

> Where any marketable pipeline gas has been exported after September 30, 1981 and before January 1, 1987, from Canada for use outside Canada pursuant to a licence issued under Part VI of the National Energy Board Act or pursuant to any other authority under that Act and the tax imposed by Part IV.1 has been paid in respect of the gas, the Minister may—

And here is the important portion:

> —on application by the exporter in such form and manner as the Minister prescribes, made to the Minister within four years from the time the gas was exported, pay to the exporter an amount equal to that tax.

The important point here is that the money that has been garnered through the tax revenue going through the Department of Energy, Mines and Resources will in fact enter the consolidated revenue fund. By entering that general revenue fund, the minister is then losing control over it. In order for the minister to pay back or return those quantities which are described in this section as amounts of money, he really has to have a royal proclamation in order to give him that authority. That is not included in this bill.

As I understand it, that is a legal requirement before the minister has that right or that authority to do it. That should be questioned on the grounds of constitutionality. That is something that one of the government speakers might answer on behalf of the government when they respond during this debate.

When we come down to the real nuts and bolts of the bill, Mr. Speaker, and what really happens in terms of this taxation device, we have three parts. We have two parts that can be discussed separately, the natural gas and gas liquids tax. For the sake of identifying how important this is or what it really means, I have an estimate of what the revenue from this tax to the Government of Canada will be. This means that by taxation imposed on natural gas and on gas liquids, the Government of Canada—these are estimates, now—stands to gain in 1981-82 slightly over $1 billion; in 1982-83, approximately $1.5 billion; in 1983-84, approximately $2 billion; and then by 1984-85, $2.5 billion in that year. That is the amount of money that will come from this specific tax.

In fact, through specific measures in the bill, the minister is given the discretionary ability to provide the maximum allowable tax of approximately $4 billion permitted to him, which will allow the government to receive a maximum of $8 billion in one year from the revenue from this taxation. That is a massive amount of money. That is an imposition on the pricing machine that may have a lot to do with how competitive we are, how much gas we are able to export, how much of the market we will have or be able to develop for our natural gas.

The provision for the government by order in council to levy this tax—and many speakers have made mention of this—was one of the critical aspects of the opposition's position at the time the government brought in the omnibus bill. The order in council is a unique and unusual way of levying tax. The power that they will have to do this will not give us the opportunity in the future, until we pass this $8 billion per year mark, of scrutinizing or questioning the government on the appropriate level of taxation or indeed on what use the government is making of those tax dollars.

The other thing that happens because of specific clauses and articles in the bill is that there really is no guidance that the governor in council has as to when and under what circumstances he might levy this tax. So the discretionary power again is something of major concern. Parliament really has no control. The tax statute does not provide control as to when those taxes will be levied—not only the amounts, but when and under what circumstances.

There is a final point that can be made under this specific section, and this might worry all Canadians, Mr. Speaker. It is that the maximum amount of tax that can be levied would actually relate to other provisions in other areas, to a price of oil at $100 per barrel. I do not know whether that means that the government is expecting that by 1990, or whenever, we will be facing a $100 a barrel price for oil. It is pretty clear in the last year that we cannot fully anticipate what prices will be charged for oil, what the international circumstances might do, what the cartel might do, which would affect oil prices and subsequently affect the price of natural gas in Canada and, subsequent to that, affect the taxation levels that might be imposed by a government.

The second part of the major taxation section of this bill relates to the PGRT, the petroleum gas revenue tax, and to what is called the IORT, which is the incremental oil revenue tax. For a perspective on these, Mr. Speaker, we can look at the amount of revenue that the government can expect to achieve from these two taxes.

There have been some changes—I think that should be noted—in the oil agreements made between the government of Alberta and the federal government last September. Changes have been made which were not exactly the same as provisions in the National Energy Program. From the changes and from where at best we can estimate these changes will take us, the kind of revenues we are looking at are: for 1981-82, in November 1981, $1,180 million; for 1982-83 in November, $3,760 million; for 1983-84 in November again, approximately $5 billion—and that is in one year, Mr. Speaker, $5 billion to the federal treasury; and for 1984-85, $6,115 million. That is revenue from that single tax on petroleum products.

• (1540)

Whether that is an appropriate level of tax is only one part of the discussion. I think one of the things we should also look at while we are looking at that massive increase in taxation and that massive flow of funds to the federal government—and I think this is important for people to understand—is what is happening, in the same time-frame, to the petroleum industry.

Returns to petroleum companies are called netbacks, and during that same period of time netbacks to petroleum companies in Canada will be a critical factor. Under the regime we have now, the netback in December of 1983 will not change in the same way as the tax. The federal government will receive increased revenues, but producers will receive very minimal increases in their returns. These are the people who actually are responsible for getting the product out. They are responsible for exploring, finding, producing and delivering petroleum products. Under the agreement, by 1983 the old oil field price will have increased by almost 50 per cent as a result of the IORT. The producer netback will increase by only about 10 per cent. The question is whether that is adequate. Events over the past year or two have clearly indicated that the returns are not adequate to achieve the level of exploration and development we need in this country. We have seen that demonstrated in many different ways.

What will be the effects of these taxes? We will see massive increases in taxation on petroleum products. What has happened in the short term? We have heard various things from various people in the industry. The comments of large producers have varied from those of small producers. I would like to quote Mr. Bill Elser, president of the Independent Petroleum Association of Canada, in relation to the way he sees the situation, as follows:

—the industry needs further stimulations, beyond the Alberta action—

That is a reference to concessions which have been made recently by the Alberta government.

—to alleviate unemployment as a result of lagging investment in the oil and gas industry. Obviously this is a responsibility of the other producing provinces, but primarily the Federal Government—

Issues of particular concern to the Independent Petroleum Association of Canada include:

—the early opening up of long term competitively priced natural gas export markets, and,

—an improved financial position for Canadian independents that will encourage investment in this sector of the industry.

I suppose the most vivid and apparent examples of what has happened in the industry relate to large companies. There have been successive events involving large oil companies which have made it obvious to Canadians not only in western Canada but also in Ontario and eastern Canada that it is not possible under the taxation regime of the federal government for megaprojects like Alsands, Cold Lake and the proposed natural gas pipeline to go ahead and become part of our Canadian national energy scene. Those events are probably the most dramatic examples of what has happened because of the National Energy Program, pricing policy, retroactivity and changing the rules midstream. An hon. member shakes his head. Before he shakes his head he should look at the evidence and find out what the bottom line is. Can he tell me that Alsands would not have gone ahead if the Liberal government had not delayed coming to a pricing agreement for nearly two years?

Mr. Fisher: Read yesterday's *Globe and Mail*. It is the government of Alberta.

Mr. Gurbin: The government of Alberta might be taking somewhat of a defensive position because, unfortunately, it is seen by some of its constituents as being in bed with the Liberal government, and it is felt that that has caused a great deal of difficulty across the country. Like the NDP, the government of Alberta knows what a great problem that might create at the political level.

Mr. Waddell: Mr. Speaker, I rise on a point of order. I know the hon. member would not want to mislead the House intentionally, but the fact is that his party has voted with the Liberals twice as many times as the NDP. Every time he makes this statement, we are going to rise on points of order and point that out.

Mr. Siddon: Why are you so sensitive?

Mr. Waddell: Who is in bed with whom? Get the record straight.

Mr. Gurbin: Mr. Speaker, I am not really sure what the hon. member has said.

Mr. Blackburn: Check the voting record.

Mr. Gurbin: Obviously something has happened to upset him. It is not unusual that we cannot understand what members of the New Democratic Party say because they change their minds so often. They have done so in relation to the Constitution and in relation to energy prices. Just the other day I heard the hon. member say he finally understood what was happening in relation to the cash flow problems of small independents. It is about time members of the New Democratic Party understood some of the things happening in the oil industry. It is a little late, however, for the oil rigs which have left the country. It is a little late to make up for lost production. We could have had that production, and that would have helped to make us secure and self-sufficient in energy. Because of the single-mindedness of the NDP and the Liberals, they want centralized control. They want to take away from the industry the cash flows it needs to be competitive and to undertake the development necessary to achieve the production levels we need.

Even if I am not absolutely correct, I must be somewhat correct because I am upsetting members of the New Democratic Party. When they are upset, that usually means we are on the right track.

Mr. Kristiansen: Just go back behind the bushes.

Mr. Siddon: Saskatchewan haunts them a little bit.

Mr. Blackburn: Check the voting record.

Mr. Gurbin: There is obviously a difference of opinion about energy self-sufficiency and how we will achieve the goal which has been stated by all parties. The previous national government made a major effort to bring about energy self-sufficiency. Canada has the ability to produce synthetic petroleum products, and if we did that, we would be self-sufficient. That would take us out of the international scene, where we are vulnerable to developments over which we have no control. We should be developing our own resources and generating the employment, the income and all the industrial activity we need not only in the west but also in Ontario and other parts of the country. Progress toward that goal of energy self-sufficiency has been stopped.

When hon. members opposite talk about the goal of energy self-sufficiency, they point with pride to their conservation efforts. I was struck by one specific point the Minister of Energy, Mines and Resources (Mr. Lalonde) made in committee several weeks ago. He was talking about how well recognized the Canadian conservation program is at the International Energy Agency. Two years ago I was at the International Energy Agency in France, and it was agreed that Canada seemed to be coming along with its conservation program. I was also told that was appropriate because we had previously had the worst conservation record. That was in 1979 and 1980. We had been wasting energy for so long that our record was among the worst of all the nations which are part of the International Energy Agency. Indeed, we need a comprehensive and effective conservation program, and now we are getting some parts of such a program.

On the other side of the coin we have CHIP. CHIP was improved recently, and that was applauded by members of all parties, including members of the NDP, who are often on the wrong track. In this case they might have the right idea. However, I honestly question whether including CHIP is fair. The government brought in the National Energy Program in November, 1980 but surely they cannot expect the official opposition to believe that the CHIP program is the National Energy Program or a major part of it. CHIP has been an important part of conservation in Canada since at least 1975. It is a good program which we have supported and will continue to support, but surely the government would not expect Canadians to believe that the National Energy Program was responsible for CHIP. It was in effect a long time before the National Energy Program.

• (1550)

I have heard the Minister of Energy, Mines and Resources and the Minister of State for Mines (Mrs. Erola) speak with pride in this House about the nuclear program in Canada. The major part of our nuclear program falls to Ontario Hydro and it has been in effect since at least 1965. Even before that, the groundwork was laid for a 250 megawatt plant by John Diefenbaker and John Robarts. In face of the failures of Alsands, of Cold Lake, the Alaska pipeline and now perhaps the pipeline from Quebec to Halifax, would the government have the Canadian people believe that nuclear energy is part of their National Energy Program? That is a contention of dubious honesty, Mr. Speaker.

Self-sufficiency is our common goal, Mr. Speaker. It will not be achieved, however, if oil rigs and investment continue to leave the country. The industry lacks the confidence to do the things that need to be done. It looks as if by 1990 we will be exactly where we are stuck now, having to import between 20 and 30 per cent of our petroleum requirements. It is unfortunate that we will continue to be in that vulnerable position until beyond 1990. Things could change if steps were taken to improve the investment climate in this country instead of the kind of actions that are identified with all the different parts of the National Energy Program.

When I think of the Petroleum Monitoring Agency I think of the Minister of National Health and Welfare (Miss Bégin) telling the House today about the things that she is going to do. She knows that she hold a club over the provinces; she knows that she is going to require more and is going to give less. She is using the club to try to gain a kind of centralized control and influence that would be a detriment to all concerned.

Through its control of energy development and its control of our magnificent resources, the government has got us into the mess we are in today. Responsibility for that cannot be laid on the oil companies or on the United States. The government must take responsibility because it is supposed to have been in charge, but it would have us believe that the fault lies elsewhere.

The Minister of Energy, Mines and Resources has said that the oil companies are not concerned about the monitoring aspects of the National Energy Program. How many companies would invest in research and development in a highly technical area knowing that all their work could be monitored by the minister who has access to all financial and production figures and is also in charge of Petro-Canada number one, number two or number three or, as we learned in committee this morning, possibly Petro-Dome or some other company? It is clear from the energy legislation that the Government of Canada—the minister—acting without a Crown corporation, can buy shares in Canadian or foreign companies. That would increase public ownership in the energy field. It will be interesting to see what happens with Dome and some of the other Canadian energy producing companies.

The minister has discretionary powers and has access to the details of every operation in Canada. This information, which is important for the vitality and development of individual companies, can be passed along. Does the government really expect that capital will continue to come into the country under those conditions, when Petro-Canada will know what other companies are doing? I do not think the industry will have confidence in the country when this kind of influence is present.

A great deal has been said about the effect of taxes and foreign investment in the energy industry and that this accounts for some of the difficulties we are experiencing. When the National Energy Program was introduced there was a massive outflow of capital from the country because investors lost confidence in the government. When investors saw the retroactive, confiscatory and control aspects of the program they took their money out of Canada and indeed, they continue to do so because they have no confidence in the country.

That draw on our capital has been one of the single most important factors in the high interest rate policy that is in effect today. In order to attract foreign capital, a high interest rate is necessary. An hon. member opposite shakes his head in a negative manner. I can only say that if he knew what the answer is, perhaps we would not be in the mess that we are in today. It is pretty clear that his caucus does not have the answer either because the government's policies just are not working. If the hon. member does not know that the business community cannot accept the present interest rates and that the major part of the problem is that there is no confidence in the country and that capital is leaving, then I fear for our future; because the hon. member should have access to some information and should be able to influence policies.

Because of the National Energy Program we have high interest rates, a loss of employment and high inflation. What are we going to do with the $5 billion or $6 billion in taxes that we will receive in one year? What will we do with those tax dollars? That is the question Canadians should ask themselves. They might be paying 60 cents or 70 cents in federal taxes on a gallon of gasoline, or 40 cents on diesel fuel. What is happening to that money now? That is the other side of the coin.

• (1600)

The government is spending $250 million a year on advocacy advertising to sell programs which are unacceptable unless they can be put out in a public relations way to try and make them look good. Canadians know what the problems are, they feel them individually. The government may not, it may be too insulated and unable to understand, which is unfortunate. The government is not going to spend any more money on health care; it has already told us that. The minister has already said there will not be an increase through the established programs funding to the provinces. She wants more control but is certainly not prepared to transfer more money to the provinces. The money is not going there; it is not going into tax credits in order to relieve the burden on low and fixed-income people or to those 1,250,000 people who cannot get a job. The money is not being used to develop our energy resources. So what are they doing with it?

I am sure, Mr. Speaker, that members opposite will point proudly to this 7 per cent reduction in petroleum requirements. I will give the government credit; the oil conversion program is a good one which should be expanded and made to work better.

Mr. Speaker, one out of five is not a very good record but I guess the government has to find some comfort somewhere. The government fought an election on the basis that price should not be used as a technique to conserve energy. The government says the real results have been through the conservation program, CHIP and other programs, which have resulted in the 7 per cent reduction in energy use. I think that should be challenged by any thinking Canadian. It is the economic downturn and the increase in the price of energy which have created this reduced requirement for petroleum. It is good that demand is down because we certainly are not doing very much to achieve self-sufficiency. However, in looking at these various programs I think we owe it to Canadians to look also at the taxation system and what it has done to them in relation to inflation and higher costs. They should ask themselves whether the system is well managed, whether the taxes are achieving the goals we want for Canada, and whether this government is on the right track. I suggest not.

Taxation

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I am pleased to rise and speak for the NDP on third reading of this bill. However, I ask myself, how many times over the past 18 months have we debated energy, indeed this bill, in one way or the other? I debated this bill on May 13 and February 18, 1982, and in a number of speeches before that. That indicates to me that in some way we could reform this institution so we could have shorter speeches and better debates. Look at this place this afternoon. We have a few tourists in the gallery and a few members in the House. If we wanted to debate energy we could concentrate it in a smaller area, with quicker resolution, and generate some interest in it. I bet many people do not understand this bill because it is complicated. However, once you go through it you find it affects every one of us because it places taxes on all of us.

I wonder if anyone listens to these speeches. I am not going to give a long speech today because I do not think many people will listen, certainly not the government. You can talk until you are blue in the face and they change very little of their legislation, although they did change one aspect of this bill which I will come back to. But I wonder if the people listen, Mr. Speaker.

Before you rule me out of order, I might wonder that aloud. I know our speeches go right across the country by cable television, and I suppose out beyond those TV cameras people are watching. So I ask those people out there, if they are watching, to contact me. Send a letter to Ian Waddell, House of Commons, Ottawa. They do not even need a stamp. I would like to get their views on what they think of this particular energy bill and the National Energy Program.

I know this is rather irregular, Mr. Speaker—

Mr. Siddon: It sure is. It is called grandstanding.

Mr. Waddell: —but I would like to see whether we get any particular reaction. Likely not, but we will see.

Let me just go through my speech, and with respect to the hon. member from Newfoundland over there, I will mail him a copy. There are four aspects to this bill. First of all, it changes the price of gas consumed domestically so it affects everyone who uses gas. Secondly, the bill brings in what is called PGRT and IORT, the petroleum and gas revenue tax and the incremental oil royalty tax. That is a mouthful, but they are really taxes on the industry resulting from the deal between Ottawa and the producing provinces. Thirdly, the bill touches on the National Energy Program; I want to discuss that from the point of view of the consumer and producer, and where we are going with the NEP. Finally, I want to talk about some positive options, about where I think we can go.

This country is in a real mess, Mr. Speaker. It is in real trouble. It is up to the parties and members of this House to get down to business and stop some of this nonsense which has been going on in Ottawa in the past couple of months—the what I call almost fascist tactics on the part of the official opposition, the Conservatives, and the incredibly negligent inertia on the part of the government. I want to offer what I think are some positive options and I invite the other parties to offer their suggestions.

Mr. Kelly: How long did you stall C-48?

• (1610)

Mr. Waddell: The hon. member asks how long we stalled Bill C-48. We fought for Bill C-48, which dealt with energy in the Canada lands, in the north and offshore, so that we could obtain job spin-offs for Canadian workers. Goodness knows they need those jobs today. The hon. member will get his chance to discuss the bill with which I want to deal now.

The first item I want to discuss is the change in gas taxes. In fact it means that there is an excise tax on gas consumed inside the country. The government threatened to put a tax on gas going outside the country as well, but it backed off largely as a result of the position of the combined opposition in the House and the position taken by western provinces. It was a wise move to make, but it put a tax on gas consumed internally.

I raised this matter yesterday in the House when we were in Committee of the Whole on this bill. I asked the minister what it would cost individual Canadians and how it would affect those who cannot afford to pay, such as senior citizens, people on fixed incomes and poor people. These taxes are hurting those people. I am receiving letters from my riding and I am meeting with people in the east end of Vancouver. For example, people have come into my office and said that their hydro bills are going up much more than the cost of living or the pension they are receiving from government. They have asked what can be done about it. I put that question to the minister and he said that the government gives senior citizens a cost of living increase on their pensions which makes up for it.

I did some research last night and found that it does not make up for it. In my home province of British Columbia there have been the following increases in the price of natural gas. In November, 1980, the rates went up 13.6 per cent because of the federal excise tax on natural gas which we are debating. In May, 1981, it went up 6.1 per cent due to the Canadian ownership tax. In July, 1981, there was a 5.7 per cent increase due to an increase in the excise tax. In August, 1981 the wholesale price rose 25.5 per cent and operating costs rose 5.1 per cent. In February, 1982, the excise tax increased 6.1 per cent and the wholesale gas price rose 1.8 per cent. In April, 1982 British Coumbia operating costs rose 4.5 per cent and the price increased by 11 per cent. My source is British Columbia Hydro.

It is clear that there has been a substantial increase in the price of natural gas to consumers in British Columbia. Also it is clear that 31.5 per cent of the increases in British Columbia since 1980 is attributable to the tax which we are debating today—25.4 per cent was due to the excise tax and 6.1 per cent was due to the Canadian ownership rate. The minister is wrong when he tells me that the price of natural gas was increasing at the same rate as the cost of living. In fact, energy prices are going up dramatically more than other prices generally. This is hurting people.

Why is it a regressive tax? It is a regressive tax because it applies to everyone. It applies to the older woman in my riding who came to see me two weekends ago. She was receiving a pension of $400 per month, and she had to pay these increases. There is an ongoing bank inquiry in this building because bankers said that they were not making enough money. Senior executives of banks are only earning $200,000 per year! They are faced with the same energy price increases. Whether one earns $200,000 per year or $400 per month, one is faced with the same increases. That is why it is a regressive tax and that is why we in the NDP oppose it.

When the Conservatives were in office they suggested an energy tax credit. We have suggested a cost of living tax credit which is somewhat broader than the energy tax credit. Our suggestion would mean that when we take the money out of the pockets of people by the payment of hydro and gas rates, it would go to the government and then back into their pockets as a credit or a grant. This is what we should have, but we do not have anything like that from the government. That is why we say this tax is regressive. It is costing people more and more to heat their homes, and the government does nothing about it.

I should like to refer to some examples of what it costs to heat homes in Ontario. In the winter of 1980-81, the cost was $727. In the winter of 1981-82, it went up to $848. In Alberta it was $425 in the winter of 1980-81 and then it went up to $544 for the following winter. In British Columbia it was $447 and then it went up to $708. The point is that my constituents are correct when they tell me that their energy prices are rising more than the cost of living. The government is wrong when it disputes that fact. It is really negligent when it does nothing about it. All it does is bring in a tax. It does not recycle any of the money. The point I am making is a simple one, but it is important and it affects consumers all across Canada. They are the ones who are being hosed by the National Energy Program.

The second matter I want to discuss is the PGRT and the IORT. The hon. member who previously spoke, the hon. member for Moose Grey—

Mr. Gurbin: That is the name of a beer!

Mr. Waddell: The hon. member must remember that I am from British Columbia and I sometimes confuse the names of beers; I am sorry. The hon. member for Bruce-Grey (Mr. Gurbin) made the point well that these taxes were hurting the netbacks to small energy companies. He also said that I was rather late in changing my view. Well, I have changed my view on it. I think that it is affecting some of those companies. I do not have any brief for big oil companies in Canada, but I do have some sympathy for small Canadian-owned companies. We must remember that they were the companies that were supposed to be helped by the National Energy Program. The president of Imperial Oil, which is not exactly a small company—in fact, it is the largest oil company in Canada, controlled by Exxon—appeared before the energy committee. He said that he did not like the National Energy Program but that his company was getting by because it made profits in the downstream—refining and marketing. It also makes money in exploration and production, which is the upstream. The PGRT really affects the upstream. Small Canadian companies do not have the downstream, such as the small Canadian-owned gas station on the corner. Such companies have to rely on the upstream, on production. They are hurting because this tax grabs everything at the upstream. The government has created a paperwork nightmare, which I have been told by the companies that have to fill out forms in order to pay this tax, and also it has created a tax which is hurting small Canadian companies.

I am a social democrat, a socialist, and I am proud of it. I reject the notion that a socialist or social democrat should accept unworkable bureaucracy, should be blind or should not consider the fact that perhaps there are some small Canadian private companies which deserve a chance. I am prepared to consider them sympathetically and to give them a chance. In fact, I am going to Calgary tomorrow to consult further with these companies to see whether there are alternatives to the tax.

Now I should like to talk about some alternatives. It seems to me that there are positive options or alternatives for Canada. I have expressed my concern about this before and now I want to suggest a few alternatives. First let me talk about price because this is what consumers are concerned about. We should not slavishly follow the OPEC price which continually goes up and up. If we are to put up prices, then we should redistribute some of the income in the form of cost of living tax credits to people with low incomes and those on fixed incomes.

Before leaving this subject, I want to indicate just how serious it is. The government will give an increase in the pensions to senior citizens to cover the increase in the cost of living. As I pointed out, they need it. Look at the increase in energy prices. My province of British Columbia, which gives them a supplement, then takes the increase away from their supplement. People see the government giving it to them on the one hand and then British Columbia taking it back on the other hand.

• (1620)

We in the House may say that that is the way of the governments in Ottawa and British Columbia, but all the average citizen knows is that he needs the money and it comes from the government. The people find it wrong, as I do, that the government would give on the one hand and then take back on the other hand. This is happening in the tax area, the pension area and the energy area.

After we have redistributed some of the money to the people that need it, the next positive option is that instead of playing around with PIP grants—$6.5 billion to the oil industry to achieve a Canadianization program based on an unworkable bureaucratic scheme—we would make Petro-Canada the leading oil company in Canada. To make it number one we would take over one of the major American multinationals and let the Canadian oil companies do their thing. In the next

couple of years we would have 50 per cent Canadian ownership and some government direction in the economy.

The hon. member who spoke previously talked about control of resources by Ottawa. I am a westerner and I realize that Ottawa and the western provinces have to work together, but due to the importance of the oil and gas sector there must be some direction in that industry.

There must be energy security for Canadians. In order to achieve that security there must be some direction, and it is our policy that this direction should come through Petro-Canada. I believe that Canadians support that policy.

The problem which exists in the House is that we are not radical enough for the people of Canada. We do not see any progressive initiatives taken. We listen to a few dinosaurs from a particular area who represent big oil companies and speak day after day in the House. But very few members stand up to speak on behalf of the Canadian consumer. I suspect that the consumer will opt and already is opting for an expanded Petro-Canada. The increasing sales of Petro-Canada service stations is evidence of that fact. I suggest that we drop some of these other tax programs.

As a westerner I would like to make another suggestion which I believe would be for the benefit of the western provinces. I believe the government is making an error in concentrating the efforts of the National Energy Program on exploration in the Beaufort Sea and the high Arctic. There is oil in Alberta and Saskatchewan that we have not touched. There is oil in the Lloydminster-Wainwright area and that is where we should be looking. Drilling rigs in Alberta could be working. I have a small button which is distributed by the energy services association in Alberta. That association is comprised of small entrepreneurs who help service rigs. Do you think they will get jobs in the Beaufort Sea? It will be the American multinationals that will go up there because they are the only companies that can afford to be involved in those kinds of plays.

We should be producing our oil in Canada. We can produce it cheaply and help the provinces of Alberta and Saskatchewan at the same time. I know that there is a feud, if you like, going on between the federal government and the Alberta government. The federal government is shifting all its explorations to the Canada lands in the north instead of Alberta and Saskatchewan. I believe that that is wrong and I will expand on that point later.

I would like to suggest another positive option, and that is to eliminate the PGRT and the IORT and just have a simple tax on the oil companies so they will not be burdened with filling out many forms for various governments. These companies should pay a royalty to the provinces and the provinces should share that royalty with the federal government. The difficulty which faces this option is that it requires co-operative federalism. That co-operation existed in this country and its principles were eloquently expressed by the Right Hon. Lester Pearson. I quoted him in a previous speech which I made on this bill in the House.

I say to Canadians that they must bring some pressure to bear on politicians in the country, provincially and federally, to act responsibly. What happens is that a provincial government begins to "Ottawa-bash" and it gets re-elected. Therefore, it will keep doing that because it realizes it is a good way to stay in power. Of course, the federal government responds to this "bashing".

The present Prime Minister (Mr. Trudeau) has said that co-operative federalism is dead. I think that is a sad statement. I believe that Canadians do not want to see co-operative federalism die. They want a tough federal government and a good provincial government which will stick up for their rights. Canadians do not want to see an end to co-operation because it is part of the federalism that we have developed in Canada.

As I said earlier, I would ask that the people of Canada give us, as legislators, some responsibility. Although this may not be popular with my hon. friends, I must say that I have had a chance to sit in this chamber and listen to some of the shenanigans that have been happening. I have seen the bell-ringing incident and the recent question of privilege brought by the hon. member for St. John's West (Mr. Crosbie). I feel that the official opposition will bring down the institution of Parliament. These acts have spread to Ontario where the Ontario Liberals have foolishly copied the bell-ringing episode. This is not how a government should operate in Canada. The country is in difficulty, people are unemployed and the oil and manufacturing industries are in trouble. We must see some positive measures introduced.

When I speak in Calgary tomorrow I know that some people will disagree with some of the policies I have enunciated, but at least we have made some suggestions. We are prepared to change some of them if they are not pragmatic enough and are shown not to work. However, the government is inactive and is not prepared to change its policies. Therefore, we end up with the National Energy Program.

One of the factors in our society is that conditions change so quickly. The National Energy Program is falling apart because it is based on the premise that oil prices will keep rising in the world market. However, there is a glut in the world market presently. This makes the agreement struck by Ottawa and Alberta unworkable and it will have to be reconsidered. There is nothing to prevent us from looking at the agreement again and there is nothing to prevent us from reviewing these taxes so that we can help small oil companies. Instead of the government remaining inactive while it is faced with a barrage of questions every day, there is nothing preventing it from saying that it will give the old and poor people a break, recycle some of that money to them and stimulate some areas of the economy. This can be done and people will respond to it. If I am wrong I will know when people write to me after I have made this speech.

Mr. Roger Simmons (Burin-St. George's): Mr. Speaker, I wish I had time to respond to some of the suggestions made by the hon. member for Vancouver-Kingsway (Mr. Waddell), but I wish to talk about the offshore issue today. This subject continues to dominate events in Newfoundland currently. It

continues to be the main item of discussion, or non-discussion if you like, between the provincial and federal governments. This is rightly so because the people of Newfoundland and Labrador recognize the amazing potential for offshore development. It has the potential to improve dramatically our economic fortunes as a province, a potential to alter for the better our role as a fully participating partner in the Canadian confederation and to address the pressing needs for employment opportunities and improved social services as well as an adequate economic infrastructure.

Even more important than all of this is the potential to allow all of us as Newfoundlanders and Canadians to hold our heads high with complete dignity and unquestioned justification.

• (1630)

It is that aspect of the offshore potential which is little understood by those hon. members who do not happen to have the good fortune to be Newfoundlanders. It is the crucially important issue of dignity in this entire debate which goes to the very root of our commitment as Newfoundlanders, our unbridled determination to ensure we extract from that offshore resource every possible ounce of benefit. We will leave no stone unturned, no avenue unexplored and no possibility untapped to achieve that goal. The offshore issue is much bigger than moving oil from source to market and much bigger than moving it from Hibernia to the consumer. The real issue has more to do with hope, with opportunity, with the future and with dignity.

We as Newfoundlanders often talk about getting ready for a rainy day and having a little security down the road. We have seen a lot of rainy days, days when the head of the family had to leave home to work in the Arctic because he or she could not get a job at home; days when a son or daughter had to say goodbye and go off to Alberta where an employment opportunity was waiting, an employment opportunity which was not available back home in Newfoundland; days when the family business went under because the "now it's good, now it's not so good" Newfoundland economy was going through another of its not so good periods. As I have said, we have seen a lot of rainy days in Newfoundland.

Can we be blamed, then, if we are so determined to snatch a bit of sunshine? Can we be faulted if we see, in the offshore potential, an umbrella, a road to better things? That is the context in which we, as Newfoundlanders, talk about, dream about and fight about Hibernia. On that, we are all agreed. On the objective, the end goal, there is no division. That is not what divides us as Newfoundlanders. It is not the objective, not the end, but, rather, the means to that end which divides us. How we get there is the reason for the row, and it is a completely understandable row bearing in mind the stakes at issue.

Mr. Peckford, the Premier of Newfoundland, and I do not see eye to eye on every detail as to how we sort out this particular issue and how we reach our common objective, but it is a common objective. I am confident that our objective, mine and his, is one and the same. The fact that he disagrees on the means does not mean his commitment to the cause is any less than mine, or any more than mine for that matter. Our differences on the method, the way in which we get to that objective, should not suggest that he is any less a Newfoundlander than I, or vice versa for that matter.

All of us are determined to be masters in our own household. I use that parallel, that particular analogy, quite deliberately. We are determined to be masters in our own household. A household is not a hermit's cabin tucked away somewhere up in the wilds, in the woods, with its back turned on the world. I am referring to a household, a vibrant, living, successful unit of itself, thriving not because of its isolation from the real world, but rather because its members are plugged into the real world, benefiting from that contact and contributing to the well-being of the world because of that contact.

It will come as no surprise to Your Honour that the overwhelming majority of Newfoundlanders live in the real world. Most do. Sadly, a few do not. That scattered few includes a couple of people who have the ear of the Premier of Newfoundland. He himself lives in the real world, but a couple of people who have his ear do not live in the real world. That scattered few who do not live in the real world are unfortunately still fighting yesterday's battles. Why does someone not tell them that the decision to join Canada was made by Newfoundlanders more than 30 years ago?

Mr. Siddon: You tell them.

Mr. Simmons: The issue was put to bed at that time. The future of Newfoundland and the future of Canada are tied closely together. Why do the scattered few not recognize that fact of life?

Mr. Siddon: How many voted in the last election?

Mr. Simmons: If only they would recognize the realities of today's world, the Premier, Mr. Peckford, would be getting much better advice than he is presently getting from such people.

I want to deal briefly with some of the misconceptions heard these days, especially in Newfoundland and Labrador, but to a lesser degree also around the country. Some of the misconceptions concern the offshore issue as it relates to Newfoundland, and some particularly relate to the federal government's role in the offshore issue to date. One of the current misconceptions, especially because of the reference by the Government of Canada of the Hibernia area issue, is that it was the federal government which first put the issue before the courts. The question concerning offshore, as it relates to possible court references, goes back a long, long time. But for the sake of brevity this afternoon, let me just deal with the last five years or so.

When the present Premier of Newfoundland was minister of energy in the Newfoundland government, he and the then federal energy minister, Mr. Gillespie, agreed to a joint court reference. That is right, Mr. Speaker; they both agreed that

the most expeditious and sensible way to deal with this particular issue involving the legality of ownership was to put a joint reference, a Canada-Newfoundland reference, before the Supreme Court of Canada.

Unfortunately, subsequent to the date of that agreement in late 1977, Mr. Peckford changed his mind. The Government of Canada, acting on the agreement reached at that particular meeting of the two ministers, forwarded the draft wording of a reference to Mr. Peckford. The government is still waiting for the response, five years later, because there was a change of heart in the interim. There was a change of mind. Well, that is everyone's right.

The next time the issue emerged as the subject for court adjudication was a year or so ago, not at the initiative of the Government of Canada and not at the initiative of the government of Newfoundland, but, rather, at the initiative of a third party, the Seafarers' International Union. The SIU had been in the process of attempting to gain certification to represent some offshore workers in the Newfoundland area. In May of 1980, a couple of years ago, the SIU applied to the Newfoundland Labour Relations Board for certification as bargaining agent for the unlicensed employees of the Crosbie fleet of vessels supplying the oil rigs. Access to the fleet was denied to the SIU by the Newfoundland board; its application was turned down in 1980. So later that year, in September, the union applied to the Canada Labour Relations Board for certification. The board rejected the SIU application on the grounds that it did not have constitutional jurisdiction. The SIU did not accept that particular decision and placed it before the Court of Appeal. That is how the issue concerning the offshore, although it was a fairly limited issue at its outset, was introduced into court. It was at the behest or initiative of the Seafarers' International Union. In April, 1981, that union filed its memorandum of fact and law with the Court of Appeal. In it the union alleged that the Canada board had jurisdiction in these certification proceedings because Canada had exclusive jurisdiction over resource development on the continental shelf.

• (1640)

I am surprised that the union memorandum contained that kind of assertion. My view, and I believe that of most Newfoundlanders and many Canadians, is that no one knows for sure who owns the offshore, whether it is Canada or Newfoundland. I have some very strong views. I believe Newfoundland has a very strong case with regard to ownership. I may have time to get back to that issue later, but I was surprised that anyone would put in writing the kind of thing that showed up in the SIU memorandum of fact and law as far as jurisdiction over resource development is concerned.

I will deal briefly with the conclusion of the SIU case which had the effect of putting offshore jurisdiction before the courts. The SIU case was set on the court calendar for the hearing of argument by the Court of Appeal in February, 1982. Before that could be done, one preliminary but very important issue had to be dealt with by the court. At the opening of the argument on February 8, the Newfoundland government requested that the hearing be adjourned because Canada and Newfoundland were negotiating in an attempt to resolve the natural resource issue. That was a legitimate request by a party in the case, the government of Newfoundland, which had a vested interest in the matter at hand, a very clear vested interest.

It is interesting to note what the other parties to the dispute did at that time. None of the other parties supported the motion of the Newfoundland government that the hearing be adjourned. Crosbie Offshore Services, which had been the ally of the government of Newfoundland throughout the proceedings, remained neutral on the issue. The Attorney General of Canada was instructed neither to oppose nor support Newfoundland's request that the hearing be adjourned. The SIU and the Canadian Merchant Service Guild, the other parties in the case, opposed having the proceedings adjourned. The court ultimately ordered that argument proceed and it did a couple of days later, on February 10.

I have given the sequence because it is important in light of some of the allegations now being made. To review, the SIU put an issue in court on a fairly narrow question, whether labour jurisdiction was federal or provincial. In the process the SIU—not the federal government or the provincial government—introduced the larger issue of jurisdiction over offshore development. The SIU introduced that important wrinkle.

There was a motion by the government of Newfoundland to have the matter adjourned because of ongoing negotiations between the two governments. The Government of Canada neither opposed nor supported the motion. Two other parties opposed the motion. The presiding judge in his wisdom decided to proceed with the argument and to allow the case to follow through to its conclusion.

I believe there was a very happy conclusion for all who have an interest in the offshore issue. I believe, as does the government of Newfoundland and the Government of Canada, that this issue of offshore ownership is not one that you should approach by the back door. The issue of ownership is so crucially important that it should be addressed in its own right and not as an adjunct, subparagraph or tangent to a labour jurisdiction issue or any other issue before the courts.

On March 5 of this year the court decided in favour of federal labour jurisdiction. It said it decided that on the basis of the navigation and shipping power which is versed in the federal government. The court said it could do so without having to decide the much larger offshore resource question.

I said there are a number of misconceptions about the Newfoundland offshore. That is understandable. However, it does not help find a solution when there are so many misconceptions.

One misconception is that it was the federal government which put the offshore issue before the courts. If you accept what I said as far as the SIU case is concerned, you will see that the federal government did not introduce it in the court at that time. That is clear. Not only did it not introduce it, but it made no effort to expand the issue to include offshore after it

had been introduced by a third party, the Seafarers' International Union.

What has happened since then? This case was completed on March 5. Even before it was concluded, the government of Newfoundland, which had said for many months that it wanted a negotiated settlement, put a reference to the Newfoundland Supreme Court on, I believe, February 12 of this year. In that reference it asked the court to adjudicate and give its determination on the question of offshore generally as it relates to the seabed off the shores of Newfoundland and Labrador.

In its wisdom, the Newfoundland government took the initiative and first put the question of offshore ownership before the Supreme Court. It is the right of the government of Newfoundland to take whatever steps it considers necessary to have the issue resolved once and for all.

If you accept that it was the SIU and not the Government of Canada or the government of Newfoundland which first put the issue before the courts, albeit somewhat by the back door, and if you accept the government of Newfoundland next put it before the courts in February of this year, it obviously follows that the federal government was neither first nor second in putting the matter before the courts. It was not until Wednesday of last week, the middle of May, that the Government of Canada took the issue to the Supreme Court of Canada.

We have two parties in a very important dispute, the government of Newfoundland and the Government of Canada. If one of the parties, the government of Newfoundland, takes a reasonable action and puts before a court of the land the question of ownership, is it any less reasonable if four months later the other party to the dispute does the same? Are there two sets of rules? Is not what is sauce for the goose also sauce for the gander? If one party in the dispute does one thing, is it entirely shameful that the other party does the same?

Earlier in my comments I referred to a very few people in Newfoundland, a very few, a scattered few, a minuscule minority, a handful, who do not live in the real world. I submit that it is that scattered few, a couple of whom have the ear of the Premier of Newfoundland, who are introducing confusion into the debate, an important debate that ought to be settled on its logical merits and its emotional merits. It has to be settled on both. It is that scattered few, unfortunately, who have elected to confuse the debate by introducing half-truths, by pointing the finger, by looking for scapegoats, by every means possible, because they have a real fear. They have reason to have fear, because they know the good sense of the overwhelming majority of Newfoundlanders, whatever they think in political or partisan terms about the Government of Canada, about the opposition parties in this House, or about the government of Newfoundland or the opposition party of the Newfoundland house. They happen to know, Mr. Speaker—

• (1650)

The Acting Speaker (Mr. Ethier): Order. The hon. member for Bow River (Mr. Taylor) is rising on a point of order.

Mr. Taylor: I am sorry to interrupt the hon. member, but I would hate to see him get into difficulty. Is this matter not before the courts now and consequently should not be discussed in the House?

The Acting Speaker (Mr. Ethier): The hon. member for Burin-St. George's.

Mr. Simmons: On the point of order raised by my friend from Alberta, it is, of course, in the courts. Everyone knows that and that is clearly acknowledged. But that has not prevented members of his own party from asking questions and expecting responses on the issue, so I take that as adequate proof that his party does not think there is anything wrong with discussing it.

But there is another reason why there is nothing wrong with discussing it while it is before the courts. The hon. member, before putting his question, should make a distinction between an adversary proceeding before the courts, which would be sub judice in this particular House, and a question before the courts which is put there for the purpose of seeking the court's opinion. This is not an adversary proceeding. There are adversary connotations in so far as another court proceeding is concerned; but in so far as it being put before the Supreme Court, it is put as a reference, not as an adversary proceeding where you have a defence and a prosecution. That is not the nature of the proceeding and I do not think the point applies at all to this particular case, Mr. Speaker.

The Acting Speaker (Mr. Ethier): I think the hon. member is quite right. Furthermore, what has been discussed so far is not the subject matter that is before the courts but how it got to the courts; that is what we are listening to now.

Mr. Simmons: Mr. Speaker, I was talking about a number of misconceptions. The one that seems to be paramount in the minds of many people is one that I have dealt with, that it was the federal government who first put this issue before the court. I think I have given to the House sufficient evidence to demonstrate that the federal government did not put it first or second but put it third before the court, and in so doing exercised the self-same right that the other party in the dispute had already exercised four months prior. So I really fail to see any particular need for concern on that particular issue.

I was saying before the point of order was put by my hon. friend for Bow River (Mr. Taylor) that the overwhelming good sense of Newfoundlanders as a whole, regardless of what they think in terms of party partisanship, will have these few people I referred to see that there is nothing wrong, nothing unfair, nothing sneaky, nothing under the table, about asking the highest court in this land to adjudicate upon such an important issue.

On the same general subject, Mr. Speaker, in the last week or so we have heard the Premier of Newfoundland say the action of the Government of Canada in putting this issue before the Supreme Court of Canada will mean—and these are his words last Wednesday—"continued subservience".

Now, Mr. Speaker, I hope he had a weak moment; I hope he really did not mean that. I am on his side on this point. I happen to believe that he has a very strong case. Is he already conceding it, Mr. Speaker? By saying that this action of putting this issue before the Supreme Court of Canada means continued subservience, is he saying that he has lost the case already? Has he thrown in the towel already? How can that be conceived to mean "continued subservience" when almost in the same mouthful he tells us, as he has over the years, and rightly so, that Newfoundland has a strong case? I hope he will retract those words and, in so doing, say that they were made in a moment of weakness, that he did not mean that. I hope he did not mean it.

Another misconception is that by the act of going directly to the Supreme Court of Canada, the Government of Canada has thereby done something which is without precedent. Again for those unlearned in the law, and I happen to be one of them, for the large body of lay people out there who do not follow all the cases, who do not necessarily get their jollies out of considering how many cases go before the federal government, when and for what purpose, I can understand that argument, that misconception, would be swallowed by a lot of people. They would say: "The Supreme Court has gone off and done this without precedent; it is going to clobber a province into the ground; it is going to sidestep them; the federal government is going to the Supreme Court of Canada while an issue is still being heard in the Supreme Court of a particular province." And in this case, they mean Newfoundland.

There are two points, Mr. Speaker. Point number one, Mr. Speaker, is that, as members of this House will know, if a province wants to make a reference to the court, it has to make a reference to the court in its own province. Newfoundland cannot make a reference to the court of British Columbia or to the court of Canada as a whole. Equally, if the federal government wants to make a reference, it cannot make it in any of the provinces, it has to make it directly to the Supreme Court of Canada. So I submit to you, first of all, Mr. Speaker, that in going to the Supreme Court the Government of Canada is going to the only court it can go to; and the government of Newfoundland in going to the court in Newfoundland is going to the only court to which it can go.

Secondly, is this a new departure? Has the federal government now gone and done something that has never been done before? Not quite, Mr. Speaker. If those who argue the other side want examples, I can give them a few. Many, many times in the past the Government of Canada has gone to the Supreme Court of Canada with a reference at the same time as there was a reference on the same subject before the court of the province concerned. I can give you, had I the time, Mr. Speaker, at least ten examples going from 1976, 1970, 1955, 1948, right back through to 1928. I shall deal with only one, and that very briefly, Mr. Speaker.

This is a case which was before the Court of Appeal in Quebec on the subject of who had radio jurisdiction. What happened in that particular case? What happened, of course, was that while the case was still before the Court of Appeal in Quebec, the Prime Minister of the day put it in the Supreme Court of Canada and it was dealt with in that particular fashion.

Since we spend so much of our time, Mr. Speaker, talking about Liberals and Tories and other types in this particular dispute, it is interesting to note that the Prime Minister who put that reference to the Supreme Court of Canada while it was still before the Court of Appeal in Quebec back in 1930 was none other than a great Tory Prime Minister of Canada, Prime Minister Bennett, the Prime Minister of the day.

I could give more recent examples, Mr. Speaker, right up to 1976. There is the example of the anti-inflation board in the appeal court of Ontario. I could give you an example involving the breathalizer in 1975, involving another court in this land and a reference directly to the Supreme Court of Canada. There are many examples that put to rest the lie that somehow the Government of Canada is doing something that is without any particular precedent.

I realize it is five o'clock, Mr. Speaker, so I will conclude at this particular point.

The Acting Speaker (Mr. Ethier): It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely, private bills, notices of motions.

There being no items on the Order Paper under the heading of private bills, the House will proceed to notices of motions.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

All items preceding No. 87 allowed to stand by unanimous consent.

• (1700)

CARGILL GRAIN LIMITED—APPLICATION FOR DREE GRANT

Mr. S. J. Korchinski (Mackenzie) moved:

That an order of the House do issue for copies of all correspondence and communications, including telephone submissions, regarding the application by Cargill Grain Limited for a grant from DREE towards construction of an oil seed crushing plant at Melfort, Saskatchewan.

He said: Mr. Speaker, I find myself in the difficult position of having to introduce this motion today because of events which have transpired in the last year. Cargill Grain made an application to DREE for a $2 million grant for the construction of an oil seed crushing plant at Melfort. Cargill was quite prepared to put approximately $25 million toward that project. I am told that if that project were to proceed, it would create permanent employment for some 60 employees at the plant. Naturally, there would be other spin-offs in the city of Melfort and in the surrounding areas. Not only would there be spin-offs in the city of Melfort, but the farmers in that particular

area would also benefit because they would have another crushing plant to which they could deliver not only canola but flax seed as well.

On numerous occasions I called the office of the former minister responsible for DREE in an effort to get some information from his executive assistant. However, that is all in the past. The minister is gone, so there is no use pointing those facts out. The minister refused to return my telephone calls. Is that co-operation from a government department? What we really need is freedom of information in legislative form so that we can have information made available to us upon request. With that information we could make progress. We do not serve ourselves; we serve our constituents and, in this case, the constituents of other areas because they naturally would have been delivering to this plant if it were built.

The present situation is quite unacceptable. There is a CSP plant at Nipawin. It serves that area, but despite the fact that plant is there, many farmers have to deliver as far as Saskatoon or Lloydminster, the town on the border between Saskatchewan and Alberta. That is 300 miles away. I suggest there is a better way out.

Cargill Grain made this application realizing that DREE had made a similar grant to CSP at Harrowby, Manitoba. In that case total federal-provincial grants amounted to something in the order of $5.8 million. A grant to CSP and not to Cargill naturally creates unfair competition.

There are those who believe that the pool is the only way to go. That is fine. I am not arguing about where the producer should take his grain; if the pool serves him, that is fine. If Cargill does not serve him properly, he can certainly stay away from Cargill and Cargill will go out of business. However, Cargill is prepared at this time to put in $25 million, and I would like to see that plant go ahead.

In an exchange I had with the Minister of Agriculture (Mr. Whelan), he said that Cargill Grain had made an application. I could not understand why the application was not accepted. He said that, being a multinational, Cargill Grain has all kinds of resources, and then he proceeded to tell me that he officiated at the opening of a storage plant in Quebec City for which a grant was given to Cargill Grain.

Mr. Benjamin: That was wrong too.

Mr. Korchinski: There is something illogical there. Cargill Grain is a multinational and I am sure it can compete if the competition is fair, but the competition is not fair. It is seen to be fair to provide a grant in Quebec. I do not argue against that; there probably was a need. However, there is also an equal need for an oil seed crushing plant at Melfort, Saskatchewan.

There must obviously have been input from some sources to the minister's office at that time. I know the mayor of Melfort supports this application. The Chamber of Commerce supports it. The rural municipalities, Star City, Porcupine Plains and, I presume, several other areas support it. I know the municipality of Nipawin passed a resolution supporting it. The members of that council represent farmers in that area. CSP is right at Nipawin. CSP does not mind. Farmers want a choice. I have received telephone calls from the Nipawin area, and I have been told that Cargill Grain is offering $14 a tonne more. I will not argue the merits of Cargill or CSP, but I say that the producers should have a choice as to whether to deliver.

On another occasion I approached the new minister responsible for DREE, who is responsible for applications like this, and the minister told me that after he had taken over he had been approached by Cargill Grain and that he was reviewing certain facts. He told me in the committee on March 23 that several weeks prior to that date he had been approached by Cargill Grain. We are well into May; several months have gone by. He must surely have had time to reflect upon the problem and make a determination. Just a few minutes ago I put in a call to the minister's office and I was told there has not been a reversal of the decision. I am not sure what that means. The department has not made a decision one way or the other, but there has not been a reversal! That means that the department is either dragging its feet or for some reason it is just coasting along.

The minister might have many reasons which he has not made known to me, but it seems to me what is necessary now is that the basis upon which the former minister made his decision be determined. I have indicated that support has come from several areas. I would like to know who opposed that application. Was it the CSP? Was it the pools, which are competitors? Was it the farm unions? Was it the individual farmers who did not want anything to do with Cargill Grain? Was it the rural municipalities? Was it the former NDP government in Saskatchewan?

In the Standing Committee on Agriculture the Minister of Agriculture said to me:

> —Cargill . . . has not received the approval of the Saskatchewan government, and that was one of the main reasons why I never approved it . . . they have been very wishy-washy on it in Saskatchewan—the Saskatchewan government.

That was the former Saskatchewan government.

Mr. Anguish: The present one too.

Mr. Korchinski: He went on:

> They have made quiet objections to it, and then we have asked them to put it in writing. So we have exchanged one or two letters back and forth on it. I do not know what the position of the Saskatchewan government on it is at the present time, but they certainly did not endorse it at one stage of the game.

I would like to know from where that opposition came. I know there was opposition; that is quite evident. I see articles in the newspaper by leading New Democrats who oppose this. I have copies of those articles. Is the department handing out grants to co-operatives and socialist ventures and to no one else? Is that the approach the department is taking? We got rid of one socialist government in Saskatchewan, but we still have a socialist government here in Ottawa. It is bordering on communism because it has already gone beyond the socialist stage. It is past its infancy. It has grown up, and it is taking over industry after industry instead of encouraging them.

Obviously I must try to get to the bottom of this matter. I put a call through to Cargill Grain and asked whether it would be proceeding. I was told, "No way, it is unfair competition". Therefore, Cargill will not proceed with the plan. New Democrats who tell me it is a good thing for farmers to deliver 300 miles have something wrong with them. When they say they are going to have farmers deliver for 300 miles, is that supposed to keep costs down?

• (1710)

I have enumerated some of the reasons, Mr. Speaker, and I do not want to dwell on them. The facts speak for themselves. I have indicated that some negative responses have been received. I should like to know who the government listens to. I am satisfied that the minister has not completely closed the door but he certainly has not taken action.

This motion was put on the Order Paper some time ago. I would have been quite prepared to accept some sort of explanation but none was forthcoming. Chambers of commerce and farmers have tried to piece together the mystery of how this government operates, but the question will not be solved until we find out who the government listens to.

I am satisfied that submissions did not come from individuals farmers, but chambers of commerce have supported the application. If the information were available it would clear the air and resolve the problem, and it would be beneficial to the NDP to say they endorsed it if a letter was sent. What harm can there be in producing evidence at this time? Surely all hon. members would like to be as informed as possible, but without the information I am seeking no member can decide whether the application was dealt with properly or not.

[*Translation*]

Mr. André Maltais (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, although I understand the hon. member's desire to clarify a situation he feels is ambiguous, I still think that raising one's voice is not particularly conducive to obtaining further information for hon. members, and what is important at this stage is to find out exactly why the department decided to set aside, for the time being, the application made by Cargill Grain Limited for a grant to set up a plant in Melfort, Saskatchewan.

First of all, just to get the facts straight, I think the hon. member is aware that, at a meeting of the Standing Committee on Regional Development on March 23 of this year, he had plenty of time to put questions to the minister and to senior officials of the Department of Industry, Trade and Commerce and Regional Economic Expansion, in order to get an accurate picture of the situation. However, the hon. member has so far gone well beyond what the motion as such requests. The motion is quite clear, and requests only, and I quote:

> That an Order of the House do issue for copies of all correspondence and communications, including telephone submissions, regarding the application by Cargill Grain Limited for a grant from DREE towards construction of an Oil Seed Crushing Plant at Melfort, Saskatchewan.

What the hon. member is asking in his motion is only that documents be made public. Now, he should know that in a case like this, the ethics of international and national trade, in terms of the free market principle, forbids the production of documents when the public funds requested have not yet been granted to a company. If the hon. member desires specific information on Cargill Grain's projects in that particular area, including projected investments and requests to the department and answers given by the department to the company in question, the hon. member knows perfectly well that his question should be put directly to the company because, at the present time, the Canadian government has not given any public funds to the company.

In fact, the case is being discussed with the management of Cargill Grain Limited and departmental officials, but the department has made it quite clear that if Cargill Grain Limited wanted a review of its application, it would have to provide some new information to support this. Now, in this case, the then Minister of DREE, the hon. member for Matane (Mr. De Bané), wrote to the hon. member, giving him a very specific answer concerning the refusal of the Department of Industry, Trade and Commerce and Regional Economic Expansion, formerly DREE, and this letter which was dated November 2, 1981, is quite clear. It says very explicitly, and I quote:

[*English*]

> After an exhaustive review of the case, I feel confident that Cargill can, and will, proceed with the project without assistance from DREE. The company is financially strong and the project appears to be a wise one from the company's point of view.

[*Translation*]

So that was the letter, and it goes on to say that since Cargill Grain Limited has the financial resources to carry out its project without government funding, it would perhaps be inappropriate on the part of the government to provide funds to a company which already has the means to carry out its project independently. Furthermore, Mr. Speaker, Cargill Grain Limited applied pursuant to the provisions of the Regional Development Incentives Act. The legislation is quite clear. It authorizes the department to grant funds to a company, provided it can demonstrate a real need. Until now—and here opinions may differ—according to the experts in this field, the conclusion is that Cargill Grain Limited is capable of building its plant without outside help. Now, when an application is sent to the department, the people who are there to find out whether there is a real need, take the time to make a thorough analysis of the case. In this case, the hon. member knows perfectly well that the department has several meetings with representatives of Cargill Grain Limited to find out what could be done under the provisions of the Regional Development Incentives Act. The hon. member is also aware that the minister must abide by the law like any other member of this House and like any other Canadian citizen, and that even if the minister wanted to grant the funds requested by Cargill,

according to an analysis of the company's financial statements which was very positive and considering the fact that funds are available to Cargill for short-term use, the minister, on the basis of the evidence submitted to date is not authorized to grant funds to Cargill. If he did, he would be breaking the law.

The documents and the reply given to the hon. member are very clear in the letter he was provided with, and I therefore, feel his motion is more dilatory than straightforward. Perhaps the hon. member should rephrase it or take a different course of action, such as asking Cargill directly for the documents he is requesting from the department, since the latter is not allowed to make public statements on private financial interests. And I believe that any member of this House would acknowledge the principle is sound. Cargill has never authorized the government to publicly divulge its financial statements or the nature of the application and financial requirements involved here. Cargill never asked the government to do so, and if the hon. member desires further information, I think his best bet would be to go to Cargill and ask for the company's complete financial statements.

• (1720)

When the hon. member met with departmental officials, that is, the minister responsible and all senior officials, on March 23 of this year, the hon. member drew comparisons with the Province of Quebec, where Cargill had been able to obtain funds for the construction of a warehouse in Quebec City. At the time, the minister explained that the situation in Quebec City was entirely different from the Cargill project in Melfort, Saskatchewan. At the meeting, the hon. member had plenty of time to speak with departmental officials. I feel the minister was very clear in his explanations, in terms of the Regional Development Incentives Act. In fact, the hon. member should realize that it is not a matter of the minister refusing to authorize a grant because for some personal reason he does not happen to like it, but that he cannot do so because the company's application does not meet the criteria set forth in the Act. This is a basic factor in the department's decision and its application of the Act. We would be the first to be blamed if the department were to start handing out money to companies who did not really need it. It would be a waste of public funds to distribute government grants more or less indiscriminately to companies with very positive financial statements and which are capable of carrying out such projects independently.

However, I may point out that the department is very conscious of the fact that a $25 million investment in an area such as Melfort, Saskatchewan, would considerably boost the economy in that area. In this connection, should Cargill be able to submit new facts or elements of information to the department, the latter is willing to review a new application by Cargill at any time, provided new information is submitted for consideration. This aspect is extremely important. Just because a negative decision is made on an initial application does not mean that the decision stands forever. Cargill may submit a new application at any time, and if new facts are presented, the case can be reconsidered and we can then see whether there are grounds to review the decision and see whether a positive decision can be made, but at this stage, I want to make it quite clear to the hon. member that no one is objecting on the basis of competition or personalities to giving a grant to Cargill under the Regional Development Incentives Act.

The department's present refusal to proceed with the grant under the present Regional Development Incentives Act is simply based on the fact that the company's financial statements give reason to conclude that the company is capable of going ahead with the project itself, a project which we on this side of the House support equally as much as the members opposite. Mr. Speaker, I shall, if I may, add one more fact, namely, that the Regional Development Incentives Act is used on a wide scale to encourage investment outside the large urban centres in order to strengthen the country's economy. Cargill has previously taken advantage of such provisions and has been successful in other areas, obviously depending on where the company wished to expand and on the nature of its application. In this particular case, we are not concerned with analyzing applications to see what the government can do to help some company. However, the Regional Development Incentives Act has helped many areas in Canada to develop, and we, as a government, would be very happy to be able to contribute to further projects and even to a project like the one proposed by Cargill, provided we are not asked to do more than the law authorizes us to do.

That legislation was approved by Parliament and it is unthinkable that any minister or departmental official would disregard the provisions set out by the legislators to meet the basic purpose of the law, which is simply to provide federal financial support to various projects. After having reviewed myself the figures I was given, I readily realized that, in the case of Cargill, it would be neither fair nor equitable in the present circumstances to provide public funds to a company like Cargill. Once again, this company transacts business throughout Canada and is a highly responsible corporate citizen which has done a tremendous job in my own constituency in Baie Comeau, where it is located. I can sympathize with the request of the hon. member, but once again, we have to consider the facts and not simply intentions or projections. We must look fully into the facts submitted to the department before making a decision. I can assure the hon. member that if we had been able to find an appropriate formula to grant the subsidy, we would have been most happy to do so. However, we cannot take it upon ourselves, because of our natural generosity, to give a positive answer to this request at the moment. On the other hand, I remind the hon. member that if Cargill wants to rephrase its application and submit new data, the department will always be willing to take all aspects of the matter into consideration.

To come back to the motion in which the hon. member asks for the tabling of certain documents, as I said at the very beginning, it would not be proper to agree to this, and I do not believe that confidential documents have ever been divulged in Parliament until the file has been processed or a positive decision has been made. I think that the hon. member understands quite well that the government cannot divulge parts of a private file which are of a confidential nature until the examination has been completed. I would not want the hon. member to think that the department is not acting in good faith in this case. On the contrary, it is trying to act as responsibly as possible, and, for instance, if tomorrow morning a competitor of Cargill applied for a grant, I am convinced that Cargill would ask to examine the financial statements of this competitor, and once again, our attitude would be the same, that is we would have to protect the confidentiality of the files. In such a case, these files are treated in the same way as data concerning personal income under the provisions of the Income Tax Act. The confidentiality of the files is at the very basis of the security which the examination of information entails, and most important, of the trust shown by companies, businesses or individuals when they ask the government to deal with their affairs or provide expertise for their business.

I believe that it would create an unacceptable precedent for a government to divulge the contents of the documents requested by the hon. member in his motion. I remember quite well having replied myself publicly in this House not so long ago to the motion of the hon. member, and the reply was quite clear. It said that the documents requested were confidential for commercial reasons and that the government believed that publication of these documents might prejudice the competitive position of the company. We therefore urged the hon. member to withdraw his motion. This was not because the subject is not important or considered a priority. On the contrary, it is simply that at this stage, it would be improper to divulge documents which are of a private nature and be of no use whatsoever to the business the hon. member wants to help. The hon. member will recognize that at this point it would not be beneficial to the company.

• (1730)

[*English*]

Mr. Korchinski: Mr. Speaker, would the hon. member mind indicating whether the government would be prepared to reveal the communication which either supported or opposed it? I am not interested in any financial documents or any matter which may reveal the financial position of the company. I am not interested in the financial aspects. I am only interested in who supported it and who opposed it.

[*Translation*]

Mr. Maltais: Mr. Speaker, with respect to that very specific application, I do not have before me the names of the parties for or against that grant application by the Cargill company. Decisions are not taken on the basis of objections or recommendations, but simply on that of the provisions of the Regional Development Incentives Act. This is very important. Indeed, the letter from the previous minister, the hon. member for Matane (Mr. DeBané), is quite clear. That letter, dated November 2, 1981, made it quite clear that on the basis of a financial assessment of the Cargill situation, there was no authority under the Regional Development Incentives Act to subsidize a corporation that, according to the figures submitted at that time, was in a position to complete the project by itself. There was no question of heeding the representations on behalf of or against the project. It was solely on the basis of an analysis of financial records that the negative conclusion was reached. This I would like to assure the hon. member. It was not a matter of anybody being for or against. The decision was simply based on a financial analysis.

Certainly we have the minister's word, and better still the written confirmation of the then minister. If the hon. member has claims to the contrary, I would ask him to rise and submit them. But if he recalls the letter of November 2, 1981, it is written black on white that the minister concluded that the corporation, the Cargill company, had the financial capability to carry out the project without a federal grant. So this is exactly the basis for the department's decision, and I see no reason why the department should start considering representations on behalf of or against a project. The only reason why the department turned down the application is, fortunately, the sound financial position of the Cargill company, which is entirely to its advantage.

It is my view, Mr. Speaker, that were the government to start subsidizing companies whether they had a very sound financial structure or not, we would be irresponsible in granting subsidies. I appreciate that the hon. member wants to know all the facts but, with all due respect, I can only assure him that we have absolutely nothing to hide in the matter. The department is quite clear. If you have claims to the contrary, it might be interesting to make them in writing so that I could look at them at this stage.

The Acting Speaker (Mr. Ethier): I am sorry to interrupt the hon. member, but his time is up.

[*English*]

Mr. Korchinski: Mr. Speaker, would the hon. member explain how it is that Cargill Grain obtained a grant in Quebec based upon the same financial position?

The Acting Speaker (Mr. Ethier): The time allotted to the hon. parliamentary secretary has expired. He may entertain a question only with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

[*Translation*]

Mr. Maltais: Mr. Speaker, I can reply to the hon. member's question quite easily. Moreover, the hon. member put that

question to the minister at a meeting of the Standing Committee on Regional Development on March 23. The application made for the construction of a warehouse in Quebec City was quite different from that made for the construction of a plant in Melfort, Saskatchewan. The financial assistance requested was not the same and the financial statements submitted for the Quebec project were quite different from those submitted for the Melfort project. If ever the hon. member wants more information, I would be quite pleased to get his questions in writing, and we could answer him in writing pointing out the significant differences between both projects.

[*English*]

Mr. Les Benjamin (Regina West): Mr. Speaker, at the outset I want to say that we support the motion of the hon. member for Mackenzie (Mr. Korchinski). We would like to see this correspondence produced, but likely for entirely different reasons than those of the hon. member. We support the idea of a rapeseed crushing plant located in Melfort or somewhere in that area. There is no argument about that, but we part company with the hon. member and with the government when we say that not one nickel should go to an outfit like Cargill Grain. The government, in providing funds to Cargill in Quebec or anywhere else, is totally wrong. The government and FIRA, the toothless tiger for Canadian economic independence and sovereignty, should never have allowed Cargill Grain into the country in the first place when National Grain was bought out.

I do not know whether the hon. member for Mackenzie realizes that representatives of the outfit which he supports have been in court, fined and even jailed repeatedly in the United States. This is an outfit which was party to short-weighing American grain aid to starving people in Bangladesh and India by eight million bushels; this is the kind of outfit he is supporting.

I made careful note of the hon. member's remarks when he said that a grant to CSP, the co-operative movement in Saskatchewan, instead of to Cargill would be unfair competition. I will make sure that all co-operative and pool members in the hon. member's riding hear about that. I hope he is extra careful when he checks *Hansard* later this day. Is it unfair competition if a grant is paid to a company which is owned, controlled, developed, and paid for by grain producers themselves rather than to a multinational corporation in the United States? In fact, Cargill is the largest in the world. It has hundreds of millions of dollars to play with on any given day of the month. Are the people of Canada supposed to give a grant to Cargill, when its first objective is to make all the bucks it can off grain producers, particularly rapeseed producers in Canada? Its next objective is to destroy orderly marketing, the co-operative movement and the Canadian Wheat Board. It wants a free and open market; that is its next objective. Cargill is the outfit which indicated that one of the reasons it would not go ahead with the rapeseed crushing plant in Melfort was the Crow rate.

I presume the hon. member, by pleading on behalf of Cargill, fully supports the fact that rapeseed producers in his riding will be receiving $20 less per tonne by 1986-87. Also I presume his pleading on behalf of Cargill means that he agrees rapeseed producers should receive $20 per tonne less. I hope he tells that to rapeseed producers of his constituency and to those in the entire area of Saskatchewan which produces rapeseed.

We do not necessarily need another rapeseed crushing mill at the moment. In its report of January 1982, the rapeseed industry projected that by 1985 the domestic and export demands for rapeseed oil would increase by something in the order of 150,000 tonnes, that the demand for meal would increase in the order of about 200,000 tonnes, and that we would need one or more additional rapeseed crushing plants. Surely to goodness Canadian taxpayers, rapeseed producers and flaxseed producers of Saskatchewan should not be called upon to put up money for a multinational grain corporation. Another of Cargill's objectives is to ensure that United States grain producers get priority over the grain producers in Canada with which Cargill might deal or in any other country of the world.

The hon. member also talked about 300-mile hauls for rapeseed. Where was he when his party was in power for nine months, when the hon. member for Moose Jaw (Mr. Neil) was in charge of a committee on branch line abandonment and the line from Gronlid to Melfort was abandoned? Where was he? Did he appear before the CTC with a brief?

• (1740)

Mr. Korchinski: I made a submission.

Mr. Benjamin: Did he persuade the hon. member for Moose Jaw to keep that line? The grain producers in Gronlid now have to haul their grain another 20 miles.

Mr. Korchinski: I made a submission.

Mr. Benjamin: Who did you make it to and what luck did you have with your own government?

I am surprised that the hon. member would go to bat for an outfit like Cargill when we need additional rapeseed crushing capacity in western Canada. It is our preference that it be in the hands and ownership of grain producers themselves, whether it is rapeseed, flaxseed or any other grain.

Second, I had hoped that the hon. member for Mackenzie would be in support of the recommendations of the Hall Commission. The courts ruled a long time ago that rapeseed was a grain, thereby making it eligible for the statutory grain rate, the Crow rate. Meal was subsequently considered a product because the statutory rates apply to grain and grain products. Since rapeseed is grain, rapeseed meal is a grain product and the Crow rate applies to rapeseed meal. Mysteriously, the statutory rate does not apply to rapeseed oil which is a severe handicap to the crushers in western Canada. In fact, it is no wonder that the Japanese want to buy only rapeseed, because they get the benefit of the Crow rate and then process

the rapeseed to make oil in Japan, when it should be done here. That is what Mr. Justice Emmett Hall, who could hardly be called a raving socialist—he was appointed to the bench by Mr. Diefenbaker and headed three royal commissions and has the respect of the entire population of Canada—pointed out that his recommendations need to be implemented. I think that the hon. member should go back and do his homework. He should be telling his rapeseed producers, flaxseed producers, his own party and the government that the rapeseed crushing capability, like our grain handling capacity, must be in the hands and ownership and control of the grain producers themselves. He should say that Mr. Justice Hall's recommendation should be implemented in order to really help the rapeseed crushing industry.

Finally, he should quit weeping tears for the poor Cargill Grain Company. If we are to have competition in grain handling in Canada we do not need it from a multinational corporation which operates in 80 or 100 countries in the world. We do not need it from a corporation which has been guilty over and over again under United States law. We do not need it from a company that transfers cargo on invoices four or five times while it is out in the middle of the ocean in order to circumvent U.S. embargoes and anti-trust laws. Cargill has holding companies and trust companies in a dozen countries, yet the hon. member weeps tears for poor Cargill.

If this Parliament and the government have any national respect, that would be the first corporation we would deport from Canada. We need that company like we need a hole in the head.

In addition to the co-operative movement, there are many private Canadian grain companies. If there is justification for so-called competition in grain handling and rapeseed and flaxseed crushing, surely the private Canadian grain trade should get some attention ahead of an outfit like Cargill. We believe that priority attention should go to the grain handling and grain crushing industries that are owned, controlled and operated by the grain producers themselves. If the hon. member is not prepared to stand by that suggestion, I hope he gets up and says so again in the near future.

Obviously we need more rapeseed crushing capacity, and of course Melfort is an excellent location for such an increased capacity. There is no argument with that. The government is right in not giving aid to Cargill in Melfort, but it is wrong in giving help to Cargill in Quebec. I believe that states the case purely and simply.

I hope the government will accept this motion. I would like to see all the correspondence as well. If the hon. member for Mackenzie has any doubts, I invite him to read a weekly newspaper published in his own constituency. Perhaps he does not read it usually but I invite him to read the *Melfort Journal* of April 14. I suspect that he has read it, but I invite him to do so if he has not.

With respect to supporting an outfit, which does not need or deserve support from the people of Canada, let alone—the grain producers, I find it beyond belief that such support should be proposed. I never thought I would live to see the day when an hon. member in the House, from whatever party, would rise to support a company such as the Cargill Grain Company. I find it incredible. I hope that the hon. member will cogitate, meditate and ruminate and by tomorrow morning will mend his ways and decide that he might be wrong about that corporation.

The capacity to grow, handle and process grain products in western Canada should be by right under the ownership and control of the grain producers themselves, and they should be given all possible support by the respective provincial and federal governments. We do not need any more unintelligent, mindless and senseless briefs on behalf of the Cargill Grain Company.

[*Translation*]

Mr. Pierre Gimaïel (Lac-Saint-Jean): Mr. Speaker, I listened with great interest to the comments made by the member for Regina West (Mr. Benjamin), who is always good for a rousing speech. However, I get the impression that he does not really like the friends of the member for Mackenzie (Mr. Korchinski). I thought I was listening to a Communist member just now when I heard the member for Regina West describe his fondness for Cargill and his impressions of the company. To me, as a member for Lac-Saint-Jean who is not very deeply involved in grain matters, I must say that the company has provided a very good service to Canadian grain producers. I think it has its place in our society, especially since it seems to be a viable company, which is a very important factor today, in these difficult times, when we realize that viable companies are the ones that are still operating. There are other Canadian companies like this one, for instance, Bell Canada, and they are continuing to provide work for thousands of Canadians, while other less viable companies are not as lucky, thus making it harder for some Canadians.

To get back to the subject at hand, the motion presented by the member for Mackenzie requests that copies of all correspondence and communications between the Minister responsible for Regional Economic Expansion and Cargill be tabled in the House. I asked for permission to speak on this subject, Mr. Speaker, because before becoming a member of the House, I worked for the Department of Regional Economic Expansion as Executive Assistant for two years and before as an Assistant for three years. I therefore had time to become acquainted with the department and how it works, and especially how various companies approach the department. A motion such as the one presented by the hon. member becomes extremely negative on the following point.

• (1750)

When a department such as the Department of Regional Economic Expansion gets involved in a particular case, the initial aim is to provide incentives, in other words, the department was created for a specific reason: to fight regional disparity. There are two ways the department tries to achieve this goal; first, by assisting the establishment of companies in

certain areas of the country where a special incentive is needed for economic expansion. To provide such assistance, the department has two special mechanisms, the first being direct grants or the Regional Development Incentives Act, and the other consisting in agreements signed with the provinces under which the department is authorized to become involved in infrastructures for industry, tourism, agriculture or other purposes. Thus, the department is there to fight regional disparity. It creates incentives, so the department must be present. If it were not, the project would not get off the ground, but I would not go so far as to say that the department was created for the purpose of subsidizing every single project in the Saguenay-Lac-Saint-Jean area, certainly not! The department will help promote development in a given region—the Lac-Saint-Jean region, for instance—and award grants for that purpose. The Cargill case is very clear. Whatever the decision taken by the department, I do not feel that Cargill is interested in putting up its plant in Montreal because it is not really the place to mill wheat and it stands to reason that the plant should be where the wheat is produced. It is obvious as well that there are logistics advantages to selecting the site where they want to go and, unless I am mistaken, that is Melfort. Besides, the financial position of Cargill is strong enough.

But what I am driving at when I refer to the request of the hon. member and his work with respect to the department is that obviously, Mr. Speaker, it is possible that in a certain economic context the requests made by Cargill were not justified in the sense that the company could afford to go ahead on its own. But the economic situation changes so rapidly that over the years I saw the Department of Regional Economic Expansion reject outright some applications which were approved two years later. Naturally, Mr. Speaker, the department may very well make a judgment and decide not to award a grant for a given project because the company can afford to proceed on its own and the project will indeed be a paying proposition. I have seen that happen and the example I recall is Golden Eagle in Quebec which wanted to instal equipment to recycle waste oil, but the yield rate was 34 per cent. DREE never did go along with that project because it was a sure thing, it became self-sustaining after three years and that was that. Conversely, when a project cannot be successfully launched, that very fact shows that perhaps the department did not take into account each and every factor involved.

What I want to suggest to the hon. member is that if at first they do not succeed, just keep trying. The Cargill Company should keep trying. Earlier the parliamentary secretary stressed the fact that the hon. member ought to keep in closer touch with the company itself because, if Cargill Grain Limited does need help from the Department of Regional Economic Expansion to prosper, create jobs in its region and facilitate grain handling operations and the production of milled grain, then the company should go back to the department—as it has done, if I am not mistaken—and explain in different terms the rate of yield of its operations. But the hon. member should not be asking the department to make public the information it has on Cargill. I cannot imagine, Mr. Speaker, that a department which wants to bring assistance to certain regions or make grants to some companies would feel justified to publish confidential information about Cargill or any other company. I suggest that members opposite would be the first to raise a fuss if the government were to release confidential information concerning a company which has applied for a grant.

The hon. member wants more information, as the Parliamentary Secretary was saying, he can also obtain from the company an affidavit which would authorize him to look into its whole file. If the company were to authorize him to make all the relevant facts known to the Canadian people, Department officials would then be in a position to disclose all sorts of information concerning Cargill Grain's financial structure, its soundness, its weaknesses and so on, but I feel it is not the responsibility of the Department of Regional Economic Expansion to tell the Canadian people to whom Cargill Grain will sell the grains it will buy from Canadians, or to disclose potential markets which its competitors could secure tomorrow morning if they only knew they existed.

It seems to me that within the context of the Regional Development Act, an hon. member's role is very similar to that of a developer, in the sense that his job is to stregthen the ties between the Department and the company which would like to settle in his riding. And in this respect, he or she has every right and the opportunities are there to get in touch with the minister, his office staff and department officials who make no bones about working for the advancement of our country and who know Canada well. I want to make it clear, Mr. Speaker, that DREE is the department which knows each and every area of our country best, and I do not mean only the provinces and the regions, but also the sub-regions within the provinces. No department, either federal or provincial, has as complete a knowledge of the economic situation of each and every Canadian region, its economic strengths and shortcomings, as the Department of Regional Economic Expansion. Its officials have developed a fantastic capacity for economic analysis due to their 12 years expertise in signing over 100 agreements worth billions and billions of dollars with the provinces with regard to tourism, agriculture, industrial and commercial development. There must be in fact some 150 agreements in force now throughout Canada, and the Department knows everyone of the companies now operating in each and every region.

That being the case, Mr. Speaker, it becomes obvious that, irrespective of political considerations and the need to hide anything, as the Parliamentary Secretary has said, DREE has very good reasons to be careful in handling the taxpayers' money. The best proof I can give you of that, Mr. Speaker, is that by 1980, DREE's losses since its inception had come up to

only 0.6 per cent of the grants allowed, a rate which is by far lower than that of the banks. DREE has very seldom made unwise investments, due to its outstanding analytical talents. So, let us go on working and treating whatever information the companies provide as confidential. I urge hon. members opposite to follow-up on the applications they get from their ridings, and never to hesitate in contacting the DREE people, whether they are officers of the department, the minister, his officials or his Parliamentary Secretary, the strengthen the ties between the department and their ridings and especially the companies that are interested in their ridings. Remember that DREE was set up by a Liberal government in 1968 to develop the country and fight against regional disparities, which it will continue to do.

The Acting Speaker (Mr. Ethier): Order. The hour provided for the consideration of private members' business having expired, I do now leave the chair until eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

AN ACT TO AMEND THE STATUTE LAW RELATING TO CERTAIN TAXES

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Pinard (for the Minister of State for Finance) that Bill C-112, to amend the statute law relating to certain taxes, be read the third time and do pass.

Mr. Deputy Speaker: When the debate was interrupted at five o'clock this afternoon, the hon. member for Burin-St. George's (Mr. Simmons) had the floor.

Mr. Roger Simmons (Burin-St. George's): Mr. Speaker, the issue of Newfoundland offshore ownership is now before the courts because of two separate initiatives, the initiatives taken by each of the two parties in the dispute. In the first instance, the government of Newfoundland, one of the parties in the dispute, put a reference to the Newfoundland court of appeal in February. Last week the other party in the dispute, the Government of Canada, put a reference to the Supreme Court of Canada.

As I noted earlier in the debate, in each case the respective governments did the only thing in terms of court reference they could do. They went to the court to which they would normally go to put down a reference, in the case of the provincial government, the provincial court of appeal and in the case of the federal government, the Supreme Court of Canada.

The issue of the offshore is really two questions. The question of ownership is now before the courts in St. John's and Ottawa. Does the Newfoundland government own the resources or does the federal government own them? That issue will be determined in due time by the respective courts, and we will have a finding.

There is another issue quite apart from ownership. I believe it is the more important of the two issues. It is the issue of how the resource will be developed. What will be the share of management of the development between governments? Who will get the benefits? Who will be the real beneficiaries of any development of the Newfoundland offshore? There are two questions, two issues. First, who owns? Second, who will reap the benefits? How will it be developed and to whose benefit?

I put it to you, Mr. Speaker, or to anyone listening to my voice at this time: if you own a house, as you probably do, and if, unlike me, you do not have a big hefty mortgage but have clear and absolute title, can you, unfettered, without consulting anyone, tomorrow morning, turn your house into a restaurant, for example? Can you renovate it without consulting the authorities and getting a permit or some other piece of paper? Can you put on an additional storey? Legally, can you even destroy it? You know the answers to those questions.

You may have the real ownership of a property, but having effective control over what happens to it is quite a separate issue altogether. Therefore, there are two issues, who owns, and who will control and to whose benefit?

I have always felt that the second issue was by far the more important. That is why I was so encouraged over the past months and years to note that both governments were addressing themselves to finding a partnership arrangement which would lead to a proper balance in terms of management of the development and address a proper and fair balance in terms of sharing the revenues that would be forthcoming from that resource development.

That is the way it should have been. Governments should have been able to continue to talk to each other and sort out, as members of the same family, an issue which affects the people they respectively represent in Ottawa and St. John's. That is the issue of revenue sharing and effective management of that resource.

I was encouraged to see both governments talking. Then the talking became less frequent, until it ceased altogether. Then came the disastrous period of confrontation. Everybody was talking about taking everybody else to court. I do not think that particular stance serves anybody's purpose. Of course, so far as the references are concerned, no one is taking anybody to court, they are taking an issue to court. The Newfoundland government is not taking the federal government to court, nor vice versa. They have both gone for references which are not of

the adversary sort, references seeking the determination, the opinion, of the respective courts.

• (2010)

I would have hoped that that question could have been left until the resource development and revenue-sharing issues had been addressed by way of an agreement between the two governments. A reasonable effort is being made, the effort has not come to an end. In my view, the effort has to be ongoing. It is encouraging that in the past few days spokesmen for both governments have said they want to get back to the bargaining table. I still live in hope that the actual agreement can precede any determination by either of the courts as to the actual ownership of the resource. I hope also that the pattern of the Nova Scotia agreement, at least one in particular, will be observed, that is to say, that there will be a provision in the Newfoundland-Canada agreement to provide that, irrespective of the outcome of any court determination as to ownership of the resource, irrespective of that finding at some future time, the agreement shall stand and that both parties will undertake to honour the agreement.

The Government of Canada for its part has declared publicly that it will stand by any agreement, irrespective of the ultimate outcome of any court proceedings on the issue of ownership.

So I say, Mr. Speaker, that we have two issues. We have the issue of who owns the resources, and we have the issue of revenue sharing and management sharing.

I come now to the second issue for a moment. I believe that any agreement must be one which gives the Government of Newfoundland a fair, a very effective role in the rate of development and how it is to be developed. The Nova Scotia agreement, to which I referred just now, gives the government of Nova Scotia a fair amount of management control. It gives it a fair amount of revenue. I am not here tonight to sell the Nova Scotia agreement. I happen to believe, as a Newfoundlander, that the Nova Scotia agreement is but the minimum, it is the starting point for any ultimate agreement between Newfoundland and Canada. How could we as the Government of Canada go in good faith to another province and offer it any less to begin with than it has already offered and entered into in writing with another province?

Therefore, I say, Mr. Speaker, that the very minimum that can be forthcoming in any agreement between Canada and Newfoundland is the ultimate provisions of the Nova Scotia agreement. That particular agreement is one that another well-known Tory, Premier John Buchanan, thought to be quite fair for Nova Scotia. He in turn managed to get a deal which returned more money per barrel to his province than another agreement which another great Tory, Premier Lougheed, was able to get his province of Alberta. So I say, Mr. Speaker, if Mr. Buchanan was able to build on Mr. Lougheed's agreement, I have no doubt that Mr. Peckford will be able to build on Mr. Buchanan's agreement. The end result will be an agreement which will provide generous revenue sharing and will provide an effective management voice by both governments. I certainly hope so.

Some hon. Members: Hear, hear!

Mr. Gordon Taylor (Bow River): Mr. Speaker, I was not very surprised when the hon. member who has just finished speaking said that the federal government gave another province in the east a better deal than they gave to Alberta. This is not surprising. We have been used to that, we have been getting that all through the years It is just living up to the standard that this Liberal government has set. That is one of the reasons why there is so much difficulty.

I am not going to discuss the items discussed by the hon. member for Burin-St. George's (Mr. Simmons). The British North America Act did give the resources to the provinces. When Alberta and Saskatchewan were created, we had to wait 25 to 30 years to get our resources, after a fight put up by the former U.F.A. government. We got our resources finally in 1930. When we got the resources, we got ownership and control. I do not think there is any doubt about that. That has been made quite clear in the new Constitution. We have a little water in the province of Alberta, we do not have an ocean but we have a considerable number of lakes and a considerable number of rivers, and the resources under the water still belong to the province. The people in the west have a difficult time to understand why the maritime provinces do not also own their resources simply because they are under water.

I do not want to discuss that matter further because I feel that it is bad taste to do so when it is already before the courts. I think the Canadian government would have gained prestige if it had waited until the Newfoundland court had ruled on the matter and then ascertained whether it was necessary to make an appeal to the Supreme Court of Canada, either by the Government of Newfoundland or by the Government of Canada. But the Government of Canada did not decide to do that, and I can understand the frustration and the way the people of Newfoundland feel in regard to that particular issue. I think it was done in haste by the Canadian government and is in bad taste.

I want to discuss this particular bill, Mr. Speaker. I want to read what it says, because I think the people of Canada will be rather astounded to find that they have been paying taxes that have still not been passed by Parliament. In the early days, representative government was established so that the king or the Crown or the government could not levy taxes without the consent of the people. I do not like the method this government is using, whether it is precedent or not. I just do not like it. I do not think it is sound and I do not think the people of Canada like it, either.

For instance, the explanatory note at the beginning of Bill C-112 says:

> This Part would implement the Ways and Means Motion to amend the Excise Tax Act (1) tabled by the Minister of Finance on November 12, 1981 (hereinafter referred to as the 'Excise Tax Motion').

That is right. The same thing applies to the Petroleum and Gas Revenue Tax Act and the incremental oil revenue tax.

They are all now before Parliament to be rubberstamped. It must be there only to be rubberstamped because the taxes are already in effect, the government has been collecting these taxes for several weeks. I do not like this way of doing business. In my view, it is not democracy, it is simply making a rubberstamp of the House of Commons, and I object to being a rubber stamp.

I know what the hon. Minister of Finance (Mr. MacEachen) said the other day. He said that a ways and means motion was passed. That is right. But what does Beauchesne say about a ways and means motion? I will read from Beauchesne's, page 174 of the fifth edition:

516. (1) A Ways and Means motion is a necessary preliminary to the imposition of a new tax, the continuation of an expiring tax, an increase in the rate of an existing tax, or an extension of the incidence of a tax so as to include persons not already payers.

It goes on to say, on page 175:

517. (1) The Minister of Finance will generally table Ways and Means motions relating to the changes announced in the Budget either on Budget night or shortly thereafter.

This he has done. It continues:

(2) A Minister of the Crown designates a day for consideration of the Ways and Means motion under the terms of S.O. 60(2).

That was done. It goes on:

(3) On the designated day, the Ways and Means motion is decided upon without debate or amendment.

It is a formality, it is decided on without debate or amendment. That is exactly what was done. Then Beauchesne goes on to say:

—then a bill is introduced based upon the provisions of any such resolution, given first reading, printed and ordered for second reading—

That is the proper parliamentary procedure. We pass a ways and means motion and, bang! At that point we start collecting the taxes from the people. Their representatives still have had nothing to say about it. We cannot debate ways and means motions, and that is completely unfair to the people who pay the taxes. We are acting like a dictatorial government would act, and that is why throughout Canada we now hear people calling this government a socialist government. Our friends, the socialists, call it a communist government. Whichever it is, it is a dictatorship whose laws are not receiving the stamp of approval of the House of Commons. It comes to the House of Commons afterwards and says, "Rubber stamp what we have been doing". That is not democracy, it is not representative government, and I think the people of the country should know that.

• (2020)

I want to deal with some of these taxes. The incremental oil revenue tax is a tax on windfalls or large amounts of money earned by oil companies. Those revenues come to the coffers of the government. I would have no particular objection to that tax if it were reasonable and fair. We all know we have to pay taxes. I do not know anyone who objects to paying taxes, but people object to paying unfair taxes, and they object when the burden is heavier on some than on others.

Most people say we have to pay taxes. Many people have told me that it is a pleasure to pay taxes, but that was before the last budget. It is a pleasure to pay taxes if a person has received money. I remember the coal mining days in Drumheller. I was at a public meeting at which a chap was complaining because he was paying $250 in income tax. That was a lot of money in those days. I remember one miner leaning over to me and saying, "Boy, would I ever love to pay $250 in income tax." People used to get their money first, but not since the last budget. Now we pay taxes on money we never even see. We pay taxes on money which never comes to us. That is completely ridiculous.

I want to deal for a moment with some of the taxes which are being levied. I want to deal with one utility company and tell the House the amount of money it has to pay. It can pass the cost on to its customers. It is a utility company, so the people have to pay; otherwise, their utility is cut off. They have no choice. Many other small companies in similar circumstances go bankrupt. That is why today under motions under Standing Order 43 an hon. member from British Columbia, the hon. member for Okanagan North (Mr. Dantzer) spoke about the bankruptcies of many companies and farms. They cannot pass these costs on. The utility company about which I am speaking does pass its costs on. I am not saying those costs are passed on fairly because, as the energy critic for the New Democratic Party pointed out this afternoon, the burden is unfair.

I will deal first with distribution of revenues. I am not here to speak for companies, except for the companies in my riding. I feel it is my responsibility to speak for them, just as it is my responsibility to speak for anyone else in my riding, but I am not speaking for Shell or Imperial Oil. I am not speaking for multinationals. They can speak for themselves. They might suffer a little, but not very much. They still have enough revenue to keep themselves going, but small companies do not. Some small companies have gone bankrupt because of the additional burden the federal government has placed upon them.

I want to indicate to the House how the total revenues of one company in my riding were spent in 1980. Gas supply cost 45 cents of each revenue dollar. The company operations cost 25.3 cents. That was to pay the company's employees, etc. Five cents of every dollar was profit to the company, and the company paid taxes at 24.7 cents. About a quarter of every dollar the company made went to taxes. At that time the tax amounted to 11.3 cents for federal excise tax and 3.4 cents for income tax.

In 1981 the picture changed. By that time the Canadian government had dreamed up another tax called the Canadian ownership tax. The government did not ask the people. It did not campaign on that. After the election the government simply initiated this new tax because it wanted to buy Petrofina and another oil company. If Petro-Canada wanted to buy another oil company, it should have done so in the same way as any other oil company. It should not have been given

special consideration. The people should not have had to pay, especially those who could not afford it.

In 1981, the gas supply was down to 39.1 cents, largely because the Alberta government gave a rebate to keep the price of gas down so the people would not suffer too much. The company operations cost 23.3 cents. The company did a little slicing and cutting out some of the fat. Company earnings were also down to 4.5 cents instead of 5 cents. However, taxes were up. Taxes made all the difference. The federal excise tax went from 11.3 cents to 15.3 cents, and the Canadian ownership tax was 5.1 cents. Suddenly, out of the blue the company found itself paying a Canadian ownership tax. The Minister of Energy, Mines and Resources (Mr. Lalonde) said that the people of Canada would be delighted to pay the Canadian ownership tax. I wish he would go into some people's homes and hear what they tell me. The people are not delighted at all. They are having a hard time making a living and making ends meet. In 1981 the income tax paid by this company actually went down a little, to 2.7 cents, instead of 3.4 cents.

Then we come to 1982, and these are estimates. The gas supply is costing 39 cents, the lowest yet, again because of the rebates offered by the Alberta government. This is an Alberta company in my Bow River riding. The company operations are down too, to 20.1 cents. Again I suppose the company is practising restraint. Company earnings are down to 3.7 cents of every dollar as against 5 cents and 4.5 cents in the previons two years. However, the taxes are up to 37.2 cents. The federal excise tax has now jumped from 1980 when it was 11.3 cents to 20.2 cents. Everything else is down, but the federal tax is going up, with the exception of the Canadian ownership tax, which has gone down slightly to 4.6 cents. The total is 37.2 cents as against 33.1 cents the previous year, and the income tax component is 2.4 cents. In addition to that, the company has a franchise tax of 10 cents, which is being levied right through the whole year.

What does this mean to the people? That is the point I want to make. The company can pass it on. I am not complaining on behalf of the company, although other small companies which cannot pass on these costs go bankrupt. Their employees go unemployed. However, this particular company is able to pass its costs on to the people.

I have here statements made by a senior citizen who is 79 years of age. I do not know how old his wife is, but I imagine she is just about the same age. He says:

> Just turned 79 years of age trying to keep my head above water, but with this gas bit, increases in town utilities, increase in taxes . . . barely existing—

His taxes jumped way up to $1,261 a year. Previously he was paying considerably less than that. The difference is all those federal taxes because everthing else has gone down. Increases in federal taxes have become a burden on senior citizens. They are becoming a burden on those on fixed incomes. And we forget about the wage earner, who is just barely making it. I mean the wage earner who is barely making it, who is trying to pay off a mortgage and raise a family or send a son or daughter to university. That is who is being hit hard, and that is what I object to.

• (2030)

This tax is also hurting small companies. It is not hurting Imperial Oil or Shell because those large companies can bear it, but the small companies cannot. I wish we could get that through the heads on the government benches, but that would be pretty hard, Mr. Speaker, because not one minister on the front benches is here tonight.

That is another thing that I object to in this House. I spent several years in the Alberta legislature and when a bill was discussed the minister was always in the House. That was a requirement imposed by the House and by the premier. The ministers of this government do not have time to read *Hansard* and maybe they think we do not have anything to offer, but they could at least be here out of respect. After all, every member of this House has been sent here by the people to speak for them, and that is what we are endeavouring to do.

Yesterday a member of the NDP questioned the minister about senior citizens and was told that they are being given a supplementary allowance. That is supposed to look after them. But, Mr. Speaker, the supplementary allowance does not look after the increases in federal taxes. It is no wonder that senior citizens are crying. The man I referred to earlier said he is just existing, and I believe him. I have been in the homes of many senior citizens and have come away with a heavy heart because I know they are not getting enough to eat. Some are living on soup or bread and sometimes even on dog food because they do not have enough money to last to the end of the month. We give them a cost of living bonus thinking that they can live on that. It is something like the times before the revolution in France when the people were crying for bread and an aristocrat told them to eat cake! That is what the government is doing here; it is not listening to the people.

There is no reason why this tax could not be reduced for senior citizens, for those on welfare and people on low incomes. If it were reduced for small companies as well, that would help keep people working. The government is hurting itself by trying to grab the last drop of blood, as Shakespeare put it in one of his plays.

I have a letter here from another senior citizen who says that she is taking "a cruel beating on her utility bills". This is a lady of 75 or so who spent her life trying to help others, and now she is being treated in this way and does not have enough to eat for the whole month. She knows the reason for this—it is the taxes imposed by the federal government.

The government does not need that money, Mr. Speaker. It made several billions of dollars on the agreement with Alberta, so why does it also have to levy these taxes? Saskatchewan removed the road gas tax of 46 cents, but the federal tax is 50 cents to 80 cents. The Saskatchewan government tried to help the farmers and workers and indeed everyone who buys gas for the car, but they are still stuck with the 50 cents to 80 cents federal tax. What is the federal government going to do about that?

There is another point that I want to deal with, Mr. Speaker. I have a graph here which shows the annual natural gas costs for a household in my riding, assuming 200 gigajoules per year, in 1972. On that basis the gas supply costs were $20, the municipal revenue tax $10 and the company cost of service was $80 for an annual cost of $110 or 55 cents per GJ. That was before the federal government imposed a direct tax. In 1977 the provincial government's price protection plan shielded customers by $56 per year. The gas supply costs were $120, the municipal revenue tax $25, the company cost of service $95, for a total annual cost of $240 or $1.20 per GJ. By February 1, 1982, the provincial government's price protection plan shielded customers by $100 per year. In effect, the Alberta government was saying, "We are getting more for our gas so we will give you $100 per year back to help make up the difference in the cost." The gas supply cost was $240, federal excise tax $160, municipal revenue tax $60, company cost of service $170—in other words, 25 per cent of the total cost was going to the federal government. The total annual cost was $630 or $3.15 per GJ. The increase is largely due to the federal taxes. In 1980 this particular utility company had a total revenue of $257 million. The total tax on that was $8 million. In 1981 its total revenue was $338 million, and the tax for Canadian ownership and the federal excise tax amounted to $64 million. If the company had not passed that amount of tax on to the users, it would have gone bankrupt. It is no wonder that small businesses and farmers are going bankrupt when they face taxation like this which is completely unnecessary.

A few years ago, Mr. Speaker, a naturalist told me a story about seeing a huge bird come down out of the sky and grab something in its claws, then soar back into the sky again. Suddenly it looked as if the bird was in trouble when its wings started to flutter. A few minutes later it fell to the ground. My friend rushed over to where it was and there he saw a weasel sucking the blood of the bird. The Canadian people picked a weasel government in 1980, Mr. Speaker, and it is now sucking the economic blood out of the nation. It is time the government started to take stock of what is happening to the country if it wants it to hold together. When the National Energy Program was introduced in October 1980 the Minister of Finance said that it would reinforce the commitment to new supply development. I want now to deal with Alberta, not that Alberta is any more important than any other province. Every province is equal but I happen to come from Alberta and I am supposed to be speaking for the people of Bow River. What the Minister of Finance said was heartwarming to the people of western Canada. He said:

• (2040)

The National Energy Program is fair to Albertans. It is also fair to the government of Alberta. The people of Alberta will enjoy, as will all Canadians, the benefits of an energy program which will deliver energy security at reasonable, made-in-Canada prices.

Later on he said:

With the National Energy Program, Alberta's absolute and relative position will improve dramatically.

What is the situation under the NEP? Drilling rigs are down from 400 to about 55. A lot of workers with their expertise have had to leave the province because of lack of work. It has even been felt down in the small villages and towns of my riding. Instead of drilling crews living in hotels, eating in restaurants or buying groceries and keeping those businesses alive, they are now stuck with additional taxes and less business. This thing has just gone through the country like a nightmare. All across Canada we see the effect of the NEP, not only with the big jobs but with the little jobs. Then we have that agreement which was signed by Alberta in desperation because they wanted to get things moving. They left out conventional oil altogether because they wanted to concentrate on the oil sands, Cold Lake, Hibernia, the Beaufort and the Arctic. The government forgot about where we have been getting oil for years and years. Those people were left out in the cold without any work. Then, to make matters even worse, they made an agreement to buy 400,000 barrels of oil a day from another country. Our wells are plugged up, our people do not have work, some of them are hungry and some of our businesses have gone bankrupt, but we are buying 400,000 barrels a day of Mexican oil. Young men from every other province have left Alberta to go home because the work has dried up under the NEP. I wish anyone who says he is proud of the NEP, as one of the Liberal members did yesterday, would visit some of the homes in my riding in Alberta. He would not be very proud, I tell you. Things are drying up, there is hunger right in the midst of plenty. Maybe not as bad as in 1935, but still very bad.

The hon. member over there can laugh if he likes, but I tell you, when you are hungry, you are hungry. I have gone through the experience, I know what it is like, and some people are suffering in that way right now. The member there can wave his hands if he likes. That is the trouble with this government, it will not even listen to the facts. Well, the day will come when they might wish they had listened.

Mr. Corbin: You are exaggerating.

Mr. Taylor: I am not exaggerating.

Some hon. Members: Order.

Mr. Taylor: Go out and take a look for yourself.

Mr. Deputy Speaker: Order, please. The hon. member for Ottawa-Vanier (Mr. Gauthier) is rising on a point of order.

Mr. Gauthier: For the sake of exactitude, would the hon. member please back up his statement that we import 400,000 barrels a day from Mexico? Where the heck did he get that idea, just for the sake of facts?

Mr. Deputy Speaker: Order, please. The hon. member for Bow River (Mr. Taylor) has the floor.

Mr. Taylor: You are importing 40,000 barrels a day.

Mr. Gauthier: You said 400,000 barrels a day.

Mr. Taylor: Forty thousand barrels a day. If I said 400,000, I made an error. But 40,000 barrels a day is just as bad.

Mr. Beatty: Only Allan MacEachen could make an error like that.

Mr. Taylor: Yes, I am making the kind of mistake that the Minister of Finance normally makes. I have been in the House too long already. Let me give you another comparison. You will not like this, but it is very real. But I do not care whether you like it or not; I am not here to please the Liberals. I am here to give you the message from the people who sent me here. I am going to do it whether you like it or not.

Some hon. Members: Hear, hear!

Mr. Taylor: If you do not like it, you can lump it.

Mr. Deputy Speaker: With all due respect to the hon. member, the Chair is listening attentively and his remarks are of course directed to the Chair.

Mr. Taylor: I appreciate that, Mr. Speaker. In 1932 and 1933 Stalin went into the Ukraine and forced the peasants into collective farms. The long-established methods of individual tenure were abolished. When the peasants refused, an artificial famine was induced because they were compelled, during a season of poor harvest, to deliver so much grain to the cities that whole villages died of starvation. At least three million men, women and children were deliberately starved to death and millions more deported to Siberia. History calls it "the artificial famine", brought on because the government was so hungry for taxes that it took practically all the food from those farmers. Look up the history and deny that! That is exactly what this government is doing today, taking so much of the produce from the people that senior citizens are going hungry, businesses are going bankrupt and there is no work. Look at the record, over a million people unemployed. Then you sit there and smile as if you had done something wonderful. Well, Mr. Speaker, the people do not think so.

Because world prices soared much higher than the Canadian price, Ottawa said it would introduce a subsidy to refiners who use imported oil so there will be the same price right across the country. When the international price fell one would assume that the subsidy would be reduced in such a way as to keep the domestic price at least competitive with the foreign price. Yet that is exactly what did not happen. It stays at the same price. The government pours out billions buying foreign oil it does not need. It says we have a contract with Mexico, but the government has a contract with the Canadian people also. You want to see the people of Canada going hungry while you make sure the people of Mexico are fed. Well, Canadians are getting fed up with that.

Then there is this ridiculous budget under which the government taxes people on income they have not even received. And it does that without legislative authority! There is no legislative authority to cut the capital cost allowance in half for the year of purchase. Yet that measure has closed up industries in Ontario, Quebec and the rest of Canada. I know one dealer who ordered eight combines last fall. When that budget was introduced he called the farmers who said they were not buying, they would make their old combines do. So what happened? He cancelled the order for eight combines, which meant a lot of people in Ontario and Quebec went without work. Then the government cancelled IAACs entirely. As a result, land purchases in Western Canada have practically stopped. A farmer's land is his pension, the only one he has. When he sells his land he has to get enough to live on for the rest of his life. He does not have a pension from a Crown corporation or the government. His land is his pension. He can sell his land to multinational corporations, but we do not want them owning our land. At one time he could sell it to his hired hand, his son or his daughter, and he would say, "I know you do not have $250,000. It is my pension for working the land 40 to 50 years, but I will take $10,000 this year and put it in an IAAC; then you can pay me another $20,000 next year and the year following and so on." But now with the budget he is required to pay capital gains on the entire $250,000, money which he does not even have. Consequently he cannot afford to sell his land. People who should be retired have now had their nest eggs ruined by the budget. Today they cannot retire. They must continue working after having worked for several years to reach the point at which they could sell their land and receive a pension. Is that fair? Well, that is what the government's budget does. Hon. members opposite should go out to see some of the farmers who are experiencing this. They are having a difficult time. They are being taxed on money they do not even have. One chap who sold before he knew all the laws had to go out and borrow money at a high rate of interest to pay capital gains tax. It was money he had not even received, but the government must have its pound of flesh and every drop of blood. As I said earlier today, the government is so anxious to obtain every cent it can that it is actually sucking the economic lifeblood out of the nation. This is exactly what it is doing. It is not the only thing that is bad.

• (2050)

Look at the barrels per day of Alberta crude which could have been produced. About $5 billion is going out of the country. This money could have gone to Canadians to purchase trucks and groceries, or could have done many things in the country. The minister said that the government has made a considerable financial investment in the program which over the years amounted to several billion dollars. He also indicated that it represented a direct subsidy to consumers in eastern Canada, the majority of whom are Quebecers. Also he said that it was not difficult to imagine the additional burden which would have to be borne by every family in Quebec if it were not for this subsidy. He went on to say that between 1973 and 1980 Quebecers received $5 billion in payments under the program. We should have been buying crude oil from Alberta with this $5 billion, and Quebecers would have experienced the same prosperity, without it being taken out of the mouths of Albertans.

The National Energy Program is sucking the lifeblood out of the nation. I object to these bills coming before the House

and the taxes being levied before they have had legislative approval. It is criminal that the country has reached the stage where the government goes ahead and levies taxes without the authority of Parliament, and then it expects other people in the country to obey the laws.

Some hon. Members: Hear, hear!

Mr. Anguish: Mr. Speaker, would the House allow unanimous consent for the hon. member for Bow River (Mr. Taylor) to answer a brief question before the next speaker is recognized?

Mr. Deputy Speaker: The hon. member's allotted time has expired. This would require unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Anguish: Would the hon. member give us a brief explanation as to what the view of Liberal premiers in Canada would be on the topic we are discussing this evening?

Mr. Paproski: What Liberal premiers?

Mr. Anguish: Exactly.

Mr. Taylor: Mr. Speaker, perhaps that is why there are no Liberal premiers in the country, and there will not be a federal Prime Minister (Mr. Trudeau) who is Liberal, much longer.

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, I always enjoy being in the House when the hon. member for Bow River (Mr. Taylor) speaks because he speaks as a populist. Although I do not agree with many of the things he says, he speaks as someone who has been around for quite a while. In fact, he has been around in the Social Credit movement, but I think his views are quite different from those of most Tories who speak as if they and the multinational oil companies were one and the same operation. It is refreshing to hear the other side of the situation, however. I do not disagree with the hon. member that perhaps there is poverty and people who are poor in Alberta. I wonder how this has come about when the government of Alberta has probably the largest revenues per capita of certainly any government in the country and probably of almost any government in the world. It has a massive heritage fund, but at the same time the hon. member tells me that there is poverty and that people are starving. I wonder how that can happen in this land of plenty.

Also I heard the hon. member talk about this institution being non-democratic, a dictatorship, and so on. I cannot quite understand this. He said that the minister was not in the House for a couple of minutes and that he did not remember a situation in the Alberta legislature where a minister was not present all the time a bill like this one was being debated. As I recall the period when the hon. member was a member of the Alberta legislature, which I gather was approximately 25 years, there was rarely more than three or four opposition members. I cannot imagine a bill being discussed more than two or three days with only three or four opposition members, unless the government itself wanted to talk about it forever.

There have been 86 days of debate on the first part of the National Energy Program. There will have been 35 days on this part, and I do not know how many dozens of opposition days along the same line. We have spent at least two thirds of a year in the House or in committee on these bills. The hon. member for Bow River has spoken at least a half dozen or a dozen times. I would say half a dozen would be the minimum because I heard him speak many times. I have spoken at least a dozen times on these bills. How can anyone say that members of the House have not been given a chance to speak on these matters? How can anyone say that this place is undemocratic? It is beyond me. I have spoken at least a dozen times on this or on similar bills. If I sat down and added it up, I am sure it would probably be 20 or 25 times. I just do not understand the notion that this is not a democratic procedure. I do not think there is a parliament anywhere in the world where members would spend more time deliberating on legislation than we do in this Parliament. That is certainly not done in the mother Parliament in Britain where a bill such as this would go through in two or three sittings. It is amazing that hon. members of the opposition are attempting to convey to the public through the television medium that we are not democratic, that we do not have a chance to debate these bills and that they are rammed through. We have spent 86 days, another 35 days, as well as the opposition days, and we are still debating the same bill. I just do not understand.

I started off my comments by saying that the hon. member for Bow River has a different approach. I think it is because he has a different background and a different sensitivity than many of the other members of his party. It was perhaps a week or two ago when I heard the hon. member for Fraser Valley West (Mr. Wenman) speaking to another related bill. He talked about Reaganomics and all of the positive events which were occurring in the United States. I repeatedly heard this from the Conservatives, so I read some of the speeches made by such hon. members as the financial critic, the hon. member for Etobicoke Centre (Mr. Wilson). They are all preoccupied with this notion of Reaganomics.

• (2100)

During this debate on the national energy bill I can see the same kind of attitude prevailing, namely that we have to cut taxes to safeguard one segment of our society. It is called the sparrow theory whereby if you feed the horse enough oats the sparrows will survive. That is the type of predominant attitude we find among the majority of members on that side of the House.

Since I am a convert to this particular party, I am familiar with other party philosophies. I have always felt since I have been a member in the House that the Conservative opposition members have a great deal of difficulty in becoming united because they basically do not have a central point of view. They have a large right wing, a very active and articulate left wing—what is called the red Tories—but with really nothing

to unite them. That is very different from the party that I belong to. Within the Liberal Party I see a very large centre with some people who move to the right and with some, like myself, who may move somewhat to the left. However, there is a very strong and coherent centre. That is what is lacking in the party on that side of the House.

During the energy debate over the past several weeks what we have heard is the very far right Reaganomic approach to the entire situation. This not only concerns tax cuts, it concerns, as well, matters such as the National Energy Program where the Conservative Party sounds very much like Mr. Brock, the United States government representative who constantly talks about the American government being very disturbed because we are attempting in various ways to achieve a 50 per cent ownership of our natural resources. He is touring the United States, and recently visited Toronto, condemning us for having the effrontery to try to get control of our major resource industry. He is disturbed that we are trying to achieve the modest goal of bringing that industry under 50 per cent Canadian control. That modest goal which we are striving for is difficult to achieve because there is great power and other factors against us. For example, there is the power of the very large global oil companies, there is the United States government, and the Reagan government in particular, as well as the objections we hear from the opposition. These factors make it very difficult for Canada to get control of those resources.

That is the essence of this entire bill. Through this bill we are trying to get control of our resources and, as a nation, attempt to conserve those resources in order to develop them not only for Canadians of today but for future generations. We have heard much about the evils of the National Energy Program having caused a decline of drilling activity in the west and the fact that many rigs have left for the United States. Hon. members say this is mostly due to the National Energy Program, but they ignore many other factors which come into play.

Between 1980 and 1982 when this government has been in power there has been a net decline of 8 to 10 per cent in the consumption of oil in Canada. That is a very desirable decline. Most of the hon. members opposite were here in 1978-79, but presumably they have very short memories. If hon. members recall the winter of 1978-79, there was an actual decline of 50,000 barrels per day in the production of oil from western reserves. That 50,000 barrels is the actual amount we are purchasing from Mexico today. If hon. members will remember this period, they will recall the deep concern about the fact that we were not going to be able to get through that winter, similar to the circumstances we faced the previous winter. They will also remember that when they were in power they were concerned about getting a contract with the Mexican government to purchase oil. They were unable to get an agreement with the Mexican government because instead of going there as a government, they sent Exxon to do it. The Mexican government was not having anything to do with multinationals, and therefore the Conservative government could not make a deal with that particular country. The ones who made the deal was our own Petro-Canada, the very company that that government wanted to get rid of. Those are the facts. That is why we were able to make that deal.

We may not need those 50,000 barrels of oil today and we may not be getting that oil from the western reserves, but it is not leaking away. The great myth that we hear from the other side today is that somehow that oil in western Canada will disappear if we do not pump it out and get rid of it as fast as we can. As I said, it is as if there were a hole below the earth's crust which will drain all the oil. That oil will eventually be produced. If we do not use that 50,000 barrels a day from western reserves today, it will be there for future generations. I do not understand the nonsense coming from the hon. members who say that we must get that oil quickly because we need the revenue from it. I suggest that every barrel of oil in the ground today will be worth a lot more to future generations than it is today, and it will be much more meaningful to future generations of Canadians. What is not pumped out now will be of untold value to our children and our great grandchildren. Therefore, I do not deplore the fact that we are not taking that oil out of the ground.

I believe it is an established fact that one of the reasons why there is not as much drilling taking place in western reserves is that there is not that much more oil left in western reserves. Drilling operations have not uncovered a lot of oil in those reserves.

In 1978-79 and during the time of the Conservative government, we were told that the production from the western reserves would decline to about 10 per cent of the production in 1980 by 1990. That is, in the 1990s production would be 10 per cent of the 1980s. I believe that those figures were somewhat pessimistic. Our consumption of oil has declined to such a degree that it makes that prediction impossible. Due to conservation we will receive a few more years of oil production from those reserves. Those western reserves will not be there forever if we pump oil out at the rate we have been doing it in the last 10 or 15 years.

Therefore, I believe that Canadians, after looking at the National Energy Program and the many other factors, including conservation, can say that the decline in consumption by 8 to 10 per cent in the last two years has been beneficial and not detrimental. If the people of Alberta are suffering at this stage, they had better look to their provincial government whose revenues are larger than any other government in history and probably any other government in the free world. If there is hardship in Alberta, Albertans should look to their government which has these large sums of money at its disposal.

I have mentioned this significant decline in consumption which is due partially to conservation and partially to the various incentives that this government, through the National Energy Program, has developed over the last ten years. For example, the CHIP program has spent a lot of money in conversion from oil to gas which has promoted conservation in many ways. I would like to see this continued. One of the effects of conservation is the actual decline in oil consumption.

Of course, another reason for the decline in oil consumption has been the general recession. It was very interesting the other day when the Minister of Energy, Mines and Resources (Mr. Lalonde) did a little work and pulled out a few figures to indicate that this is a global recession and that it is affecting oil companies throughout the world. He quoted the figures and indicated, for instance, that in this country Gulf Canada, Shell Canada and Texaco Canada outperformed their international parents. I am sure that hon. members opposite do not believe that, because they maintain that the National Energy Program is destroying all of this industry, but in this country they outperformed their parent companies. The minister also pointed out that the earnings of some of the major oil companies in the United States declined in the last year. For instance, the first quarter earnings of Occidental were down 76 per cent over last year's first quarter, and Marathon was down 71 per cent. These are all United States companies. Standard California was down 65 per cent, Mobil was down 49 per cent and Texaco was down 44 per cent. These are the companies in the United States, many of them having large holdings in Canada, whose revenues are declining. Also remember that Exxon has abandoned the oil shale project on which it spent very large sums of money in the United States. So none of the companies in the United States are affected by the National Energy Program. It was not the National Energy Program which made the parent Gulf company do worse than the Canadian Gulf, or the Shell Canada or Texaco do worse than the Canadian companies. It was a series of other things. The National Energy Program has not hindered these companies. As a matter of fact, it has made it possible for us to develop a long-term program, and those companies and many others in this country are doing extremely well. So it is a myth. This particular program is designed to bring those resources to Canadians, to develop them for the good of all Canadians and not to export the profits from these developments to some other foreign country. We should be duly proud of that program and not condemn it, as the hon. members opposite have been doing.

• (2110)

I would like to refer to natural gas for a minute. I keep hearing the story that there is a tragedy out west because we capped about a thousand gas wells and that those wells could be pumping gas—I do not know where, but probably to the United States.

Mr. Kempling: They do not pump gas.

Mr. McRae: We could derive massive revenues from that. As I said before, one would almost think that there were some kinds of perforations in the caps so that the gas was leaking out, disappearing, and then all of a sudden, by the time we got around to it in three or four years, after pumping it out, there would be no gas left. I get the feeling that members feel that the stuff is evaporating into the air and that we are losing all of it. There is one way of getting rid of this gas in a hurry, and that is by pumping it across to the United States. But when that government of the party opposite was in power in 1979, for a mercifully short period, it supported the National Energy Board in allowing for increased exports to the United States. The then minister was asked by the present minister, by the hon. member for Ottawa Centre (Mr. Evans), by myself and by others, time and time again, "When is the cut-off, with the new discoveries and everything? When will the supply of the western reserve gas equal the demand for the western reserve gas?" The answer was "In 1997". In 1997, my son will be 40 years of age. At that stage, he may have a child of four or five years of age and we will run out of gas at that point or—

Mr. Kempling: When are you going to run out of gas?

Mr. McRae: That is the figure that he eventually gave us after being asked four or five times in this House.

The Acting Speaker (Mr. Blaker): The hon. member for Athabasca (Mr. Shields) rises on a point of order.

Mr. Shields: Mr. Speaker, I wonder if the hon. senator, Senator Foghorn, could answer a question.

Mr. McRae: I always enjoy questions. I would like to answer a question if the hon. member would like to ask one.

Mr. Shields: I just wondered if the hon. Senator Foghorn would accept a question. Oh, he would, would he? I would ask how many days, how many weeks or how many months the hon. member has spent in the oilfields of western Canada, or in Canada.

Mr. Kempling: None.

Mr. McRae: I am not sure, Mr. Speaker, how much time I have spent in the oilfields, but I guess it is certainly not as much as the hon. member for Athabasca (Mr. Shields). He certainly spent a great deal more time there, and it is my hope that he spends a great deal more time there in the future. I have spent some time in the oilfields but not a lot. I do not know what that has to do with the situation. I have not spent very much time on Wall Street, either, but I think many of the people here know a little bit about some of the things going on in the world without being there.

I would like to talk about gas because I think this is an important feature. Basically, there is one way we can get rid of this gas that is capped. One way to get rid of it very rapidly would be to export it. That is a good thing. It would mean there would be export dollars coming in, and so on. But as I indicated, with that crossover line of 1997, which may change, it also means that when we sell or export today, we will not have it for Canadians in the future. I think that the future should be our chief consideration. That gas is not disappearing. That gas is being kept there for future generations of Canadians and there will be much more drilling going on at such time as we need more gas. I believe this to be the prime reason that there has not been the kind of drilling going on in the western reserves, both for oil and gas, that there was before. In one manner or another there was enough at a particular stage of the game to do what was done, particularly in the gas field, and these wells were capped. It is my opinion that we should

uncap them as the need arises, and the gas will flow, and then we can explore for some more. We created tremendous incentives in the mid-seventies to drill continually, but after the drilling it was said that we had to get rid of the stuff, that we had to sell it to the United States and quickly export it because we could not afford it. We spent all that money on drilling, but suddenly all the incentives were created for export purposes. This was not for the long-term future of Canadians, for the future generations who will have to keep warm and will need these fuels to survive.

Mr. Taylor: I thought you wanted self-sufficiency in oil.

Mr. McRae: It is important that we understand that under this National Energy Program we are attempting to do what should have been done years ago. It is what any self-respecting country would do. I am very critical of the governments which were in power in this country for 40 or 50 years and did not do this. However, I am very proud that I am part of a government which is now doing what should have been done years ago, that is, getting control of these resources for Canadians. It is ridiculous that the other side condemns us. It constantly condemns us because we have set up a national oil company. We bought out three companies. According to the other side, it was terrible that we should have done this. It suggested that in no way should we have done that and that we should depend exclusively upon the private sector to Canadianize itself. That will not happen that way. I was very pleased—

Mr. Stevens: Why? Why will it not happen?

Mr. McRae: When Petro-Canada bid for Husky Oil, I was very pleased. Husky Oil had some very good holdings in this country which will be very valuable in the long run, particularly involving heavy oil, when we get around to that. I was also very pleased when Petro-Canada did not get it and the bid went to Nova Corporation or Alberta Gas Trunk Lines which bought this company. It therefore became a Canadian company, allowing Petro-Canada to go out and buy Phillips a little later. It seemed to me that we got the best of all deals. We got the Canadian portion of two important American companies operating in Canada. One is in the private sector and one was obtained by Petro-Canada. That is the way Canadians are. They believe in a mixed economy, not Reaganomics. We do not believe that anything the state does is bad and anything the private sector does is good. That is not true.

• (2120)

I find it difficult when the hon. member for York-Peel (Mr. Stevens) talks about our ridding ourselves of Crown corporations and then talks about all the corporations initiated, acquired or built under good Conservative governments such as Ontario Hydro or PWA, which was taken from the private sector into the bosom of the Alberta government.

These kinds of things have been done in this country for a long time. Knowing Canadians, I am sure it will continue. It does not starve either the private or the public sector. They work hand in hand. The party opposite tries to drive a wedge between the private and public sectors, accepting the idea that is common with Mr. Reagan and the ultra-rightwingers in the United States that anything the state does is bad. It is something that party is introducing into the House of Commons. It is a bad thing. It is not because Conservative governments since the beginning of this country have done the kinds of things we are doing.

Mr. Stevens: Not true.

Mr. McRae: I have to defend that situation.

Mr. Stevens: Tell the truth.

Mr. Kempling: You can't trust a Grit.

Mr. McRae: Canadians are becoming more self-sufficient because of this ownership. We are acquiring the means to be self-sufficient.

Mr. Stevens: You are nothing but a socialist.

Mr. McRae: It is too bad I am deaf because I would like to hear what members opposite are saying. Canadians want to be self-sufficient, and we are moving in that direction. In the past two years we decreased by about 5 per cent our reliance on foreign sources. As I say, we are moving slowly in that direction. Canada is now about 81 per cent self-sufficient in oil. That is not better than we always were, but it is better than in the recent past. If we continue to do what we are doing, the situation will continue to improve. I think of the Hibernia and the Dome project in the Beaufort as areas where we will succeed.

Most members on this side were disappointed that the tar sands project did not go ahead. We hope that in the next three or four years it will proceed, possibly in a different way. One of the most significant statements regarding this project was made by the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton). He talked about the type of technology that is developing. If we are going to do the job and get the oil out of the tar sands in large quantities, we must develop technology. The hon. member said it may be good that we did not go ahead at this point because technology could improve over the next few years. He said it may be cheaper, that we may get more out of it, and in the long run the country will be better off.

We must continue to develop these areas, but at a rate that we as Canadians can do it. We should not take all the oil out, export it and make future generations suffer. That is what would happen if members opposite were still in government. They are not concerned about future generations. They are concerned about the quick buck, and let future generations worry about themselves.

I now come back to the theme I have been developing throughout my speech. In the right-wing of the Progressive Conservative Party there is a large segment known as red Tories. They believe in Reaganomics, the whole sparrow

theory of taxes. Those are the kinds of things they want for this country. It is that party that wants to be associated with United States interests.

The other day the hon. member for York-Peel condemned the government for the Bombardier-New York deal. I see that groups in the United States are now joining the hon. member in trying to prevent those 2,500 jobs from going to Canadians.

Mr. Stevens: How many?

Mr. McRae: Twenty-five hundred. Did I say 25,000?

Mr. Stevens: How about the American jobs?

Mr. McRae: We have an Export Development Corporation which the opposition spends much time condemning. The fact that we are doing what is being done in Japan, Germany, the United States, France and other countries, setting up financial deals in order to be more successful in our export trade, is something that should be praised, not condemned.

Mr. Shields: Mr. Speaker, I rise on a point of order. I am wondering if the hon. member will accept one more question.

Mr. McRae: Mr. Speaker, I felt the last question was rather frivolous. I assume this will be the same type of question. I would rather use the time in my own way.

Mr. Stevens: Mr. Speaker, I rise on a point of order. The hon. member referred to me two or three times in his speech. I am hoping he will entertain a question from me.

Mr. McRae: Mr. Speaker, I will finish my remarks and then I will be glad to accept a question from the hon. member. We have an argument here that is rather important.

It is very important to sell on the export market, but that is very difficult at this time. A company in Thunder Bay, Hawker Siddeley, tried to sell on the export market. It did not lose out because of quality or price. It could not compete with the loan that EDC would make. Therefore it is tremendously important that we assist our export trade.

Those on the other side do not place the same importance on this. That is why I say there is a significant difference between the approach taken by this side and that of members opposite. We follow a middle-of-the-road approach in an attempt to rationalize the industry and bring it under Canadian ownership without going to excess.

This is a centre party. The Conservative opposition wants to move everything to the right. It wants to function with the sparrow theory of economics, cutting taxes and giving incentives to large corporations. The NDP wants to move too rapidly. They want us to do far too much. This country could not stand the strain of an ideological left or an ideological right. This country must be kept together, and this can only be done with a centre-type of government.

Mr. Shields: Mr. Speaker, I rise on a point of order. I am glad to have the opportunity to ask this question. We will see whether the hon. member takes it as frivolous or not. Does the hon. member realize that yesterday in Edmonton the largest auction sale of oil field equipment from the oil patch was held? It was the largest in the history of the oil industry. Does the hon. member also know that brand new drilling rigs worth $1 million were sold for $510,000 on an unreserved auction sale? Does the hon. member also know that the equipment—

• (2130)

An hon. Member: What is the question?

Mr. Shields: Does the hon. member also know that the equipment was owned by Canadians, that the sale went for a period of five or six consecutive hours, and that the buyers were all Americans and all Canadians were selling? That was caused by the energy policy of this government.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Blaker): Order, order. I recognized the hon. member for Athabasca (Mr. Shields) on a point of order, but obviously there was not very much of a point of order. He asked, in keeping with our tradition, whether or not he might ask the hon. member for Thunder Bay-Atikokan (Mr. McRae) a question. That is fine. If it is not going to be a point of order, at least let there be an attempted question, relatively brief. Does the hon. member for Thunder Bay-Atikokan choose to answer the question, or shall I recognize the next speaker?

An hon. Member: No, no, give him a chance.

Mr. McRae: Mr. Speaker, I have already heard the question and of course I know. The answer is, yes, and I know it because he has told me. I do not disagree with the hon. member. What he has said is true and since what the hon. member says is true, that these rigs are going for half or less than half what they are worth, then there cannot be such a demand from the other side or other areas for the same thing, otherwise they would be going for more than what they are worth. We are talking about international commerce. I find the question could easily include what I have been saying all along, that is, there is a decline all over in this business and it is true in respect of these sales.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Blaker): Order, order. If the House chooses to pursue this question and answer business during the time of the hon. member for Thunder Bay-Atikokan (Mr. McRae), then I should recognize the hon. member for Medicine Hat (Mr. Hargrave).

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, I would like to talk, in this third reading debate on Bill C-112, mainly on natural gas. There is good reason for that. I live in an area where natural gas has been part of my heritage, going back in our history for a hundred years. That is a long time in southern Alberta, I can assure you. Natural gas has been a part of my whole life, so I think it is appropriate to make some comments

about it and about the implications of this particular bill on that total industry, at least that side of the total oil and gas industry.

Yesterday I was privileged and pleased to participate in the Committee of the Whole House on this same bill. I found it was a very frustrating and quite unsatisfactory debate. Here we were discussing energy issues of vital concern to western Canada and especially to Alberta and especially on all taxation matters relating to natural gas. It was a disappointing committee stage, primarily because this bill is the official responsibility of the wrong cabinet minister. The hon. Minister of State for Finance (Mr. Bussières) is a very genuine and sincere minister. I worked with him a year ago on the Standing Committee on Finance, Trade and Economic Affairs when we were discussing the Bank Act.

An hon. Member: Good man.

Mr. Hargrave: That is when we were discussing the implications of agriculture on the Bank Act, a very important part of it. I would say his expertise is not in the area of oil and natural gas in all its various aspects, in our Canadian exploration and production. The Minister of Energy, Mines and Resources (Mr. Lalonde) should have been the responsible minister for this bill. After all, it is totally about energy. He should have attended yesterday's committee stage and participated as well in this final third reading debate today.

Natural gas is historically part of our Alberta heritage. The city of Medicine Hat and most of southeastern Alberta is underlaid with rather vast resources in natural gas. Today we in the city of Medicine Hat and all of southern Alberta and southwestern Saskatchewan are deeply concerned about the negative developments following the introduction of the National Energy Program in the October 1980 budget.

The atmosphere in yesterday's committee stage was not conducive to a reasonable exchange of comments from opposition members and at least a genuine attempt at an answer from the Minister of State for Finance.

The hon. member for Sarnia-Lambton (Mr. Cullen) participated with a speech only. He had no questions. I would like to respond in part at this time. Here is a direct quotation from page 17802 of *Hansard* of part of his speech:

> I have a very vital interest in the National Energy Program and, more particularly, in the negotiations which were carried on, happily and satisfactorily to the benefit, or at least to the mutual credit, I would say, of the three producing provinces and the federal government.

Now present day circumstances in the oil and gas industry are certainly not in the "happily and satisfactorily" beneficial state. This was a very inaccurate statement. It is very well known by all of us from the west that our petroleum industry has been in a declining and worsening state ever since the introduction of the National Energy Program over a year and a half ago. If the hon. member for Sarnia-Lambton had been anywhere in western Canada, he would be well aware of the real situation and he could hardly avoid the reality of our western situation now. A little later on in the same speech, the hon. member for Sarnia-Lambton, in response to a question as to how he was received when he visited the west, had this to say:

> They received me very well because they are quite often surprised to hear that there is another side to the issue and that countries with oil production feel it appropriate when they sometimes give depletion allowances and, in other cases, capital cost allowances.

Now, listen to this:

> They are all significant areas of federal tax positions which made it possible to discover this oil in the first place.

Well, that is quite a statement to make. Again, here is this very inaccurate and misleading statement, I must say. It is well known that it was American capital, and initially American expertise that made Alberta's oil and gas industry possible. It is a well known fact throughout the west. Without that United States capital financing we would still be waiting for federal and central Canadian capital funding.

Now a word about my own city of Medicine Hat. In my nearly ten years of representation of my home city and all of southeastern Alberta, I have never seen such serious concern and despair over any issue as we now have, due entirely to the punitive and discriminatory natural gas taxes in this legislation. Already over $15 million has been paid by the city of Medicine Hat to the federal government for these gas taxes. But they are being paid under protest. The city of Medicine Hat owns its own utilities, it has always owned them and has developed its own electrical power by the use of natural gas.

At present the mayor, Ted Grimm, and council insist that these taxes are both illegal and unconstitutional. There is at present a court case under way in Calgary to determine the legality of the application of that tax. Some citizens are so upset that they are refusing to pay the natural gas portion of their utility bills.

• (2140)

On April 19 last I was privileged and pleased to present a petition on behalf of 12,689 adult citizens of my city who strongly oppose these gas taxes, which are already causing an over 100 per cent increase in their utility bills, and that is only over a period of one and a half years. That petition also fully endorses the city's legal action against the federal government. I can assure hon. members that this is a very harsh reality to be faced by the elderly and retired citizens in my home city. There is a great number of retired farmers in my city, mostly from southwestern Saskatchewan, who for years have been moving to Medicine Hat for their retirement, primarily because of natural gas.

Now there is a speçial situation pertaining to Alberta's greenhouse industry which requires some special comments. Just a week ago today there was a special protest meeting, so to speak. It was a public meeting held in the town of Redcliff to discuss the situation and what the natural gas taxes have done to Alberta's greenhouse industry. It was a very significant meeting.

I want to remind the House that Alberta's greenhouse industry is the fourth largest in all of Canada, so it is a very important one. It was founded primarily because of the

availability of inexpensive natural gas, and it began close to 100 years ago. There are a few disadvantages, such as the distance between us and our markets. We supply primarily cut flowers to the greater part of western Canada, and there is the problem of non-availability of common carriers to transport those cut flowers. There are the costs of machinery and other imported goods and, of course, the cost of labour, but by far the greatest cost is the incredible increase in the cost of natural gas used for heating greenhouses.

The operator of one particular greenhouse operation, known as the Redcliff Greenhouses, made a statement at that meeting a week ago today saying that by the end of this year its annual gas fuel bill will be six times its bill of just a year ago. Redcliff Greenhouses has identified what its fuel cost figures have been over the last four years, and they tell quite a story. Very briefly, here it is; in 1979 the operation's natural gas cost totalled $9,130. That represented 1.3 per cent of its gross costs. In 1980 those cost had risen to $14,000, or 1.8 per cent of its gross costs. In 1981 the cost totalled $40,000, or 4.5 per cent of gross cost. However, its estimated 1982 costs are $83,800, or a 9.9 per cent increase. Is it any wonder that there is a very grave concern about the survival of the total greenhouse industry in my home city and, in fact, all across southern Alberta?

Now a word about the agricultural food cost aspect as it is affected by the additional costs of natural gas due to these taxes. They are already the largest single factor in the rapidly rising cost of food across the prairies. About 80 per cent of Alberta's 85,000 farmers now have natural gas service to their farmsteads. It is a significant accomplishment to have natural gas in almost every farm in Alberta. Across southern Alberta on our irrigated lands natural gas has become a major source of energy for sprinkler irrigation, especially the centre pivot type. Over the last two years this energy source has quickly become the most expensive, much higher in price now than diesel fuel and electrical power. Electrical energy is now the most economical, and not too long ago it was the most expensive.

On a province-wide basis the oil and gas taxes have increased the cost of farm fuels and fertilizers by staggering amounts. The end result, of course, is much higher food costs for both humans and livestock.

The oil and gas well servicing industry is a very important sector in Alberta. It is not a big multinational group including large Canadian-owned companies, but this sector, which services individual drilling operations, is a very important sector, and it is headquartered to a large degree in my constituency. It includes a wide variety of small equipment units, from the very large drilling rig outfits that sometimes require 40 or more trucks to move a single outfit to the individual single truck outfits such as water haulers. This total industry has been devastated by the National Energy Program. The town of Brooks in the northwest corner of my riding had a population of about 9,000 a couple of years ago. It has shrunk since. This area is probably the hardest hit service centre in western Canada, but the cities of Medicine Hat and Red Deer and other smaller centres have also suffered and continue to suffer.

The tragedy is that almost all of these service outfits are Canadian developed and Canadian owned, and they are the original private enterprise outfits, although a significant number are no longer now operating, for reasons of bankruptcy, no work available or forced moves to other areas, especially to the United States, and some of them even to the continent of Australia.

Not too long ago the Alberta government announced a new and special assistance program amounting to over $5 billion which specifically recognizes the special circumstances and needs of this servicing industry. Yesterday at the committee stage I asked the Minister of State for Finance if he did not feel it appropriate that the federal government contribute a similar amount—at least some—and after a second prompting his reply was this:

> About the natural gas servicing industry, I must admit to the hon. member that that proposal is not now under consideration.

That, of course, is a very severe disappointment to all of us in Alberta. I think there was an opportunity there for some joint action by both levels of government.

We have a situation in the heavy crude oil area of our energy production in southern Alberta and southwestern Saskatchewan on which I want to make a brief comment. While it is not generally known, there is a smaller but significant heavy oil industry in those two areas, the whole of southwestern Saskatchewan and in the Suffield military reserve. Most of these wells are closed in and not producing, mostly because they are not economic to operate. This is partly due to the long haul to the United States upgrader refineries where it must be hauled for refining, but the planned upgrader plant for Saskatchewan which seems to have been shelved for now—perhaps indefinitely—because of the uncertainties brought on by the National Energy Program, is a major reason why these are uneconomic to produce.

I want to make some special comments about mineral rights in western Canada and offshore rights. My colleague, the hon. member for Bow River (Mr. Taylor), has already referred to this item of prairie history, and it is an interesting part of our history. By 1905 the three prairie provinces were part of confederation, but what is not generally known is that our lands as well as our mineral rights were not ours to sell or rent for needed revenues until 1930, 25 years after Alberta and Saskatchewan were created. It is no wonder we were essentially bankrupt for our first 25 years. Then, after getting our land and mineral rights in 1930, we had to endure the next ten years of drought and depression. By comparison, Ontario and Quebec have enjoyed their land and mineral rights since confederation. In other words, they have enjoyed those rights from day one. In all fairness, is it not appropriate that today Newfoundland's offshore resources rightfully belong to Newfoundland? Newfoundland's claim is perfectly understandable and long overdue. Certainly all of western Canada feels like this about this issue. Members on this side comment

on it at every opportunity in light of developments in this House over the last few weeks.

• (2150)

I think it is most unfortunate that our history has left this unfinished business as far as one of our newest provinces is concerned, and I hope we have the good common sense to resolve it in a way agreeable to all.

There is one other matter on which I want to comment, and that is in reference to the natural gas and gas liquid tax in the provision regarding the production of natural gas in the Northwest Territories. Until 1987, any gas production that is exported from the territories will be taxed, while all production from the rest of Canada in the same period will not be taxed. This is an unfair situation and we should address ourselves to it. If any area needs encouragement in getting the gas flowing now, it is the Northwest Territories with its vast potential that is waiting to be developed. It is almost uneconomical to produce the amount that is at present being produced for export because of the application of this tax.

It has been my pleasure to contribute to proceedings in Committee of the Whole House and third reading debate, Mr. Speaker.

Mr. Jack Shields (Athabasca): Mr. Speaker, I am glad to have the opportunity to speak on this bill, although my remarks will be brief as there are only eight minutes left in the debate.

I should like to point out to hon. members that the hardship imposed by the tax that this bill deals with was drastically illustrated yesterday when the largest unreserved auction sale in the history of the oil industry took place in Edmonton. There were drilling rigs, trucks and all types of oilwell-servicing equipment that were put on the auction block. The sad thing is that members on this side of the House, particularly those from Alberta, have time and again attempted to bring to the attention of the government the damage that the National Energy Program has done to western Canada and the once strong and viable oil industry.

Every piece of equipment at that auction yesterday was owned by Canadians who had invested their hopes, their future, their dreams, their time, their expertise and their money in developing one of the strongest and most viable oilwell-servicing industries in North America.

The development of this sector of the oil industry contributed to the research and development that the government is constantly saying is required in Canada, and it was done by Canadians. Because of the National Energy Program, however, this company found itself facing bankruptcy, and so had to sell off its equipment. These were drilling rigs that were designed and fabricated in the plant in Alberta and which had never spudded into a hole. They were brand new. The manufacturer felt that one particular piece of equipment would have to fetch at least $1 million in order for him to break even, but it sold for $510,000.

I have been in my office listening to the debate on the monitor and I have also been here in the House listening to hon. members opposite discuss the implications of the tax on the oil industry and on the people of Canada. I must try to get across to them that this tax has dried up the cash flow of the very companies that we are asking to find new oil so that we can reach energy self-sufficiency within a reasonable time. It is absolutely impossible for this country to reach oil self-sufficiency by 1990, as any knowledgeable forecaster will tell you.

Alsands and the Imperial Oil project at Cold Lake have been abandoned, as has been the pipeline. We cannot even hope to explore the areas in the western basin that are reported to have oil. The enhanced recovery programs are not moving forward, yet we constantly hear that we will reach oil self-sufficiency because we still have Hibernia. We all know about the Hibernia fiasco and what is happening there. The government and the Department of Energy, Mines and Resources is now attacking Newfoundland in the way that it attacked Alberta.

The government also speaks of the vast oil exploration program in the Beaufort Sea, but knowledgeable people writing in the newspapers and business journals explain what is happening there. It has become clear that we will not get any great quantity of oil from the Beaufort Sea in the 1980s. Our only hope for oil self-sufficiency in Canada in the intermediate term was to develop the tar sands and the oil sands. The Cold Lake plant was one giant research project, but the tax that we are about to vote on hit investors so hard that they felt they could not go ahead with it. They did not have enough cash flow from other operations in Canada to support the massive investment of $13 billion that was required. The investment community has lost confidence in the government, Mr. Speaker. It must redesign the national energy policy and it must redesign the budget. It must get Canada moving again!

The Acting Speaker (Mr. Blaker): Shall I call it ten o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): It being ten o'clock, pursuant to the order made on Friday, May 7, 1982, it is my duty to interrupt the proceedings and put forthwith without further debate or amendment every question necessary to dispose of the third reading stage of the bill now before the House.

• (2200)

[*Translation*]

Is it the pleasure of the House to adopt this motion?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion, the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Call in the members.

The House divided on the motion (Mr. Bussières) which was agreed to on the following division.

(*Division No. 180*)

YEAS

Messrs.

Allmand
Axworthy
Bachand
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blaker
Bloomfield
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Gauthier
Gendron
Gimaïel
Gingras
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Hervieux-Payette (Mrs.)
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
LeBlanc
Leduc
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
MacLaren
MacLellan
Maltais
Marceau
Massé
Masters
McCauley
McRae
Nicholson (Miss)
Ouellet
Parent
Penner
Pepin
Peterson
Pinard
Prud'homme
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rooney
Rossi
Roy
Simmons
Smith
Tardif
Tessier
Tousignant
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—120.

NAYS

Messrs.

Althouse
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blenkarn
Bradley
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cooper
Corbett
Crombie
Crosby (Halifax West)
Dantzer
Deans
Ellis
Fraser
Fretz
Fulton
Gamble
Gilchrist
Greenaway
Gurbin
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Heap
Hnatyshyn
Ittinuar
Keeper
Kempling
King
Korchinski
Kristiansen
Kushner
La Salle
Lewycky
MacDonald (Miss)
MacKay
Manly
Mayer
McCain
McCuish
McGrath
McKenzie
McMillan
Munro (Esquimalt-Saanich)
Nickerson
Nielsen
Nystrom
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Robinson (Burnaby)
Sargeant
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Stevens
Taylor
Towers
Waddell
Wenman
Wise
Wright
Young—73.

Madam Speaker: I declare the motion carried.

Motion agreed to, bill read the third time and passed.

Madam Speaker: It being past ten o'clock, the House stands adjourned until eleven o'clock tomorrow morning, pursuant to Standing Order 2(1).

The House adjourned at 10.26 p.m., without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, May 28, 1982

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

THE ECONOMY

LEVEL OF INTEREST RATES—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, in order to prop up the dollar the government raised interest rates in Canada to the highest level in nearly six months. At the same time, earlier this week, the Americans dropped their T-bill rates to 11.48 per cent. Canadians now pay as much as 3.7 per cent more interest than Americans pay. I therefore move, seconded by the hon. member for Halifax West (Mr. Crosby):

That the government cease blaming the Americans for its made-in-Canada high interest rate policy, cease using interest rates as a special tax on Canadians to cover its total mismanagement of the economy, and immediately take steps to reduce interest rates so that our interest rates are comparable to the American interest rates.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

DECLINE IN VALUE OF DOLLAR—MOTION UNDER S.O. 43

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, in spite of present high interest rate policy and heavy intervention by the Bank of Canada, the Canadian dollar fell yesterday to within one half of a cent of its record low of 80.08 cents set in December of 1931. This situation simply reflects the appalling economic policy of the incompetent Liberal government. Therefore I move, seconded by the hon. member for Kingston and the Islands (Miss MacDonald):

That the backbenchers of the Liberal government urge the Minister of Finance to bring in sweeping new measures which will stop the erosion of our dollar and will give some sense of hope and direction to the people of Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

HUMAN RIGHTS

TWENTY-FIRST ANNIVERSARY OF AMNESTY INTERNATIONAL—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise under the provisions of Standing Order 43. Today is the twenty-first birthday of Amnesty International, the internationally respected human rights movement which is independent of government, political grouping, ideology, economic interest or religious creed. I therefore move, seconded by the hon. member for St. John's East (Mr. McGrath), and supported, I am sure, by all hon. members in this House:

That the House recognize the outstanding work done by Amnesty International for the promotion of human rights throughout the world, congratulate it on the occasion of its twenty-first birthday, and wish Amnesty International many more years of success in its work to free prisoners of conscience, to halt torture and execution, and to seek fair trials for political prisoners.

Madam Speaker: The House might want to applaud this motion.

Some hon. Members: Hear, hear!

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF OUTSTANDING SCHOOL PATROLLERS—MOTION UNDER S.O. 43

Mr. Jim Peterson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Madam Speaker, I rise under the provisions of Standing Order 43. There are three outstanding young Canadians in the gallery today and they are to be honoured at noon by the Governor General for their acts of bravery while on duty as school patrollers. Their actions resulted in saving several young lives. I accordingly move, seconded by the hon. member for Sarnia-Lambton (Mr. Cullen):

That the House recognize Karen Dickson, Lora Lee Kurylo and Jason Roberge for their courage and resourcefulness. These young school patrollers have shown qualities and dedication we all can admire.

Madam Speaker: Perhaps the House will want to applaud these young heroes.

Some hon. Members: Hear, hear!

S.O. 43

ENERGY

CONDEMNATION OF TAXES—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, taxes under the national energy policy are sucking the lifeblood out of the oil and gas industry: excise taxes, incremental oil revenue taxes, petroleum and gas revenue taxes, Canadian ownership taxes, natural gas taxes, natural gas liquid taxes, taxes on ethane, butane, etc. It is no wonder the industry is drying up, leaving hundreds of unemployed, and scores leaving the country. There have already been more than 3,800 bankruptcies of businesses in 1982.

• (1110)

The Alberta and Saskatchewan governments are cancelling some taxes and cutting back on royalties to help, but the insatiable desire of this Liberal government for more and more money just cannot seem to be satisfied. Therefore I move, seconded by the hon. member for Fraser Valley East (Mr. Patterson):

That this House demand that the cabinet ministers and the Liberal government and the Liberal Members of Parliament come out of their ivory tower and into the real world and start cutting back on taxes and royalties, or else throw in the sponge.

No government has a right to live in luxury while its subjects exist on relief and unemployment insurance.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE ADMINISTRATION

DEMAND FOR RESIGNATION—MOTION UNDER S.O. 43

Mr. Vince Dantzer (Okanagan North): Madam Speaker, in preparing for the Versailles conference, the government has been forced to give statistical evidence of its complete failure. We now learn that for the first time in 18 years the Canadian economy will decline rather than grow. The gross national product will fall .5 per cent rather than rise 2.2 per cent as forecast by the Minister of Finance (Mr. MacEachen). This government has now admitted its complete bankruptcy. It is bankrupt of programs. It is bankrupt of ideas. It is bankrupt of capable people. Therefore I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That this House demand that the incompetent Minister of Finance, the incompetent Minister of Energy, Mines and Resources, the incompetent Minister of Justice, in fact, the whole incompetent cabinet, and the incompetent and irrelevant Prime Minister resign, call an election, and let the Canadian people get the monkeys in this government off their backs.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PROVINCIAL AFFAIRS

IMPACT OF QUEBEC TAXES ON MEMBERS OF PARLIAMENT—MOTION UNDER S.O. 43

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, I rise under the provisions of Standing Order 43. Yesterday the National Assembly in Quebec tabled Bill C-74. As the 74 Liberal members opposite from Quebec know, Bill C-74 is aimed at them since many among them have established residences in the province of Ontario where provincial taxes are lower and can save them as much as $4,000 or $5,000 a year. I therefore move, seconded by the hon. member for Nunatsiaq (Mr. Ittinuar):

That this House ask all Liberal Members of Parliament, especially cabinet ministers, from Quebec to pay their taxes in Quebec as every one of their constituents must, and not try to evade their responsibility to their provincial government.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FISHERIES

DELAY IN KIRBY TASK FORCE REPORT—MOTION UNDER S.O. 43

Hon. John A. Fraser (Vancouver South): Madam Speaker, I rise under the provisions of Standing Order 43. Given the fact that the Atlantic fishery is plagued with plant closings, threatened bankruptcies, high interest rates, exchange rate disadvantages, low prices, unemployment, and now, to the shame of the government, harassment from the Department of National Revenue, and given the fact that all of this was obvious to the government as long ago as last summer, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That this House condemn the government for its lack of action, and especially that this House deplore the fact that the Kirby task force, established to come up with answers to the present and continuing crisis, will not report until, at the soonest, September, leaving the fishing industry and those dependent upon it in confusion and uncertainty.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

THE ECONOMY

CALL FOR INTRODUCTION OF JOB-CREATION MEASURES—MOTION UNDER S.O. 43

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I rise on a matter of urgent necessity. Last November the Minister of Finance (Mr. MacEachen) forecast the unemployment rate for 1982 as 7.8 per cent. Yesterday he revised it upward to 9.2 per cent. The minister's gross errors in economic forecasting and planning have significantly contributed to an additional 230,000 Canadians being without work. I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That the Minister of Finance immediately introduce measures designed to create job opportunities for Canadians so as to redress the impact of his iniquitous November budget which callously added another 200,000 Canadians to the unemployment rolls.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

DEMAND THAT UNLEADED GAS PRICES BE POSTED AT SERVICE STATIONS—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, the Minister of Consumer and Corporate Affairs (Mr. Ouellet) admitted in a letter that the growing spread between the pump prices of leaded and unleaded gasoline could be the result of unleaded gasoline prices never being posted at Canadian gasoline stations. A number of U.S. States, including California and New York, have already forced the posting of all gas prices at each service station in an attempt to remedy a similar situation south of the border. I move, seconded by the hon. member for Beaches (Mr. Young):

• (1115)

That the government take immediate action to require the posting of unleaded gas prices at service stations across this country in order to bring down the price of unleaded gas and thus protect the consumers of Canada.

Some hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

AIRPORTS

FUTURE OF DORVAL AND MIRABEL

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, my question is directed to the Minister of Transport, on the continuing issue of Dorval and Mirabel. In view of the extreme interest shown by members of all parties, such as the hon. members from Lachine, Châteauguay, Vaudreuil, Annapolis Valley, and so on, I want to ask the minister very seriously how much longer he will equivocate and delay in coming to grips with this festering sore on Canadian aviation, and indeed on international aviation, called Mirabel. When will he make a decision on the relationship between the sound, well-used and satisfactory airport called Dorval and the white elephant many miles—or should I say kilometres—away? How much longer will we have to wait for a decision?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have already said how much I regretted having mentioned a date. I was hoping that public opinion and my colleagues here in this House would have looked at the spirit of what I was doing, not at the letter or the date I was indicating. I hope to present my views on the subject very soon to my colleagues. I do not dare mention a date any more. Then it will go through the discussions of cabinet, and the final result will be announced.

COSTS ASSOCIATED WITH MIRABEL

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, it is a refreshing change to have this minister and indeed this government finally beginning to pay some attention to public opinion. That is an innovation around here. The minister knows that if it were not for some common sense and determination, Canadians would by now have had another monstrosity like Mirabel foisted on them at Pickering. I would like the minister to give me, if he could, some rationale as to how we can cut down the tremendous continuing losses the extent of which, together with the additional construction cost, will probably never be known. Are we going to continue to undermine a profitable airport with the intent of propping up a loser? Can he give some indication of his policy and his thinking in this regard now?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, both at Mirabel and at Pickering the use of the land is being optimized. The Minister of Communications is making an announcement today, as a matter of fact, on the use of the surplus land at Mirabel. He will indicate what will be sold, and what will be rented, and what will be protected. At Pickering similar action was taken some months ago. We have established a regime for the maximum use of the land in both cases. In Mirabel and at Pickering, sufficient lands are being kept for

future use, both for Pickering as a secondary airport to Malton and for Mirabel as a complementary airport to Dorval.

PLANNED USE OF MIRABEL

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, the minister knows that, unfortunately, a lot of the land in the Mirabel area has been rendered almost useless for agricultural purposes by bulldozing and other methods that were necessary when this white elephant was being constructed.

I would ask him, finally, if it is true that the Minister of Communications, his cabinet colleague, is pushing for a three-hour rule, meaning that all flights over three hours would land at Mirabel. That would also mean, Madam Speaker, that people in Quebec City, for example, would have to deplane at Dorval, take a $40 taxi ride to Mirabel, and lose many hours of travel time in order to get to the United States. Is it true, as well, that the Minister of Communications wants all charters to be transferred from Dorval to Mirabel?

Mr. Baker (Nepean-Carleton): That is terrible.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, this is exactly what has been going on for a number of weeks now.

Mr. Baker (Nepean-Carleton): Make a fuss in cabinet.

Mr. Pepin: A number of people, well intentioned and knowledgeable, in many cases, have come out with compromise solutions for what to do with Mirabel. Two have been indicated by my hon. friend. One is to put in Mirabel every route which is more than three hours away from Montreal. Another idea referred to a moment ago by the hon. member is to direct all charter flights to Mirabel and not to Dorval. In my presentation to the cabinet in the coming weeks I will be indicating the difficulties, the advantages and the disadvantages of each of the compromise solutions which have been offered, and the judgment of the cabinet will be exercised on all issues, the extreme ones and the middle of the road ones.

* * *

• (1120)

NUCLEAR ENERGY

EXPORT OF URANIUM MATERIAL TO ARGENTINA

Mr. Douglas Roche (Edmonton South): Madam Speaker, my question is directed to the Secretary of State for External Affairs. Does the Canadian government intend to embargo the planned shipment of 3,000 uranium bundles to Argentina on the ground that it is too risky to maintain a program of nuclear co-operation with a militaristic regime which has defied international standards by invading the Falklands and cannot be trusted not to use Canadian materials to make a nuclear bomb, and can the minister state what Canada's reaction will be if Argentina attacks the *Queen Elizabeth II* at sea with 3,000 soldiers aboard?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, as I have stated in this House several times, the government has no intention of imposing export controls of that kind. If we did have export controls as well as import controls, they would likely be of the kind that the previous government adopted after the Soviet invasion of Afghanistan. They would likely not apply to pre-existing contracts but only to new contracts. We not only have an undertaking from Argentina that Argentina will not use any nuclear technology or material from Canada for non-peaceful purposes but, of course, there will also be inspection of Argentine facilities by the International Atomic Energy Agency which will serve as a guarantee of the peaceful use of our nuclear facilities.

GOVERNMENT POLICY

Mr. Douglas Roche (Edmonton South): Madam Speaker, I would like to repeat my question about the reaction of the Canadian government if Argentina attacks the *Queen Elizabeth II* at sea, but my supplementary question is related to the question of exports versus imports and sanctions. I want to know why the government has applied sanctions against Argentina only on the import side, which allows Canada to continue to export nuclear technology to this repressive and dangerous regime, thus weakening the support we should be giving Britain, which is trying to uphold international standards of law and order in this moment of grave crisis.

Some hon. Members: Hear, hear!

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, the hon. gentleman's second question was really answered in my first answer. The fact is that we have not imposed export controls, nor has the European community. If we did impose them, they would not be of the kind that would affect existing contracts in any event, because that is not customary with sanctions of this kind.

DEVELOPMENT OF ARGENTINIAN NUCLEAR CAPABILITY

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my supplementary question is directed to the Secretary of State for External Affairs who must realize that what we are talking about here is not the export of butter or wheat or even eggs. What we are talking about here is the export of nuclear fissionable materials, and there is a big difference. How far is the Secretary of State for External Affairs prepared to accept that the aggressive and belligerent activities of the Government of Argentina can go, including the building of a plutonium reprocessing plant which could use the plutonium waste from the Candu reactor being built in Argentina by Canada? How far does Argentina have to go before the Government of Canada is prepared to halt its export of nuclear materials?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I referred previously to the record

of the former government with respect to the Soviet invasion of Afghanistan. When asked the other day by the press as to the difference between the two situations, I understand that the hon. member for St. John's West stated that in the case of Afghanistan the Soviet government was invited into Afghanistan by the Afghan government. If that is the kind of foreign policy which is propagated by members of the party opposite, then I do not think we have any lessons to take from them.

Some hon. Members: Hear, hear!

• (1125)

NATURE OF EXPORTS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I should like to ask the Secretary of State for External Affairs whether he recognizes any difference between the export of wheat and the export of nuclear fissionable materials. Does he see any difference between them?

Hon. Mark MacGuigan (Secretary of State for External Affairs): What I see, Madam Speaker, is that the hon. member is attempting to score political capital by trying to make suggestions that the government has not been wholly supporting the British position. The Prime Minister is on record as stating that we are 100 per cent behind the position of the United Kingdom. We have satisfied every request which the United Kingdom has made of us in this crisis, and we have taken all the same measures as her friends in the European community.

Mr. Clark: MacGuigan, the arms merchant.

STATEMENT BY ARGENTINIAN OFFICIAL ON USE OF FISSIONABLE MATERIAL

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, is the Secretary of State for External Affairs aware that a high Argentinian official has admitted that one of the interests Argentina had in acquiring a Candu reactor in the first place was for its possible military implications, and to learn about the use of fissionable material for military purposes?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, if my hon. friend is referring to a television program which was aired some time ago, in which a number of statements were made, he will know it was not the Government of Canada on which the finger was put as a possible source of nuclear supplies for non-peaceful purposes.

* * *

MEDICAL CARE

AMOUNT OF FEDERAL FUNDING

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, in the absence of the Minister of National Health and Welfare, of the Prime Minister and the Minister of Finance, I will direct my question to the Acting Prime Minister. It concerns the erosion of medical care and health services in this country.

Yesterday we learned from the Minister of National Health and Welfare that she will no longer insist on eliminating extra billing for medicare. We on this side consider this a betrayal of the whole principle of medicare and the 1966 Medical Care Act to which the government is committed. In addition, we know that the provinces are facing cutbacks in federal funding for medical care. This year there will be a reduction of some $800 million in federal payments. I want to ask the Acting Prime Minister if these trends and cutbacks by the federal government mean that it is no longer committed to the Medical Care Act of 1966, and does it mean that it is in favour of extra billing, user fees, and long waiting lists for medical care?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, in the absence of the hon. member for Oshawa, the hon. member for Winnipeg North Centre, the hon. member for Beaches, the hon. member for New Westminster-Coquitlam, and the hon. member for Nanaimo-Alberni, I am pleased to answer the question of the hon. member for Vancouver East by saying that the answer is no.

PROVISION OF SERVICES IN BRITISH COLUMBIA

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, I have a supplementary question for the same minister, who seems so energetic this morning. I am glad that the minister responded because I believe he was responsible for the initiation of some of the medicare legislation to which I referred. Is the government aware that in British Columbia today there is a cutback of some 1,200 acute care beds that have been closed down, 3,000 hospital workers have been laid off, and 12,000 people are waiting for elective surgery?

Since the federal government must obviously share responsibility for this very severe crisis in health care, will the Minister of Energy, Mines and Resources, speaking as Acting Acting Acting Prime Minister, undertake to ask cabinet for a review of this situation, as it affects not only British Columbia but all other provinces? Under the legislation to which the government is committed, will the minister guarantee a review of federal funding to help meet these required costs?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, as the Acting Acting Acting Minister of National Health and Welfare, I will take due notice of the representations made by the hon. member. I wish to draw to her attention the fact that the administration of health comes under provincial responsibility. This week the Minister of National Health and Welfare met with provincial ministers of health to try to stress to them the importance of maintaining the highest standards of service to the Canadian public. I would urge my hon. friend to use every effort to try to convince the government of British Columbia to maintain those high standards and to co-operate fully with the federal government in achieving that particular objective.

Presence in Gallery

• (1130)

Mr. Young: Madam Speaker, I would like to advise the Minister of Energy that I am here, and have been here.

Some hon. Members: Oh, oh!

An hon. Member: It is hard to see you; that is all.

TRANSFER PAYMENTS TO PROVINCES

Mr. Neil Young (Beaches): Madam Speaker, my supplementary is directed to the same minister. I fail to understand how the government can make these kinds of statements, that medicare will not be affected by the reduction in transfer payments of some $5.7 billion over the next five years. When will the cabinet come clean and stop trying to do a snow job on the Canadian people as far as medicare is concerned? Tell the truth for once; there will be a reduction in transfer payments, it will seriously affect medicare, and in fact the Ontario government has stated that the plan will reduce hospital beds under medicare over the next two or three-year period?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I am very happy to see that the hon. member for Beaches is here. I should have said that the hon. member for Vancouver-Kingsway was not there.

Some hon. Members: Oh, oh!

Mr. Lalonde: My hon. friend is completely wrong in his statement that transfers for medicare are going to decline. I invite him to look at the figures which are public and there for anyone who wants to read them. They are to the effect that payments by the federal government to the provinces for medicare over the next five years are going to increase significantly year by year. I invite my hon. friend to take the trouble to look at the figures, and he will realize that indeed the federal contribution to medicare will continue to increase significantly over the next five years.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF ENERGY MINISTER OF NEW ZEALAND

Madam Speaker: I have the honour of bringing to the attention of the House the distinguished presence in our gallery of the Hon. William Birch, the Energy Minister of New Zealand.

Some hon. Members: Hear, hear!

THE ECONOMY

STATISTICAL DATA—QUERY RESPECTING INTRODUCTION OF NEW BUDGET

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I delayed putting my question because I had expected the Minister of Finance to be in the House. Possibly I can put my question to the Minister of Energy, who is rumoured to be the Minister of Finance shortly.

Mr. Smith: A lot sooner than you will be, Mike.

Mr. Wilson: The economic plan of the Minister of Finance is now in total shambles. That came out this morning in the briefing documents for the Versailles Summit which show that growth in the national income, anticipated to be 2.2 per cent, is now minus .5 per cent. The budget estimated unemployment at 7.8 per cent, it is now estimated at 9.2 per cent for the year and, as the minister knows, it is now in fact 9.6 per cent. That means there are now 200,000 more unemployed than were estimated at the time of the budget.

Since the minister's economic plan has proven to be totally out of touch with reality, and since so many of the members of cabinet and caucus are pushing the minister for a new economic plan and budget, would the Minister of Energy state whether it is the intention of the government to have a new economic plan and budget shortly following the Versailles Summit?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, the figures referred to by the hon. member, which were published yesterday in a briefing document for the Versailles Summit, did not originate from the Department of Finance but were taken from a study prepared by the International Monetary Fund. Since the hon. member is accustomed to seeing various organizations prepare forecasts and publish figures, he should know the relative value of such statistics. I should like to remind the hon. member that the best way to bring down interest rates and unemployment is, as the Prime Minister indicated yesterday in his press conference, to restore a climate of confidence, and in order to do so, we must get rid of the uncertainty created by high levels of inflation. I would invite the hon. member to support the efforts being made by the present government to reduce the inflationary pressures and expectations which are causing this uncertainty.

[*English*]

GOVERNMENT POLICY

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, surely the minister must understand that because we have not had any budget legislation for six months people do not know what they are dealing with. Surely he understands the fact that the economic plan has proven to be totally out of touch with reality, that it is doing more to undermine the confidence in

and credibility of this government than anything else imaginable. I will put the question again. Is the government considering a new economic plan to try to add some confidence in the economy now, and bring in a new budget which will erase some of the disastrous policies brought in last November which have caused some of the problems we have today?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, the hon. member is saying that no budget legislation has been passed as yet. However, yesterday evening the House had an opportunity to vote on a very important piece of fiscal legislation that introduces petroleum and gas revenue taxes. Furthermore, next week the House will be sitting in Committee of the Whole to consider the borrowing authority bill, an extremely important piece of budget legislation, and the House will have an opportunity to continue the debate on the economy. The hon. member is asking whether the government intends to bring down a budget. In fact, only a few weeks ago in his green paper on proposals for broader consultation in the budget process, the Minister of Finance indicated that he was in favour of having budgets on set dates, preferably in the autumn.

[*English*]

ORIGIN OF STATISTICAL DATA

Miss Pat Carney (Vancouver Centre): Madam Speaker, in the absence of the Minister of Finance I will direct my question to the Minister of State for Finance who, if I understand him correctly, has just made an astounding statement. Do we understand that the minister is saying that these figures referred to are not Finance Department figures but are available from the IMF and other agencies? If so, if international agencies can forecast and revise unemployment and inflation rates, why can't the Minister of Finance?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, I think that if the hon. member took the time to do a bit of research she would find that it is common practice for many international organizations, including the Monetary Fund and the Organization for Economic Co-operation and Development—the OECD—to publish regularly projections and forecasts on employment, unemployment, and the economic outlook in various countries. There is certainly nothing to get excited about. Similar studies are published by the Department of Finance and the Minister of Finance tabled several when he brought down the budget, and many other organizations publish them as well. There is nothing unusual about that.

[*English*]

Miss Carney: Madam Speaker, I will leave the Minister of State for Finance to swing at the end of the rope in his response to that question, and will direct my supplementary to the minister responsible for unemployment and immigration.

EMPLOYMENT

STUDENT SUMMER JOB-CREATION MEASURES

Miss Pat Carney (Vancouver Centre): Madam Speaker, I would like to direct the attention of the Minister of Employment and Immigration to the critical lack of jobs this summer. I was present yesterday at the opening of one of his student employment projects in the Vancouver area. I know placements are one tenth the number of applications, and I know there could be 200,000 students without jobs this summer. In B.C. the youth segment of the labour force is running an unemployment rate of 20 per cent. I know the minister is bringing in his training bill today, but there are no emergency measures in place for this summer, and I ask the minister what assistance he is planning now in the short term to encourage business to employ students in the next four months?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, to begin with, I am pleased the hon. member took time to attend the opening. I think it is important that all Members of Parliament work in very close co-operation with our special system of student employment centres in order to help them achieve their goal of aiding students to gain employment.

We have undertaken a number of special measures. I have now written to close to 1,400 employers across Canada asking for their co-operation in developing employment opportunities for students. The federal government has undertaken special measures to add money to the student employment budget this year, in contrast to the position taken by the government of British Columbia which cut back on its allotment for student employment.

• (1140)

We have made an appeal to Members of Parliament asking them to undertake special measures in their own ridings to contact businessmen to see what resources they have in their own offices to help students with employment. We are undertaking a major advertising campaign in an effort to engage and enlist the support of the private sector in providing employment for students this summer.

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CANADA DEVELOPMENT CORPORATION

STATEMENT MADE BY RESPONSIBLE MINISTER

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is for the Acting Prime Minister. Senator Austin, who is in charge of the Canada Development Corporation, announced yesterday that the government plans to privatize that corporation. Can the Acting Prime Minister confirm this? If he does, how does that square with the Liberal promise found in the Montreal *Gazette* for February 13, 1980, which quoted a statement made by the Prime Minister that when the Liberal party was re-elected, it would convert the CDC into a bigger player in industrial development along the lines of

Petro-Canada in energy. In light of the statement made by Senator Austin, and the tremendous unemployment in this country, can the Acting Prime Minister tell this House and the Canadian people why his party is breaking yet another campaign promise? Why is the Liberal government throwing in the towel?

[*Translation*]

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism)): Madam Speaker, the hon. member would be better off reading our press releases instead of the reports in *The Gazette* or other Canadian newspapers. He would realize that this decision in no way contradicts our intention to sell the government's shares in the Canada Development Corporation, nor does it contradict the commitment made by the government during the last election campaign. If he read the press release, the hon. member would realize that Senator Austin, who is responsible for the CDC, indicated that, with the consent of Parliament, we would be establishing a new company, wholly owned by the Canadian government, in order to help the latter make the appropriate decisions, both in terms of selling its CDC shares and advising us on new investments.

[*English*]

MANDATE OF PROPOSED NEW CORPORATION

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I have not relied only on press reports; I have here some letters that were exchanged between Senator Austin and officials of the CDC. The Senator says in one place that the CDC has failed. In a second place he says that it has fulfilled its mandate. He talks about a new corporation, and he calls it a new corporation wholly owned by the Crown. Yet in another place he talks about a holding company. Can the minister, who is speaking on behalf of the Senator, tell us what the mandate of this new Crown corporation will be? What are its objectives? Why is the government creating a new corporation when the CDC was established for that purpose in the first place?

[*Translation*]

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism)): Madam Speaker, I am, perhaps, not as fluent in English as the hon. member, but I have also read the letters to which he is referring, and in those letters the senator states that, after ten years, the CDC has clearly fulfilled its mandate and achieved the objectives for which it was created, the first one being to enhance Canadian ownership of industries, which was fully attained. Furthermore, the CDC has become one of the major resource companies in Canada and, within the Canadian commercial sector, it is the Canadian company with the greatest impact in terms of risk capital and the purchase of high-technology companies.

[*English*]

AIRPORTS

MIRABEL—MUNICIPAL REPRESENTATIONS

Mr. Ian Watson (Châteauguay): Madam Speaker, I have a question for the Minister of Transport relating to the Dorval-Mirabel situation. As the minister is aware, one of the major reasons for the pressure on him for the transfer from Dorval to Mirabel coming from municipalities in the Mirabel region is the matter of infrastructure costs which these municipalities incurred in anticipation of economic spin-off activity. Would the minister give consideration to possible assistance to the communities thus affected by this infrastructure burden in order to relieve the pressure on them, and allow the government to make a decision based on real, common sense interests relating to this situation, namely, the interests of the Montreal travelling public, the interests of the Montreal business community, and the interests of the Canadian airlines that are very much concerned about the possible effects on their profits of options being proposed for a move from Dorval to Mirabel?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the hon. member is asking me if I intend to be a good minister. The answer is pretty obvious; yes.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Pepin: It is a difficult exercise; otherwise it would be already resolved.

In this particular instance there are some fairly obvious conflicts of interest between groups of people and areas, depending upon where they are located.

Mr. Bradley: Conflicts of interest within caucus.

Miss MacDonald: The problems are all located in the back benches.

Mr. Pepin: In my usual compromising and friendly way, I was hoping to find compromises that would accommodate the greatest number of people. I have listened in recent weeks—because the tension has been particularly acute in recent weeks—to every idea on the subject, and I am still open to others. That is all, because I see Madam Speaker is signalling the end as a television producer would.

* * *

ADMINISTRATION OF JUSTICE

LEGAL COSTS INCURRED BY EXONERATED NURSE

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, my question is for the Solicitor General. The day before yesterday in answering questions posed by the hon. member for Prince Edward-Hastings concerning the Susan Nelles case and compensation for her legal costs, the Solicitor General said that the hon. member should direct his attention to the

government responsible for the decision and the prosecution. By that, he meant the government of Ontario. I do not deny that the government of Ontario has responsibility with respect to some compensatory arrangement in a case where an accused has been exonerated. However, I do believe the Solicitor General ought not to slide away from his responsibility on that basis.

Given the fact that this matter has been previously discussed as a matter of principle at the federal level, and the inadequacy of the system has been touched upon at the federal level, is the Solicitor General prepared to take an extraordinary responsibility and get in touch with the Attorney General of Ontario concerning this case, knowing that he will be joined by the hon. member for Prince Edward-Hastings, by me, and by several other Members of Parliament from Ontario who are anxious that there be some justice done in this case, particularly when it appears that the charge should never have been laid in the first place?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I have been able to ascertain that there is no precedent my officials have been able to find for such compensatory action at the federal level.

Miss MacDonald: Establish one then.

Mr. Kaplan: I am having a search done, although it is more difficult, to find provincial precedents for doing so in any of the provinces of Canada.

Mr. Beatty: Tell us about compassion.

Mr. Kaplan: However, I will note the hon. member's representation and I will bring it to the attention of my colleague, the Attorney General of Canada.

LAW REFORM COMMISSION RECOMMENDATIONS

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, perhaps when the minister does that, he could bring to the minister's attention the 1973 study of the federal Law Reform Commission on Criminal Court costs where the existing system is described as being totally inadequate and which should be replaced by a full cost system. The recommendations in that study went on to suggest that perhaps federal-provincial arrangements might be made, and for that kind of thing to be provided. That is what I meant when I said there has been a discussion in principle by the federal government on this inadequacy. Given that, will the Solicitor General go a little further and not only discuss the matter of compensation with his colleagues but join with others in this House of Commons, especially in view of the fact that in this case an injustice has been perpetrated, and go to the government of Ontario to ask it to move on its position in the hope also that the Government of Canada will see its way clear to do justice in this case?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I note the hon. member's point. I will bring it to my colleague's attention.

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• (1150)

AIRPORTS

COSTS OF DORVAL TO MIRABEL REMOVAL

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, my question is also for the Minister of Transport. With respect to his calculations on the Dorval-Mirabel operations, I would ask the minister if he has had provided to him a cost-benefit study with respect to the cost to Montreal of the removal of certain airlines from Dorval to Mirabel?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, this has been thoroughly researched. A first study has already been made public, and a second will be made public at the same time as the cabinet decision is announced.

My hon. friend should know, and does know because he is a very sophisticated economist, that there are many ways of presenting these costs. For example, one of the airlines has put in as a cost a new airplane, because of the extra distance that this move to Mirabel would represent. The same airline forgot to reduce the 17 miles from trips going west that this would also bring about.

Mr. Munro (Esquimalt-Saanich): Seventeen miles?

Mr. Pepin: This is not news; there are many ways to present costs. There is a saying that if you put ten economists in a room you will have 15 answers, and this applies in this particular case also. To calculate the costing to passengers, airlines, to government and so on is a very uncertain exercise.

POSITION OF AIRLINES

Mr. Donald W. Munro (Esquimalt-Saanich): The one element I am sure the minister has not taken into account is the possibility of not spending that money on that operation, and instead installing radar at Victoria International Airport. I would ask the Minister of Transport whether he has taken that into consideration. At the same time, would he tell us which airlines have actually petitioned him to move from Dorval to Mirabel to get on the back of that elephant?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the answer to the second question is none.

The answer to the first question is to observe my hon. friend's total lack of gratitude because I have already informed him that in the RAMP program, the radar development program, Victoria is first on the list. I already told him that. I expected compliments, regards and gratitude, but obviously I am not getting anything!

Oral Questions

CANADIAN DAIRY COMMISSION

RECOMMENDATIONS MADE IN AUDITOR GENERAL'S REPORT

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, my question is for the Minister of Agriculture. It concerns the Canadian Dairy Commission's export marketing activities which have been investigated three times recently, once by David Kates of the Public Service Staff Relations Board during the investigation of a grievance, once by Justice Hugh Gibson as part of a royal commission, and most recently by the Auditor General of Canada as a result of complaints arising from the previous two reports.

Since the Kates report revealed documents showing losses on one deal alone amounting to over $900,000—money which comes out of the pockets of the farmers of Canada—and since the Auditor General's report has been in the minister's hands for some time, will he tell the House what recommendations were made by the Auditor General concerning the internal operations of the Canadian Dairy Commission?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the hon. member has made some wide-sweeping statements about the report. There was nothing in any of the reports I have received, up until the latest one which I have not had time to study. The final report just arrived on my desk last Friday, a week ago today. I have looked at it very quickly and I will be studying it and will be making it public in time. That will be in due course, after I have studied it, and I may follow whatever recommendations may be in that report.

I asked for the Auditor General's report. The Auditor General's report is a review that I asked for over a year ago. It was finally submitted to my desk last Friday. I have not had time to study it. I do not intend to hide that report in any way, fashion or form.

Mr. Fraser: An urgent, single supplementary, Madam Speaker.

Madam Speaker: The hon. member for Vancouver South.

Some hon. Members: Oh, oh!

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AIRPORTS

QUERY RESPECTING MIRABEL DESIGNERS

Hon. John A. Fraser (Vancouver South): Madam Speaker, I want to thank you for your generosity. My question is also for the Minister of Transport. What we would like to know, Madam Speaker, is this: are the persons who designed and decided to build Mirabel still with the government and, if so, what are they designing now, where is it going to be, how much will it cost, and is there any possible way we can stop it?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have not made inquiries into the background of every officer in my department to find out if he was there or not away back in 1967 when that project was conceived. There were also a number of consultants brought in from outside when the decision to build Mirabel was made.

I have been cautioned by a great number of members in the House to make my own decision on the subject. That is what I am trying to do. In doing so, I have listened and taken into account all the representations that were made here and outside the House. I am going to develop, in the presentation of the final decision, an answer to all the questions that can be raised and have been raised in the past.

Madam Speaker: The hon. member for Humboldt-Lake Centre, and I apologize to him.

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CANADIAN DAIRY COMMISSION

IMPLEMENTATION OF AUDITOR GENERAL'S RECOMMENDATIONS

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, I would like to return to the answer given by the Minister of Agriculture concerning the Canadian Dairy Commission. Since he has the report and admits that he has not had time to read it, would the minister make a commitment to the House that once he has read the report and analysed its recommendations he will table that report with its recommendations, in the House, in addition to a report on the action taken by the Dairy Commission to implement those recommendations?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the hon. member is asking for something that I have already said I would do, that I would follow the normal procedure of making the report public. He is asking that it be tabled in the House. If that is the normal procedure, that is what I will do.

Let me say to him that there is nothing in either one of the two previous reports that found out that there was anything wrong with the Dairy Commission that you would find even under any normal business operation. There have been many charges made about the incompetency of the Dairy Commission. I had Secretary Block here, the Secretary of Agriculture from the United States, and when you talk about his dairy problems in his country, with the huge surpluses and so on, his search for markets and his subsidy problems, I can tell the hon. member that our problems are very small.

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INQUIRY OF THE MINISTRY

IDENTITY OF DEVON COLE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the Solicitor General. Will he tell us who Devon Cole is and what is his current relationship with the Solicitor General?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, Devon Cole is a resident in my constituency, a former resident in my constituency, who worked in election campaigns and works actively in community activities in my constituency. He is not an employee of the government or an employee of my ministry, and never has been. He worked as a volunteer in election campaigns.

REMUNERATION FOR ELECTION WORK

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, did Mr. Devon Cole receive any compensation of any kind from any source for his work on behalf of the Solicitor General of Canada in an election campaign?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I believe he worked, for a short period of time, as a driver in one of my campaigns, not for the full campaign. The expense was disclosed in my statement of spending during the campaign.

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ROYAL CANADIAN MOUNTED POLICE

POSITION OF SOLICITOR GENERAL

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Solicitor General will know that as a result of comments he made urging members of the Royal Canadian Mounted Police to carry on acts that had been declared illegal by the McDonald Royal Commission, several prominent Canadian lawyers have petitioned the Law Society of Upper Canada to have the Solicitor General investigated for unprofessional conduct. Would the Solicitor General be prepared to invite, himself, the Law Society of Upper Canada to carry out an investigation of his conduct to see if it is unprofessional conduct in relation to the matter raised by these lawyers—

Mr. Peterson: You are on a fishing expedition.

Some hon. Members: Oh, oh!

Mr. Clark: I do not want to be shouted down by members of the government, Madam Speaker. Would he be prepared to invite that investigation which has been requested by a number of prominent lawyers?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, that letter, which is well known and has been made public, is not directed to my conduct. It is directed to the policies which I have approved for the operations of the RCMP. I do not believe it is within the mandate of the Law Society or of the disciplinary committee to review the policies which I have established for the RCMP. I believe that the place for those policies to be reviewed is here. I have frequently explained them in committee and in the House. I am prepared to do so.

• (1200)

These policies, when criticized by the McDonald Commission, were confirmed by me with the law officers of the Crown, who have advised me that these policies which I have in place are supported by precedent and are perfectly lawful. Notwithstanding that, for further assurance. I went outside and obtained two outside legal opinions on these policies, which are the subject of the complaint of these lawyers to the Law Society. Both of the opinions which I obtained supported these policies. I continue to believe that they are proper, and they continue to be the policies of the RCMP.

Some hon. Members: Hear, hear!

* * *

THE JUDICIARY

CONDUCT OF SOLICITOR GENERAL IN SUBMITTING CHARACTER REFERENCES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, since, in the case of Arrindell and English, the Solicitor General and the Prime Minister have made the incredible claim that the Solicitor General was acting in his private capacity, rather than in his ministerial capacity, a claim which no one in this House can accept, with the exception, perhaps, of the Liberal Party, given its standards. And since the conduct of the Solicitor General, acting as a lawyer, has been called into question by the president of the Canadian Bar Association, would the Solicitor General, in order to clear his name, invite an inquiry into the propriety of his conduct by either the Canadian Bar Association—

Some hon. Members: Oh, oh!

Mr. Clark: —or the Law Society of Upper Canada, having regard to the fact that the Prime Minister and the Solicitor General have made it impossible for Parliament to judge that behaviour which they claim was private? Will he allow the governing body of his professional association to look into his professional conduct in this matter?

Some hon. Members: Hear, hear!

Hon. Bob Kaplan (Solicitor General): The evidence that I put forward in those trials was evidence put forward in open court, not as a lawyer, not as the Solicitor General of Canada, but as someone who knew the individuals. I am a lawyer and I am the Solicitor General of Canada, but if the Right Hon. Leader of the Opposition wants to make the point that this was done in my character as Solicitor General of Canada, I do not see how he can argue at the same time that it should be put forward as conduct of a lawyer to the Law Society of Upper Canada.

Before sending those letters, I considered the propriety of them and was satisfied that they did not violate the guidelines set down by the Prime Minister, in any sense of the word.

What I had to give was evidence of my knowledge of these two individuals which—

Mr. MacKay: Lack of knowledge. You said you hardly knew them.

Mr. Kaplan: —I gave in open court and which was available to the other side for comment, and I do not feel this was conduct which had anything to do with the conduct of a lawyer. It was the conduct of a person with knowledge of two individuals.

Some hon. Members: Hear, hear!

* * *

PETITIONS

MR. OBERLE—UNEMPLOYMENT INSURANCE CLAIMANTS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the two hundred and fifty-fourth report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Prince George-Peace River (Mr. Oberle) on Thursday, May 27, 1982, and finds that the petition meets the requirements of the Standing Orders as to form.

* * *

PRIVILEGE

MR. YOUNG—ASSERTION OF MR. LALONDE RESPECTING ATTENDANCE IN HOUSE

Mr. Neil Young (Beaches): Madam Speaker, my question of privilege arises from the assertion of the Minister of Energy, Mines and Resources (Mr. Lalonde) during question period that I was not in attendance in the House when, in fact, I was in my place, as I always am when the House is sitting. It would be appropriate if the minister were to acknowledge that fact.

Mr. Deans: Or even to listen.

Madam Speaker: The presence of hon. members in the House is not officially or traditionally acknowledged. However, the hon. member has made his point.

* * *

OFFICIAL REPORT

REMARKS OF MR. McRAE IN DEBATE ON BILL C-112

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, my question relates to yesterday's debate, at which time the hon. member for Thunder Bay-Atikokan (Mr. McRae) is reported at page 17853 of *Hansard* as having said this. I do not intend to read the whole paragraph because it is quite lengthy, but there are a couple of lines I would like to point out to Your Honour, which is why I raise a point of order. I do not think the hon. member deliberately wanted to mislead the House and I do not know whether he knew the facts, but I think this should be brought to your attention. He said with regard to 50,000 barrels of oil which is to be sold to Canada that they were unable—

Madam Speaker: Order. Can I find out from the very beginning whether the hon. member is trying to debate what has been recorded in *Hansard*, or whether he really wants to correct a statement that he has made in the House? It is not yet clear to me at this point. I would like him to be correct, so that I know where I am going.

Mr. Paproski: Yes, Madam Speaker, I wish to correct his statement. I am sure that he did not want to do this intentionally, and therefore—

Madam Speaker: Well, if the hon. member wants to correct a statement of his own, he is perfectly free to do so; but one hon. member cannot correct the statement of another.

Mr. Paproski: Well, I could say that the hon. member lied, but I do not want to do that. However, my people in Edmonton would say that he lied, because what he has said—

Madam Speaker: Order. Hon. members cannot say indirectly that which they cannot say directly—

Mr. Clark: Except the judges.

Madam Speaker: —and I am just warning the hon. member of that fact. The problem before me now is that he wants to correct the statement of another hon. member; that privilege rests with the person who made the statement, not with the hon. member for Edmonton North.

Mr. Paproski: Madam Speaker—

Madam Speaker: No, no. Order. It is over.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,832, 2,959, 2,981 and 4,134.

[*Text*]

DREE—EDUCATION LEAVE COSTS

Question No. 2,832—**Mr. Clarke:**

1. With reference to the education leave costs recorded by the Department of Regional Economic Expansion at page 13.6, volume I of the 1979-80 Public Accounts of Canada, what guidelines were used to determine (a) which employees should obtain educational leave and whether such employees should be granted (i) leave with pay (ii) travel expenses (iii) payment for tuition (b) whether the skills to be acquired were needed on a permanent basis?

2. What percentage of the education leave cost of $90,277 was necessitated by the acquisition of new equipment and by the need to have new skills in order to use the equipment?

3. What percentage of the education leave was necessitated by reason of job redundancy because of the (a) acquisition of equipment (b) change in the role of the employing agency (c) change in the capabilities of employees?

4. What percentage of employees granted such leave in the past three years have subsequently left the public service?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows: 1. (a) and (b) The guidelines used to determine which employees qualified for educational leave with pay and reimbursement for all expenses incurred are Treasury Board's Personnel Management Manual, chapter 110-5—Conditions governing education training and subsidization, DREE's training policy in Personnel Services Manual, volume D, Human Resources chapter, personnel training section, and the collective agreements.

2 and 3. Nil.

4. In the past three years, of the 13 employees granted such leave, only one (7.6 per cent) has left the public service.

DREE—UNINSURED LOSSES

Question No. 2,959—**Mr. Clarke:**

With reference to the uninsured losses of more than $1,000 of miscellaneous items recorded by the Department of Regional Economic Expansion in footnote No. 15 at page 13.4, volume I of the 1979-80 Public Accounts of Canada, under what circumstances were the transit and level lost and (a) who was culpable (b) were any convictions made and, if so, what sentences were imposed (c) are any trials or appeals pending (d) was the equipment replaced (e) did the department undertake steps to ensure that such losses did not recur and, if so, what were they?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows:

(a) On July 30, 1979, a Theodolite Transit and Automatic Level were among several items stolen during a break-in of a locked government vehicle parked on a Winnipeg street.

(b) The vehicle and equipment were assigned to a PFRA engineer for a visit to a project site. Upon discovery of the theft, the Winnipeg Police Department was notified immediately. The stolen items were entered into a national police computer system and a detective assigned to investigate.

(c) To date, none of the stolen items have been recovered and no charges have been laid by police.

(d) Replacements were purchased by PFRA.

(e) Instructions to all regional staff have been issued to the effect that no attractive items are to be left overnight in vehicles unless they can be securely locked in the trunk and whenever possible vehicles will be securely parked in government warehouses or compounds.

DOT—MOTION PICTURE PRODUCTION AND DISTRIBUTION

Question No. 2,981—**Mr. Clarke:**

With reference to the professional and special services recorded by the Department of Transport under the Marine Transportation Program at page 32.39, volume II of the 1979-80 Public Accounts of Canada, with particular reference to motion picture production and distribution (a) what was the title and total cost of each film produced in the fiscal year 1979-80 (b) at what audience was each film aimed (c) what cost recovery is anticipated from the distribution of all the films?

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): (a) and (b) (1) "Coming Back Alive"—total cost was $79,115 of which $64,780 was paid in 1979-80. This is an educational film which was aimed at hunters and fishermen who consider a cartop boat as a platform for their particular sport and do not consider themselves as boaters.

(2) "The Volunteer Marine Rescue Auxiliary Program Float Plan"—total cost $4,950. This is an educational film which was aimed at the boating public, including commercial inshore fishermen and pleasure craft users.

(3) "What now Skipper", "Canadian Boating Test", "Cold Can Kill", "Cold Water Survival", "La Garde côtière canadienne", "La Garde Côtière canadienne" (videotape), "Le Nancy J. ne pêchera plus", "Sécurité à bord", "Pourquoi pas l'endosser"—total cost of the above was $2,298. These educational films were aimed at the boating public, especially pleasure boaters.

The remaining expenditures relate to the rental of films for use by Canadian Coast Guard Vessels.

(c) No distribution proceeds are expected as these films are made available to groups for education-information purposes.

TEACHERS EMPLOYED BY DIAND IN ALBERTA

Question No. 4,134—**Mr. Taylor:**

1. How many teachers were employed by the Department of Indian Affairs and Northern Development for the purpose of teaching students on reserves in the province of Alberta as of June 30 (a) 1981 (b) 1980 (c) 1979?

2. How many of the teachers who were on staff in 1979 were still on staff as of June 30, 1981?

3. Does the department have its maximum number of teachers required on the reserves in Alberta?

4. Does the department give the teachers they hire a contract?

5. What is the actual turnover of teachers on reserves in Alberta?

6. Does the department have a curriculum that teachers are required to follow?

7. Does the department provide a special curriculum for Indian boys and girls and, if so, does it include special education for slow learners and medical, hearing and sight testing?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. Teachers employed by the Depart-

ment of Indian Affairs and Northern Development on reserves in the province of Alberta as of June 30, are as follows: (a) 1981—187 teachers, (b) 1980—205 teachers, (c) 1979—198 teachers.

Note: The decrease from 205 in 1980 to 187 in 1981 occurred due to a turnover of the school operation to the Saddle Lake Band. The department reduced its staff by 18 person-years to accommodate the band's needs.

2. Ninety-one teachers on staff in 1979 were still on staff as of June 30, 1981.

3. Maximum number of teachers allocated on reserves are established by ratio. One classroom teacher for every 18 students, kindergarten, grades one to twelve, plus two teacher aides for every five teaching positions, K-4 to grade three. For kindergarten grades, one teacher is allowed for every 15 students attending on a one-half day basis. As of March 12, 1982, calculations are based on February, 1982 student enrolment. The instructional requirement projected for September, 1982 is 198 teachers plus 33.5 teacher aides equalling a total of 231.5 instructional staff. This allocation has been approved. It is difficult to maintain the number of staff at the allocated level due to resignations and other factors.

4. Teachers are hired through the Public Service Commission in the same manner as other federal civil servants. Contracts are therefore not required.

5. Actual turnover of teachers is estimated to be approximately 40 per cent.

6. Department teachers are required to follow the Alberta provincial curriculum.

7. The department does not provide a special curriculum, however, our schools add cultural material by expanding social studies programs to include native history, culture and language. Special services are purchased through tuition agreements with the provincial schools, i.e., (a) School for the deaf, (b) Schools for the mentally retarded, etc. National Health and Welfare visit our schools for medical and dental work including hearing and sight tests.

[*English*]

Madam Speaker: The questions enumerated by the Parliamentary secretary have been answered.

Mr. Smith: I would ask, Madam Speaker, that the remaining questions be allowed to stand.

Mr. Stevens: I rise on a point of order, Madam Speaker. Once again I feel it necessary to ask the parliamentary secretary why question No. 2,042, which was put on the Order Paper on January 29, not this year but last year, has not yet been answered.

Mr. Smith: Madam Speaker, my hon. friend will be pleased to know that I have in fact made inquiries with regard to the preparation of an answer to this question. Information is required from a number of different sources. Much of that information has arrived, but a few of the sources have not yet provided information. I hope to be in receipt of it before too long and I will continue my efforts to satisfy the hon. member with an answer as soon as possible.

Madam Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT, 1971 (NO. 2)

AMENDMENT RESPECTING EXTENSION OF QUALIFYING PERIOD

Hon. Lloyd Axworthy (Minister of Employment and Immigration) moved that Bill C-114, to amend the Unemployment Insurance Act, 1971 (No. 2), be read the second time and, by unanimous consent, referred to Committee of the Whole.

He said: Madam Speaker, I would like to begin by expressing my appreciation to hon. members of the House for their courtesy in permitting this bill to be considered during this one day sitting. I appreciate the fact that they are prepared to give up what would perhaps otherwise be a Friday afternoon in their ridings to debate what is a very important measure for a large number of Canadians.

Mr. Nielsen: You owe us one.

• (1210)

Mr. Axworthy: I am always prepared to pay my debts. The provisions of this bill are very simple. In fact, there is only one. It is to extend for a further year the present variable entrance requirements under the Unemployment Insurance Act. The importance of this measure is that, without this provision to extend the variable entrance requirements, a large number of Canadians would require a minimum of 14 weeks' eligibility in order to claim unemployment insurance benefits.

In this time when we are facing very serious levels of unemployment and having to cope with major strains upon the unemployment insurance system, it would obviously be very unwise to try to bring about any destabilizing forces by undertaking major changes to the act. Therefore, we are asking the permission of the House to extend for one further year the extension provisions which would otherwise come to an end on June 4, so that we can offer to Canadians who unfortunately require support and assistance under the Unemployment Insurance Act some stability which will be maintained in present circumstances during this trying period.

It is important at this time to pay tribute to our forefathers and predecessors in this House who in 1940 had the wisdom and foresight to establish the unemployment insurance system. We are now experiencing perhaps the most significant test of that system because we are going through a very serious period of recession. It is a credit to this House in terms of its history

and longevity that at times it makes the right choice, which may not be recognized or appreciated at the particular moment, but generations that come after receive the full benefits of their judgment.

In this case, hundreds of thousands of Canadians are benefiting from the existence of the unemployment insurance system. It provides a basic income floor and ceiling for many thousands of Canadians at this time. Without the unemployment insurance system, certainly the tragedy and severity that unemployment brings would be that much more severe for many individuals. The existence of the unemployment insurance system provides a certain degree of continuity during this period when we face such high rates of unemployment. If for some strange reason we were not to let this bill go through, the consequences could be very dramatic. We would be faced with conditions in parts of Canada that none of us would like to contemplate.

[*Translation*]

For instance, Mr. Speaker, I have estimated that over 300,000 people receiving unemployment insurance benefits would otherwise not be paid. In addition, most of these people, and there are now 83,000, are from Quebec and the Maritimes.

[*English*]

We can see the difficulties that would be faced by a large number of Canadians if this bill did not go through. The obvious need for it is there. This is not something that is new, untried or innovative. It is simply a bill to maintain the present system for a period of one year.

I owe an explanation to the members of the House as to the progress or state of development in terms of the over-all reform of the Unemployment Insurance Act which we initiated over a year ago when we brought forward the task force report on unemployment insurance. At that time the feeling of many members of this House was that a general review and assessment of the entire unemployment insurance system was required. We therefore brought in a task force report which had as its objectives the need to streamline the system and to ensure that many of the administrative difficulties and peculiarities could be changed and altered.

Second, we indicated that there was a need for greater equity in the unemployment insurance system. Many repeaters or new entrants coming into the system for the first time are penalized under the existing act. With regard to those who now require a 20-week entrance, we should look seriously at how we can reduce their eligibility needs. At the same time, there are other parts of the act in the area of social equity that need to be reformed. I refer to the need to change substantially the benefits under the maternity provisions.

Many women have quite rightly complained that the requirements under the maternity provisions are inequitable. We agree with that. That is one of the areas of reform we propose to examine as well as the provisions that apply to adoptive parents. That matter has also been brought to my attention many times.

There is also the fundamental question of cost. It is a fundamental issue to be raised in this House. The unemployment insurance system is presently a $5 billion item shared jointly by employers, employees and the government. This is a very large expenditure. It is obviously of some concern as well that we find ways to ensure that the administration and delivery of the system is efficient and is cost-purposeful.

We want to examine very clearly the impact of the unemployment insurance system on income and the redistribution of income in this country. It is a matter of real concern that there are regions in this country which face high, chronic unemployment, not just in the phase we are going through, but for a continuous period. It is important that the unemployment insurance system be utilized to provide for some levelling of equal treatment of those who are faced with those conditions.

At the same time, we have examined ways in which we can make the Unemployment Insurance Act somewhat more creative in terms of using the unemployment system to help people train for new skills of work on community projects during periods of unemployment. This will bring about a number of beneficial results to the community and at the same time allow the community to retain very important skills and a work force.

All of these proposals were made in the task force report. It was my clear commitment at that time that we would not proceed with any of these major reforms or changes without very widespread discussion and consultation in this House and throughout Canada.

Over the past year we engaged in a very wide-ranging process of discussion and consultation with labour groups, business groups, community groups and social organizations. As one would expect, there were a number of conflicting points of view. Because there have been some suggestions from time to time that the task force report and recommendations in it are government policy, I want to underline very clearly that they are not. They are simply recommendations to the government to be considered in light of the discussions and consultations we engaged in over the past year.

Equally important, as we are now revising and condensing those recommendations and consultations, is that we come forward with a package of reforms which would give Members of Parliament a full and open opportunity for fair examination and detailed discussion.

The Unemployment Insurance Act is far too important an ingredient in our total economic and social framework for us to ignore. It is our intention and desire to provide the time in which we can have a very open and clear discussion in this House on the recommendations we bring forward.

It was discouraging to us that that kind of discussion could not take place within the time restraints of this session. We all know how occupied the parliamentary agenda is with a number of very important measures on economic matters. It was clear that we would not be able to alter as much as we would like the full-ranging discussion that the unemployment insurance bill would demand. Therefore, it seemed to make sense

that we continue the existing provisions of the act for another year.

• (1220)

When Members of Parliament return, the government can bring forward its proposals for reform and provide the time and opportunity for the very detailed discussions and judgment that this House can bring to such a very important issue.

That is the fundamental importance of this bill. It really gives a degree of security, a degree of assurance and continuity to those presently receiving unemployment insurance, while not bringing about major changes at a time when there is a high degree of turbulence in the economic system. It also ensures that we maintain the provisions with regard to the degree of equity, namely, the variable entrance requirements, to the point in time where we will have a full-scale ranging discussion in this House about a number of reforms.

So, Mr. Speaker, I recommend this short but important bill to members. I hope that we will be able to give it quick dispatch. I would welcome the comments members may have. I hope they will restrain some of their comments about the broader impact of the Unemployment Insurance Act until the time when we bring in the full-ranging reform.

I know that members are anxious to give me the benefit of their wisdom and judgment about the whole unemployment insurance system. But, Mr. Speaker, I would say that it would be somewhat redundant to spend the time of the House talking about something which as yet has not been presented. I think we would be conserving some of the efficiency of time of members and of Parliament if we were to wait until the government comes forward with its proposals, which we would intend to do at the earliest opportunity when there is time in the parliamentary timetable, so that we can then have a discussion based upon reality, based upon something that is before us, rather than something which is hypothetical and speculative. I do not think the time of the House needs to be taken up in wishful thinking or prejudgment but should be spent on something based upon facts.

If that is the case, it would then give us the opportunity, in the time remaining today, to initiate discussion, I would hope, on the training bill. It is a measure that will deal directly with the problem of unemployment by providing major opportunities for all young people and others to get broadened and expanded training opportunities during this period of recession.

So, Mr. Speaker, with the courtesy and co-operation of members of this House, I hope that we may pass in very quick order this unemployment insurance measure. Then for the sake of Canadians we can go on and do something which is equally important, perhaps more important, and this House can show its commitment to deal with the problem of unemployment by engaging in discussion on the training bill, which will give us all the opportunity to do something concrete, real and important for those who are waiting to receive some sign or message of hope.

Some hon. Members: Hear, hear!

Hon. David Crombie (Rosedale): Mr. Speaker, I am pleased to support the minister in his request to have the bill passed through its three stages and therefore be eligible for official passage on June 4, as I think is required by law. We are happy to do that, for a number of reasons.

First of all, we in this party, as I am sure all other members of the House, support the basic philosophy of the unemployment insurance scheme and have done so for many years. As the minister has indicated, it is a scheme to support families in hard times and in between times and it has done so for two and one-half generations. If we did not pass this bill today, Mr. Speaker, we would be changing the variable entrance requirements. It may have been a good scheme to try to take account across the country of the variation in unemployment rates. As people understand it, between ten and 14 weeks are the insurable weeks required, depending on the level of unemployment. Therefore, a high unemployment area will require fewer insurable weeks.

That is the basic understanding of the recommendation which was first brought down in 1977. It was brought down as an amendment in 1977 in order to give effect and flexibility to the scheme, to make it easier on those people in some parts of the country who needed help most, particularly in relation to the fact that there was higher unemployment there.

In 1977, Mr. Speaker, when it was brought down, part of the agreement or understanding was that there would be a general review of the act. That is why a task force was appointed. This idea was put forward in 1977. That part of the act would legislatively die in 1980. It was extended in 1980-81 primarily to allow for the continuation of a review of the act. In 1980 the task force to which the minister has referred was established.

We in this party, Mr. Speaker, look with favour on the work that the task force has been doing, not because we support all of its recommendations but because it is the first time in a long time that we have had a review of the act, an act that has been with us since 1940. It is worth while reminding the House—I do not think the minister needs to be reminded—that it is not some small review that is taking place with respect to the act. In fact, four issues are being addressed. First of all, everyone knows that it has been very difficult to understand administratively how UI works. Consequently, the first issue being addressed by the task force is the complexity of the administration of the program.

Second, this aspect is not well understood by the public, and therefore public comprehension suffers as a result of the 40 years of administration of the plan.

Third, I suppose the question is raised as to the cost-effectiveness of unemployment insurance. It seems to me that this is something the minister could bring forward in terms of a recommendation in that part of the task force report.

Fourth, the labour market impact is important. It is important, obviously, that whatever we are doing with unemployment insurance relates to the labour market in terms of

training and also in terms of income redistribution systems that we have in other levels and in other parts of the country.

These four issues have been dealt with on the understanding that effectively the unemployment insurance program has two basic purposes. First of all, it is an income protection scheme; secondly, it is a labour market development program.

There has been some experience, some exchange and vigorous discussion from time to time, with respect to how well each of those two purposes are fulfilled, particularly with respect to the labour market development program. I do not think there is any doubt about our willingness—and I think I am speaking for all members of the House—to see unemployment insurance continue as an effective income protection scheme as well as the labour market development program.

The task force report has some very specific recommendations to which we would like the minister to give some consideration. He mentioned some of them, I think. I did not catch all of his speech and I apologize for not getting all of it. He mentioned the question of entrance requirements and the recommendation of the task force for the elimination of the special entrance requirements for new entrants, repeaters and so on, and having one entrance requirement. That has some sense to it and we hope that the minister will bring that forward. It is clear that if we had a single entrance requirement we would have a sense of equity and simplicity that would help in the comprehension of the program.

The minister may also have mentioned that the task force report talks about some changes in the benefits schemes. I think the minister will probably have to avoid that for a while. The essence of the task force report is that, for good and sufficient reason which I need not go into at this point, there ought to be a tightening up of the regulations and a diminishing of the benefits. From time to time we have had some differences of opinion with the minister, but I have never heard any opinion that he would be so foolish as to take that step at this point in time.

The task force also referred to maternity benefits. In particular it went on, as the minister indicated in his own remarks, to deal with the special conditions surrounding what is known as the "Magic 10" rule. Even more so, the restrictions on adoptive parents is something that the minister could bring forward.

Some hon. Members: Hear, hear!

Mr. Crombie: It is even a human rights problem. It is not known merely as another regulation with respect to a benefit. If I am correct, the Human Rights Commission has already spoken on the matter. Certainly it is a question of human rights, and it is one thing that could be singled out by the minister without waiting for the finality of the comprehensive review.

• (1230)

The minister mentioned a number of other aspects of the task force report. I think all I need to say to conclude my thoughts on the task force report is that I urge the minister to proceed with it. I know he has a lot on his plate, but there are aspects or sections which could be knifed out of the report and dealt with. I think we are as interested as the minister in making sure people have faith in unemployment insurance as a program both for income protection and for labour market development. Those two functions as part of the program are as important to us and the Canadian people as they are to the minister. The more he can do to show that the scheme or the program continues to serve Canadians, as it has for two and a half generations, the better, and we would certainly support him.

There are one or two smaller problems. They are not small in one sense because they affect people and they are always important, but they do not necessarily affect as many people as some of the things I and the minister have been talking about.

One problem we find from time to time is with the regions that are used for the unemployment insurance scheme, particularly in relation to the fact that we are now specifically talking about regional variations. Whenever we draw boundaries of any kind, whether they are physical, ideological, emotional or spiritual, those closest to the boundary get hurt. So I am not arguing that there has been any intention to create problems; indeed, there are some problems, and I will cite one example for the minister.

If we go to the riding of Simcoe North, we will find that that riding is divided in half in terms of the regional variation rate. One half is the Georgian Bay area and the other is the Toronto area. I am sure most of the people in the Georgian Bay area wish they could have been included in the Toronto area for reasons other than unemployment insurance, but the fact is that there are two small townships in that portion which is included in the Toronto catchment area, and those two townships are Rama and Mara. Unfortunately, Rama and Mara have high unemployment rates, but they are in the Toronto area. Therefore, the people who work in Rama and Mara have to work more weeks in order to have the same qualifications as their brethren in Orillia, which is their normal catchment area.

The boundary review committee was approached about this, and the only suggestion it made at that time was that it would have to wait until after the 1981 census. Incidentally, I might say in December, 1979, DREE made a report and included these townships in an area which clearly would be suffering from high unemployment rates into the mid-1980s, so the minister has some specific information from DREE, a December, 1979 report, which talks about such areas as Owen Sound, Orangeville, Barrie, Orillia, Lindsay and Peterborough and includes those areas as areas of high unemployment into the mid-1980s.

The people who live in the little townships of Rama and Mara would be forever grateful if they could find themselves included in the Georgian Bay section rather than the Toronto section, because that would mean they would not have to have what they consider to be—and I think quite rightly—unfair qualifications for the variation rate.

There are one or two other points I would like to make at this time for the minister's consideration. I know he has considered one of them at other times and in other forums, but I think the credibility of his department—and, indeed, the credibility of all of us—could be enhanced. When we talk in this chamber about unemployment, we all use the statistics which benefit us most. I do not apologize for that. I do not expect apologies from anyone else because we all do it, but it certainly does not contribute to the education of the general population when we use an amazing array of statistics which are used primarily to benefit our own arguments. I think the minister, the government and all of us have a vested interest in seeing if we can arrive at a definition of employment and a definition of unemployment which we could all use and understand.

For example, the minister knows, and many hon. members know—but many people do not understand—that when we talk about unemployment, we are not including those whose unemployment benefits have expired. They may still be out of work, but their benefits have expired. We are not including those who have never qualified because for one reason or another they could not qualify. They are still out of work. Those who are able-bodied but on welfare are not included in unemployment statistics. Those who have simply given up looking because in the location in which they live there is just no point in looking any more are not included. Indeed, in order to be counted, according to Statistics Canada, a person has to be looking actively for a job in the last four weeks.

As I have just pointed out, there are many good reasons why we find people not in that category, but they are still considered not to be unemployed. Indeed, a person can work for one day out of three months, and if he was doing so in the last four weeks, then he is not counted as being unemployed. I want to make it clear that I am in no way at all blaming the minister or his department for this. I think over the years our understanding of employment and unemployment has become encrusted like barnacles on a boat. We have simply added on new thoughts and never clarified them.

We have three separate organizations the government uses—and we all use—for different sets of statistics. I think many policy decisions these days are made less on people's understanding of the realities and more on their understanding of the statistical descriptions of realities, and when that is the case I think we should have very strong interest in making sure we have not only a cogent, clear and honest definition of employment and unemployment, but also one which is generally agreed upon so that we are always talking about the same numbers.

Finally, if I could, I would like to make one observation with respect to the relationship between unemployment and welfare. I have already indicated that there are many, many people who are not on unemployment rolls in terms of being reported but who suffer because they do not have jobs. Obviously, people on welfare are in that category. Increasingly, as times get tougher—and the minister has said that times will get tougher in the next number of months and, indeed, into 1983 and beyond—we will have to make sure we are not for our own purposes avoiding putting people on unemployment rolls but simply putting them on welfare rolls.

I remind the minister that when it comes to whether people are on unemployment insurance or on welfare, two things are clear. People would rather be on unemployment insurance than on welfare because, no matter how we say it, teach it and try to learn it, there is a stigma attached to welfre that is not attached to unemployment insurance, as people still regard unemployment insurance as paying their own freight. That is the reality. I could dress that phrase up for the dance, but that is the reality. It is important not to look for the easy way to remove people from unemployment statistics and therefore off unemployment insurance benefits and on to welfare, because that affects people personally and emotionally and I think hurts their own futures.

The second reason I hope we do not take that easy route is that the cost of welfare rests, obviously, with all three levels of government. However, as this minister in particular would know, it rests most heavily on municipal governments. As you might remember yourself, Mr. Speaker, the ability of municipal governments to cope with these costs and their other responsibilities is wearing pretty thin.

For those two reasons I would like to raise again an old issue about which I have not heard much—at least with respect to the two points I raised—regarding the relationship between unemployment insurance and welfare. They are both income protection schemes, but one has a significantly different effect on the individual, and it also has a different effect on the ability of a particular level of government to be able to afford the costs.

Finally, let me say that we are looking forward to dealing with Bill C-115. I hope it will be very soon. I am not the House leader for my party, but I have my modest thoughts on that, which I will bring forward at the appropriate time. Bill C-115 is not unrelated to Bill C-114. Bill C-115 is a bill which I trust will give us some hope for the future, and in a sense Bill C-114 is a gentle reminder of the runs, hits and errors of the past. They are related bills and we will certainly have lots to say on Bill C-115. We would like to support the minister on Bill C-115 every time he takes a good step, but we will not support him every time he does not take a good step.

• (1240)

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, I appreciate the opportunity to speak on Bill C-114. I do not think the minister is going to be very happy when I say I am not going to take his advice and restrain my remarks on the whole field of unemployment insurance. In his remarks the minister made a comment about legislation to come forward this fall which will give Members of Parliament a full and fair opportunity to study the subject and have input into the legislation. If that comes to pass it will be the first time in my three years' experience in this House. As a rule we do not have much opportunity under this government to study legislation and have our concerns noted.

For the last few years I have been a member of the Standing Committee on External Affairs and National Defence which has spent a lot of time studying the different aspects of national defence and foreign affairs and has made recommendations which the government has ignored. The most recent of these was the cutback in reserves funding which the committee recommended against.

At this time in Canada 1.2 or 1.3 million people are officially unemployed. We all know that the real figure is closer to two million so it is too much to ask us to restrain our remarks at this time.

In my constituency things are not very different from conditions anywhere else. There is very high unemployment. There are 11 Indian reserves in the constituency, on all of which the unemployment rate is in excess of 75 per cent. On a number of reserves at some times in the year unemployment runs between 90 per cent and 95 per cent. An example is the Easterville reserve when in the non-fishing seasons there are only about half a dozen jobs available in the community—a couple in the band office, a couple working for the schools, and a couple operating the honey wagon. About 1,000 people live in the community but there are only half a dozen or a dozen permanent jobs. Yet the minister wants us to restrain our comments!

For the last two weeks in the city of Winnipeg Indians from the Peguis reservation have been demonstrating outside the office of the Department of Indian Affairs and Northern Development because of a very serious shortfall in housing on the reserve. There is a backlog of some 120 houses. Yet when these concerns are brought to the attention of the government, the natives are given funding for only five or ten houses. This is a case where jobs could be created and housing provided on the reserves, but the Department of Indian Affairs and Northern Development ignores it, saying that the natives should get outside funding through the banks and CMHC. How are they to pay off the mortgages if they do not have jobs?

I want to make some comments on how the government has moved away from its responsibility in the unemployment insurance field over the last ten years. The provisions in Bill C-114 are not earth shattering nor are they provisions which this party is about to oppose. We know that the purpose of the bill is to extend the existing variable entrance requirements of ten to 14 weeks according to the regional rate of unemployment. We support that. The alternative is that all Canadian workers would be required to have worked for 14 weeks in order to qualify for UIC, regardless of how much unemployment there is in their region.

The variable entrance requirement permits people in areas of high unemployment who have more difficulty finding work to qualify for unemployment insurance benefits with fewer weeks of insurable earnings. Without it, many of Canada's seasonal workers, whether they work in the tourist industry of Prince Edward Island or fish our oceans and freshwater lakes, would be cut off from unemployment insurance benefits.

This variable entrance requirement has not always been a feature of the unemployment insurance program, however. In 1971 the hon. member for Lincoln (Mr. Mackasey), who was then minister responsible for the program, introduced a progressive piece of legislation which enjoyed the unanimous support of the House. I am speaking about his unemployment insurance legislation. In the long forgotten "just society", this was to be the cornerstone of the guaranteed annual income.

The Unemployment Insurance Act of that year substantially reduced the eligibility requirement from 30 weeks of insurable earnings over two years to eight weeks over one year. It also reflected an understanding that the government had an important responsibility to control regional and structural unemployment.

While the unemployment insurance program introduced in 1941 fixed the federal government's contribution at 20 per cent of the cost of unemployment insurance, the 1971 act provided for the government to assume financial responsibility for unemployment insurance benefits when the unemployment rate was above 4 per cent and for the benefit of people who were unemployed for an extended period of time. This gave the government a vested interest in keeping the unemployment rate down. Because the government accepted that responsibility, its contributions to the unemployment insurance program increased as unemployment surpassed the 4 per cent ceiling anticipated for the 1970s.

In 1971 the government's contribution to the program was 19 per cent of the total cost and the rest was made up of contributions of workers and employers through unemployment insurance premiums. By 1975 the government's contribution had reached 51 per cent of unemployment insurance payouts. From 19 per cent in 1971 to 51 per cent in 1975 is quite a jump and it accurately reflected the responsibility that the government must assume for full employment in this country. That was obviously the understanding when the new unemployment insurance program was introduced in 1971.

Of course, the government was upset that its share of the cost of unemployment insurance had increased so remarkably, but what did it do? Did Liberal governments of the 1970s undertake measures to permit Canada to regain control of its economy and to create more jobs? Did it launch a massive job-creation program? Absolutely not. In fact, at various times it actually cut its funding for job creation. To bring down unemployment costs it introduced a series of legislative measures that shifted this financial responsibility for unemployment insurance on to the private sector, that is, the contribution of employees and employers to the unemployment insurance program.

That is not all it did, Mr. Speaker, We can all see that the government's economic policies could not maintain an unemployment rate of only 4 per cent for the duration of the 1970s. In fact, by 1979 the government's own definition of full employment had been changed so that 6 per cent was set as the benchmark at which full employment could be said to be achieved. We look back at 6 per cent longingly now, Mr. Speaker.

• (1250)

With more and more workers unable to find work, both Liberal governments and the short-lived Conservative government moved to prevent more people from qualifying for unemployment insurance by tightening up the entrance requirements. It was only four years after the new Unemployment Insurance Act had been introduced in 1971 that the Liberals set about dismantling it. Recognizing that unemployment would undoubtedly persist at above the 4 per cent predicted for the rest of the decade, the threshold level above which the government was responsible for the cost of initial benefits was changed from 4 per cent to an eight-year moving average of unemployment rates. In 1977 the government wriggled out from its commitment to bear the cost of extended unemployment. Bill C-27 eliminated two extended benefit periods for which the government had previously been totally responsible. The same bill introduced the variable entrance requirement we are dealing with today.

Most of the members opposite will no doubt insist that the variable entrance requirement was introduced to promote regional equity in the UIC program. I submit that is nonsense. After that requirement was introduced, unemployed workers in the hardest hit regions of the Atlantic provinces were required to have ten weeks of insurable earnings to qualify for unemployment insurance instead of eight weeks. How can making it more difficullt to qualify for unemployment insurance promote regional equity? That can only be characterized as Liberal logic. They make it more difficult to qualify for UI, and then they make it even more difficult for people who do not live in those regions hardest hit by unemployment, and sell the whole package as promoting regional equity.

The introduction of this requirement in 1977 had nothing at all to do with promoting regional equity. It was a sop to the Liberal backbenchers from areas of high unemployment who were protesting the government's intention to increase the entrance requirement from eight weeks to 12 weeks. It seems to have worked; the backbenchers were silenced, and anyone today committed to saving our crumbling UIC program is forced to support the variable entrance requirement.

Since unemployment insurance was overhauled in 1971, every amendment introduced by the government, either with Liberals at the helm or my Conservative friends to the right, has ultimately served to tighten the screws even further in order to disqualify more Canadians, thus saving the federal government even more money. Of course, none of this would be possible without first trying to convince the electorate that it was in their best interests.

Bill C-14 was rammed through Parliament in 1978. It was preceded by a very slick advertising campaign designed to convince Canadians that unemployment insurance was fraught with cheaters and people who did not really want to work. Then, after trying to convince the public that it was essential to stop the unemployed from abusing the program, the federal government set about abusing it in its own way, to the tune of more than $900 million, in Bill C-14. It did so by shifting the burden of the extended period of benefits from the government to the premium payer, and by making it even more difficult to qualify for benefits. The victims of the government's abuse were young people and women, those sectors of the public having the most difficulty breaking into the labour market.

Finally, in 1980 the government ushered in legislation to take it out of the unemployment cost-sharing business to an even greater extent. The eight-year moving average was eliminated. No longer would the government assume financial responsibility for unemployment insurance should the unemployment rate become unacceptably high. The government only contributes now to the regional extended benefits. That manoeuvre saved the government about $360 million in 1980-81. Not content with that, it began to raid the fund, paid for by workers and their employers, to finance other government ventures. In April, 1980, an order in council transferred the costs of the national employment service, some $202 million in 1980, from the Government of Canada to the UIC. Last year $188 million in job-training costs were charged against unemployment contributions. This year the minister is raiding the fund to the tune of some $190 million to date to pay for work sharing. This, instead of taking real steps to create jobs for the thousands of Canadians facing lay-offs as the government's economic policies take their toll.

However, we have good reason to fear, Mr. Speaker, that the minister has even worse changes in store for unemployment insurance. I am referring now to the recommendations of the task force on unemployment insurance which the government reluctantly released last summer. I say reluctantly because I think it is evident that if my leader, the hon. member for Oshawa (Mr. Broadbent), had not secured a copy of that report and made it public it would not have been released to this day.

I mentioned earlier that the government's share of the cost of unemployment insurance has been dropping with each amendment since 1977. In 1980 Bill C-3 reduced the government's contribution to 20 per cent of the cost, the level which existed prior to the hon. member for Lincoln's Bill C-229 in 1971. But now the recommendations from last summer's task force would have assumed a fixed share of costs established at 15 per cent, rather than assuming the responsibility for any part of a program which is costly because of the government's inability to produce jobs where they are needed.

The task force would also have the regional extended-benefit phase eliminated entirely. The focus of unemployment insurance if these recommendations are implemented, will shift from income protection to labour market development. People living in areas hardest hit by unemployment will be penalized with a boost in the requirement from the present ten to 14 weeks to 15 to 20 weeks. So here we have regional equity being promoted in a way which will disqualify more Atlantic workers from benefits and force them to move west to meet the needs of the labour market.

The task force cited as evidence of the need for these changes more allegations of the unemployed abusing the program. It spoke of the fact that in Newfoundland workers could now qualify for up to 42 weeks of benefits with only ten

weeks of insured earnings. Meanwhile, workers in Alberta must work 14 weeks to qualify for only 14 weeks of benefits. The task force cited this disparity as an incentive for Newfoundlanders to set up a cycle of dependency, implying they will work only long enough to establish a new claim. That is a rather slanderous thing to say about the workers of Canada. Even in Newfoundland, where unemployment is higher than in most of the country, only 12 per cent of claimants exhausted their claim in 1979.

May I call it one o'clock, Mr. Speaker?

[*Translation*]

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

[*English*]

The House resumed at 2 p.m.

Mr. Sargeant: Mr. Speaker, before one o'clock I was speaking about the unemployment insurance task force report of last year and how it had unfairly singled out Newfoundland workers as an example of how people become dependent upon unemployment insurance, at least dependent in the definition of this government. The task force ignored the fact that the Atlantic region has a higher proportion of repeat claims because job opportunities in that region are often seasonal or non-existent. How can this government seriously consider the findings of a task force that is so blatantly bent on blaming the victims?

I think it is clear, as in all other changes to the unemployment insurance program introduced since 1971, that the reason for recommending longer entrance requirements and shorter benefit periods is to cut government costs for this program. In addition to that, in a cynical move to encourage labour migration to the site of the government's ill-fated megaprojects, the task force recommendations sought to force workers to move to the west where the jobs were expected to be.

• (1410)

According to the provisions recommended in last year's UI task force, the regional rate of unemployment would still be used to determine the benefit period of unemployment insurance claimants. The benefit period would vary across the country from 20 weeks where unemployment was less than 6 per cent, up to a maximum of 50 weeks. However, claimants in areas hardest hit by unemployment could by no means be guaranteed 50 weeks of benefits. The maximum benefit period would vary from 20 to 40 weeks in most cases. It would only be those people who were fortunate enough to hold a job for a full 35 weeks prior to their claim who could possibly qualify for a longer benefit period than the 40 weeks.

The task force says that these changes are necessary to reinforce work incentives and to take people's labour force patterns toward work and away from unemployment insurance. The people of Canada have been told by the minister's task force that they did not really want to work, that they were inclined to live off unemployment insurance rather than work. I reject that accusation, which is what it is. It is an accusation that the working people of Canada are lazy and need to be prodded by their government to contribute to the general well-being of this country. What kind of Victorian moralizing is that?

Even in Newfoundland where it is more difficult to find work than in many other parts of this country, only 12 per cent of unemployment claimants stay on unemployment insurance until they are cut off. This would suggest to me that the people of Newfoundland, and all other Canadians, do indeed want to work. This government has taken away their right to work by its ruinous economic policies and it is now blaming them for being unemployed.

Traditionally, there have been four categories of unemployment; seasonal, frictional, cyclical and structural. It is now apparent that the Minister of Employment and Immigration (Mr. Axworthy) and his UI analysts would have us believe that there is one very important category of unemployment that has been ignored in the past, and that is intentional unemployment.

For the record, we in the New Democratic Party reject the accusation that the working people of Canada are lazy and need to be prodded by the government from collecting unemployment insurance and made to work. In the worst kind of cynicism—Liberal cynicism—this government throws thousands of Canadians out of work with its tight monetary and fiscal policies and then blames them for being unemployed or for living in one of the high unemployment regions of the country.

According to the unemployment insurance task force, tightening up UI regulations and further restricting the extent of UI claims will cut $220 million off the government unemployment insurance bill.

Canadian workers can breathe a bit easier, at least for now, because the Minister of Employment and Immigration has decided that it is advisable to maintain the status quo on unemployment insurance entrance requirements for at least one more year. They can breathe easier because what the minister apparently has up his sleeve is much worse than what is in effect now.

It is valuable at this time to recall what the hon. member for Lincoln, the author of the 1971 unemployment insurance legislation, had to say about the series of amendments to that legislation throughout the 1970s. I quote the hon. member:

—since 1971 when the Unemployment Insurance Act was brought in, reflecting the views of all members of the House, there have been no less than five or six amendments to the bill, if I recall correctly. In each and every one of these amendments there has been a clause or provision, among others, subtly to shift

the financial burden of unemployment from the Consolidated Revenue Fund and the government to the employer-employee to the point that it is almost absurd. I would say that close to $1 billion has been so shifted—

He goes on to say:

It might have been more fair if the officials had told Parliament that they had miscalculated the rate of unemployment in 1970 when they said it would average 4 per cent and that, for reasons beyond their control, unemployment should more realistically be predicted at 6 per cent. They could have made the necessary adjustments and I think Parliament would have understood, the country would have understood and the opposition would have understood.

Instead either by coincidence or design, prior to every one of these amendments we had a well orchestrated campaign based on the alleged abuse of the plan, thus preparing and conditioning people for the amendment, and supposedly aimed at reducing the abuse or tightening up the regulations, when in fact the main purpose of most of the amendments was to shift the financial burden from the government to the employer-employee. I think that has been unfair—

It must sadden the hon. member for Lincoln, a member of the government of this country, to sit in the House and see what his government is doing to unemployment insurance. After he warned the Minister of Employment and Immigration in 1980 to save unemployment insurance from those determined to undermine it, after he warned the minister not to heed those who would suggest that the contributions from workers and employers to unemployment insurance be used to finance department programs, that the government should pay for the unemployment programs from government revenues, after all these warnings from a member of his own party, the minister has done just the opposite. He has watched over the preparation for further dismantling of unemployment insurance in this country and has diverted millions of dollars of unemployment insurance contributions into government programs.

The combination of the government's deliberately induced recession, dressed up as an anti-inflation economic strategy, and its dismantling of the unemployment insurance program is drawing unemployment insurance and the entire system of social services to the brink of a crisis.

The unemployment insurance fund derived from employee-employer contributions could well fall $1.2 billion short of meeting the demands for benefits. It could even go above that figure. For the month of February this year, the total bill was $650 million. That is close to double the average monthly payout last year, which was some $370 million. Instead of costing $4.8 billion as it did last year, unemployment insurance could end up costing from $8 billion to $10 billion this year. That is before account is taken of bills for more than $200 million for the administration of the National Employment Service, $188 million for job training and $190 million for work-sharing, all charged against UI contributions.

With the government existing from cost-sharing for unemployment insurance and charging the costs of its other programs to the UI fund, those Canadians who are lucky enough to have weathered another year of this government's inflation fighting and still hold a job will see their UI premiums increase dramatically. There are 270,000 fewer jobs this year than last year. With unemployment expected to continue its rise, it is unlikely there will be more premium payers among whom to spread the increased cost next year.

But that is not all. The unemployment insurance system, of course, will not go broke. The government will boost unemployment insurance premiums next year to meet this year's deficit. By the end of the year a good many Canadians will have exhausted their claims and will have to look elsewhere for means of support. Of course, the preference would be for them to find work, but the ugly truth for many of those people will be that there is no work to be found. Unemployment is now at a post-depression high and even the government's own analysts are predicting that the Canadian economy will shrink—not grow—this year, eliminating even more jobs. This will be the first time since 1954 that the Canadian economy has actually shrunk.

With no jobs to turn to, what can these unfortunate souls do? Unhappily, it looks as though their only option will be to turn to provincial welfare, which is totally unequipped to deal with such an increase in demand. In the past when recessions hit, workers could often find temporary work to enable them to renew their unemployment insurance claims. Their chances of that are now more remote than ever. For one thing, I have already mentioned that there are 270,000 fewer jobs this year than last year and that the economy is continuing to slide. But the other factor is that the government, in an effort to save itself money, has consistently reduced the protection afforded by unemployment insurance. It has done this just as the need for an effective unemployment insurance program has increased.

• (1420)

In the recessions of the seventies, unemployment insurance had been the main stabilizing influence to help to limit the impact of the decline; but now, as the government deliberately takes this country further down the recessionary path, it does so after substantially weakening the unemployment insurance program. What will happen to the Canadian economy when unemployment insurance and the welfare system collapse under the strain of the climbing number of jobless Canadians?

Finally, I want to address myself to a couple of clauses in the unemployment insurance regulations which are particularly discriminatory. The first of these affects farm workers. Section 16 of the regulations stipulates that in determining a worker's eligibility for UI benefits, only jobs lasting 25 days or longer with the same employer are considered to be insurable earnings. As far as I know, farm workers are the only group of regular workers affected by this requirement. It is quite possible for a farm worker in, say, the Fraser Valley to work steadily for six months, but not with the same farmer. Farm workers often move from crop to crop and from farm to farm, only spending a few weeks or even a few days with each employer. It is not uncommon for the 25-day regulation to deny them benefits when they would otherwise qualify.

I hope that I do not need to remind the House that farm workers are often subjected to inhuman and dangerous living and working conditions, near starvation wages, unlimited hours of work and even racial abuse. Section 16 unfortunately serves to perpetuate the exploitive system of labour contracting

which farm workers often must endure. By working through a labour contractor, a farm worker is, in fact, working the whole time for the same employer, no matter how many farms are actually worked on. That is the principal service provided by these farm labour contractors who, in turn, pocket a large part of the worker's pay, often up to 40 per cent of the worker's wages. But many farm workers are faced with a difficult choice of either working independently of the contractor and forgoing UI benefits during the winter off-season or working for the farm labour contractor who pockets a huge portion of that worker's pay.

Last fall, the Canadian Farm Workers Union approached the Human Rights Commission to rule on Section 16 of the UI regulations. It argued that it was racially discriminatory since it discriminates against farm workers who are largely members of minority groups. The union said that because of Section 16, the federal government was the best friend a farm labour contractor ever had. It said that Section 16 was the Magna Carta of unscrupulous farm labour contractors.

The Canadian Farm Workers Union is calling on the government to delete Section 16 of the regulations, and I want to support its demand. By deleting Section 16, the government could accomplish two things. It would provide farm workers with a modicum of justice, and it would eliminate the need for farm labour contractors who have been milking farm workers for too long.

Another inequity in the UI regulations discriminates against inland fishermen, an occupation of many of my constituents. Under the present regulations, fishermen were declared to be eligible for benefits during their off-season, but the regulations also define their off-season strictly as running from December to mid-May. In my constituency and in many other areas of prairie Canada, fishermen have a winter season which generally runs from November through until March or April. When they are laid off or they catch their quota by some time in March or April, they are not eligible for UI payments for the rest of the off-season. It is an unfair regulation which my colleague the hon. member for Churchill (Mr. Murphy) and I have been calling upon the department to change for a number of months, indeed years. All we hear from the government is that it is working on it. It is working very, very slowly on it.

Mr. Young: Until the next election.

Mr. Sargeant: We in the New Democratic Party support the bill before us today, Bill C-114. It is, given the current state of unemployment insurance and what the minister seems to have in mind for the future of unemployment insurance, a valuable provision to protect those Canadian workers employed in seasonal occupations. We call for the government's continued support for unemployment insurance and the strengthening of the program. However, we are suspicious of the government's proposals to make UI a more effective tool, tilting workers toward work and away from unemployment insurance. Those kinds of proposals are only window dressing for the government to abdicate its responsibility for income protection for the working people of Canada. Of course, that is what unemployment insurance should be. It should be only income protection. It should not take the place of a vibrant economy and job creation as an answer to the growing number of unemployed. We have seen the government stake its development dreams on the energy megaprojects and we have seen those projects go down in flames. Now we hear that the government is expecting the economy to continue to decline for the rest of this year and that it has no intention to stimulate it or to mount any realistic and effective programs to stem the tide of unemployment. What we want and what the people of Canada want is an economic strategy which will create jobs to provide incomes for Canadians. Nothing I have seen in the three years that I have been in this House suggests that the federal government, whether Liberals or Tories are at the helm, is about to deliver such a program.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I am very pleased to join in the debate for just a few moments and to join my colleague, the hon. member for Rosedale (Mr. Crombie), in saying that it is the intention of our party to support this bill and to allow the matter to go through on all three readings this afternoon so that it can become law, bearing in mind the time limit under which the minister operates. But I want to say that while we are discussing what I believe to be improvements to, or at least in terms of the existing economic situation the maintenance of, the system of unemployment insurance, it must cross the mind of any hon. member who speaks in the House of Commons on this bill and who considers the fact that we are focusing this day on unemployment insurance, that we are really discussing a program which has had to be augmented and changed, not because of failures of unemployment insurance, but, rather, because of the failures of the economic policies of this government, policies which have refused to recognize the realities of the country. That is really the bottom line of all of our discussions, whether we are referring to UIC, student employment programs, or what have you. If we had a reasonable economic policy in the country that spoke to growth, to incentive, to reasonable trust and use of the exuberance of the private sector, which enticed people who now save their money in savings accounts to invest that money, to build plants and equipment and to expand their businesses, I expect that the House would not be concentrating to the extent it is on unemployment insurance and the problems facing the unemployed.

I also worry that when we discuss this matter we always seem to speak in terms of percentages of unemployed and discuss for how long people who comprise these percentages are without work. The percentages do not illustrate the human problems of the people behind those statistics. I think the government must address those programs, as well. I know that the minister is involved in some job-creating programs, summer programs and others. He and I know that while the dollars spent on those programs create some jobs, they are very costly and temporary jobs. I hope that in the course of considering its economic program for the future, whether before or after Versailles, the government will consider the cost of those jobs

and whether there might not be a better way of approaching the problems of the unemployed in this country, and will particularly address employment for our young people.

There is a great deal of confusion concerning government policy. Aside from taking the wrong direction, the Prime Minister (Mr. Trudeau) and his ministers have added to the confusion. Last week in Vancouver, on May 24, the President of the Treasury Board (Mr. Johnston) spoke to the International Monetary Fund Conference. I wish to quote from page 3 of his text. I assume he followed it; there is no indication he did not. He usually reads his speeches. He said, and I quote:

• (1430)

—I believe that we can no longer look to the traditional reliance on fiscal policy stimulus as a job-creating device.

That was his statement. The minister raises his eyebrows. I raised mine as well when I read it. The kind of programs this minister is involved in, job-creation programs, are fiscal policy stimulus. The minister makes speeches here and across the country saying that they are relying on those kinds of things as a device to help create jobs. Some say they are ineffective, some say they could be more effective, but that is what the government is relying on.

What is confusing things is that this minister speaks with a forked tongue. He speaks out of both sides of his mouth at the same time. A confusing situation is created.

What does the President of the Treasury Board mean when he says we can no longer look to the traditional reliance on fiscal policy stimulus as a job-creating device? Is he telling us the government is going to do away with the job-creation programs of the Minister of Employment and Immigration (Mr. Axworthy)? Are they going to be diminished? Are they not going to be improved? Is he saying the government is not going to look to recreating the tax system to provide some incentive for investment?

Is the President of the Treasury Board saying the government is going to abandon the research and development stimulus that is necessary in this country? That is a fiscal policy stimulus for Canada. We have opportunities in the high technology industry to create a whole new era of industrial development and secondary manufacturing.

The President of the Treasury Board said in Vancouver what he would not say in Kanata, in my constituency, where people engaged in the high technology industry know the importance of research and development. Is that going to be abandoned? Are no jobs to be created as a result of using the tax system to provide incentives to get people to invest?

Is the government stepping out of manpower training? That is a fiscal policy stimulus and a job-creating device. You train personnel for jobs that are available. Is he saying it is beyond the ken of this government to put in place a tax system that will encourage companies and corporations which require skilled help? They cannot wait for governments. They need these people. They must create their own schools of learning rather than bring people from abroad at this time when so many young people are looking for work.

Is the President of the Treasury Board saying we are not going to have problems of export promotion support? What is the government saying? On one hand it is not going to look to fiscal policy stimulus. On the other hand it says it is behind research and development and all those other things.

It is this glaring, blatant inconsistency that is confusing the business community, young people looking for guidance and those concerned about the state of the economy; there is one message in Vancouver and another in Ottawa. It depends on the audience to whom ministers are speaking.

What did he say? He says that what the government is going to do will no longer be a quick-fix. We either have a no-fix or a quick-fix. The government until recently did not talk about getting on with the job of changing the direction of its economic policy. That is neither quick-fix, slow-fix or no-fix. That is an important initiative.

People think that the meeting at Versailles will be a great watershed convocation of world leaders who will discuss the direction the world will take. I hope they do. I also hope that the confusion that has been added to the debate by the Prime Minister will be removed. While the President of the Treasury Board said one thing in Vancouver, the Prime Minister was quoted in the May 27 edition of the Ottawa *Citizen* as saying "his government could have a new economic strategy for a fall throne speech if the Versailles Summit fails to find solutions to the world's worsening economic situation".

In other words, if Versailles does not work, Canada is going to do by itself what I said it could not do. It said we are dependent upon the United States; but if Versailles does not work, we will not be dependent on the United States, we will do it on our own. That is the situation. It is that kind of silly, inconsistent economic nonsense which drives Canadians up the wall.

It is about time we considered the situation in which we find ourselves. The cabinet came back from Meach Lake as devoid of new ideas as when it when it went there. They wasted the heat for the building that weekend. They wasted your money, Mr. Speaker, and mine as well as their time because they came away with nothing new in terms of economic directions which would affect to a corresponding degree the unemployment insurance system. We will never do away with it; it should never be done away with. There is a certain amount of humanity about it. From time to time governments have to be humane. They also have to look at situations which face them.

The Minister of Finance (Mr. MacEachen) says in this House there is nothing we can do, that we have to rely on the Americans, that we are caught in the great vice of world conditions. The Prime Minister says that after Versailles the government may do something. The question is why it has not been done before Versailles. Why did the government not do something two years ago when it promised Canadians a number of things about the good life that would accompany the return of the Liberal government to Ottawa?

What we have now is a new slogan for Canada. Instead of a new deal for Canada, we have a new slogan— "Liberal times are tough times". The International Monetary Fund indicated just how tough they are. We are into a negative growth rate period in the country for the first time within the memory of many people.

Mr. Nystrom: The thirties.

Mr. Baker (Nepean-Carleton): I suspect we have not had that kind of situation since before the hon. member for Yorkton-Melville (Mr. Nystrom) was born. That is the kind of inconsistency we face.

The government which says it loves small business is going to help small business through the employment it provides for young people and others. It is going to study again what has already been studied with regard to changes in the legislation and initiatives that could be taken by the government in respect of small business.

It must be dreadful for members opposite to visit their constituencies on the weekend. It must be rough on them. My heart goes out to them. However, my heart goes out also to those people who are the victims of these policies which smack of inconsistency and do damage, not just to this country but to many Canadians who thought when they put this government back in office that something reasonable would be done. That is the situation we find ourselves in and it is under those circumstances that we are considering this bill.

• (1440)

While I have the minister here, I want to put a proposition to him. It is a proposition that he will receive from me in the mail. It deals with some changes that might be made in unemployment insurance legislation and benefits, matters which I suggest are in some respects effecting a discrimination.

I have in my hand a letter dated May 14, 1982, from a constituent of mine, Mrs. M. E. Villeneuve of No. 4. David Drive, Nepean, Ontario. With a number of other people she prepared, had circulated and had signed within the Ottawa-Carleton region a petition that asked for some changes. I believe I can best put the case by reading the letter into the record, because it lays the matter out. In writing to me she said this:

> I object to the fact that there are no unemployment benefits for women who go on leave when they adopt a baby.
>
> When a natural mother has a baby and is on maternity leave, she receives unemployment benefits; and Federal Government employees, in certain categories, now receive additional funds from their employing department. Natural mothers are also able to return to their jobs as early as they wish to earn their salary if they financially need to.
>
> Adoptive mothers *must* be off work for a six-month period, a policy of Children's Aid Society, with no benefits from unemployment or from their employing department.
>
> When a couple adopts a child they are taking over a government financial responsibility. People who adopt a child go through so much stress and wait for so long, that they certainly deserve the same privileges as any other parents. In this day and age no one can afford to be off work six months without pay, and I pay my unemployment insurance just like anyone else.
>
> I feel this is an extremely unfair situation, and you can see from the attached petition that many other people are against this. There is absolutely no justifiable reason for this, and it is time that the government gave unemployment benefits to adoptive mothers instead of continually increasing natural mothers' benefits.

That is how it appears to that mother in that situation. She concludes:

> I request that you present this letter and petition on my behalf to the Minister for his consideration. A reply would be most appreciated.

I can tell the minister that I have written to him today and I also have sent the petition to him today. At the same time, I felt that as we are going to deal with this legislation today in the House vis-à-vis unemployment insurance, I would like to address the matter directly to him today.

I am sure that if he had his way, the programs of the government would be much different. He would not want to go home to Winnipeg every day and defend the banalities of the Minister of Finance to the effect that nothing can be done. I am sure that this is the case with a whole host of backbenchers in his party. That is why there is trouble in the backbenches of the Liberal party, and a great deal of difficulty. I want to say to my friends in the Liberal Party that silence by them, public silence by them, will ensure either one of two things—the continuation of the existing policies which are doing so much damage to their constituents, or a movement away from those policies which will be insufficient to meet the needs of the country, one or the other.

We are members of the opposition. We are always being turned to for advice by the government. We have given them advice but the advice is never taken. It lies in the hands of the Liberal members of this House to move the government away from its damaging fiscal policies; and they will not do it in caucus. I tell you, my dear friends, through you, Mr. Speaker, that you will not do it in caucus.

It is time that backbenchers of the Liberal Party realize the important position which they hold and rise up publicly, openly, in this debate or otherwise, and at whatever opportunity there is, to drive home the point in the British parliamentary system to which the government House leader so often refers when it is convenient to him to do so.

Mr. Pinard: I rise on a point of order, Mr. Speaker. I see my hon. colleague is making his usual Friday afternoon speech and is throwing dirt at the government and the backbenchers. I want to assure him that there is full solidarity in this party and that there is no way the Liberals will support any Tory government or their policy.

Since he has been referring to me and to the British parliamentary tradition, I want to take this opportunity, Mr. Speaker, through you, to say that I have just made public my intent to strike a special committee to deal with parliamentary reform at the beginning of next week. I hope that he will make his views clear there and that he will not stick to the paper he tabled some one or two years ago, because it was less than acceptable.

Mr. Baker (Nepean-Carleton): I thank the hon. member very much. He has raised a whole new point that I could discuss.

Some hon. Members: No, no, no!

Mr. Baker (Nepean-Carleton): I do not believe, first of all, that I was throwing dirt on his colleagues.

Mr. Nystrom: Shame!

Mr. Baker (Nepean-Carleton): I do not care if his colleagues support us. That is not the issue. I was not throwing dirt on his colleagues. What I was saying to his colleagues was that the responsibility for the present economic situation and its continuation lies on the backs of those Members of Parliament who support publicly the government's economic policy.

Now, they may talk about it in caucus; I am sure they do. They may talk about it at home; I am sure they do. But the time has come for them to speak out about it in Parliament, because that is the way you get governments to move.

Mr. Nystrom: Right on!

Mr. Baker (Nepean-Carleton): That is the way you get governments, including the government House leader, to pay attention to Parliament—because they have to pay attention to Parliament. I hope that those proposals that are brought forth by the government for parliamentary reform go a lot further than just making it convenient for Members of Parliament. What needs to happen here is to create a system where Members of Parliament who represent ordinary people have an opportunity to speak out and to investigate, to be healthy skeptics of what government tells us they are going to do. Unfortunately, what has happened to this Parliament—and the government House leader is admitting this finally—is that Parliament has come more and more under the thumb of the executive.

That is what has happened to this institution. I wager that if we had a half decent budget process in place and there had been a good recommendation hanging around since 1977, we would never have had the budget we got on November 12. There is too much good sense in this House of Commons. There is not much good sense in the Department of Finance, not much good sense with the deputy minister of finance, not much good sense with the Minister of Finance. Putting that deputy minister together with the Minister of Finance, with the two of them never having met a payroll in their life, has been a combination that has been lethal to the country. That is the problem. We have never had that kind of thing before.

If this parliamentary reform program will allow Members of Parliament—I do not care what their stripe may be, Liberal, Conservative, New Democrat, or Independent even—to make some contribution to policy development, then the minister will have done something. But I warn him that if his program—I have not seen it yet—is merely designed to meet the convenience of Members of Parliament, then it is not enough, and it will be judged to be not enough by the country or by any interested observer in this place. Because the country is looking at this place. They are looking at it, the government House leader knows it, and they are going to demand some things of this place. We have the responsibility—I am prepared to accept that, but so has the government—in terms of making it relevant. I hope, I pray, that he is enlightened, that he went far beyond his speech to the federal lawyers' club, which was a speech on the cosmetics of parliamentary reform rather than the reality of parliamentary reform to get to the heart of things. My position paper, which he referred to, was not the last word. The problem with the situation is that my position paper was the first word ever heard from a government in a long time about meaningful changes.

Members of Parliament would be a little better off even to take what he describes as those shallow reforms. If they were so shallow, why were they not adopted by the government immediately?

Mr. Pinard: Mr. Speaker, I hate to interrupt my hon. colleague. I respect the fact that he has the floor and I would not object if he is given a bit more time, if he requires it. However, I think he is on the wrong track. He presumes I will impose on the committee changes just as he tried to do. The reference will be very broad, and the committee will be large in order to allow as many backbenchers as possible to participate. I hope the hon. member will refrain from participating because I would not like to see the old pros giving their views on this; I would like to hear new and good views from backbenchers.

• (1450)

Mr. Baker (Nepean-Carleton): Mr. Speaker, that is a rare and refreshing observation. It is not a point of order although it was raised under the guise of a point of order. In any event, we will see what the proposal is. I never look a gift horse in the mouth, but I have a healthy skepticism about what this government tells me it is giving to me. Any time the government gives me a gift, I worry. Sometimes it flares back and kicks me where I am very tender. We will see if that occurs. If my friend's proposals are good, if there is some reasonableness, if he will allow backbenchers and if he does not chair the committee—

Mr. Pinard: I won't.

Mr. Baker (Nepean-Carleton): —then there may be some hope. I hope it does not die with this Parliament, though, because the problems will be around until the fall and we will have to deal with them.

I hope my friend does not put his thumb under this. When we get to the moment of truth with respect to parliamentary reform, I hope what happened with respect to freedom of information will not happen again. When we got to the moment of truth with respect to freedom of information the government started to quiver and shake. The government said, "My goodness, we are going to have to give up some secrets; we can't have that." However, I will give my friend his due. If it is a good approach and if the committee system is good, he

will have my support. We will take a look at it Monday, but there is a long road of parliamentary reform ahead.

I am a perpetual optimist. I believe sometimes the leopard can change its spots and that suddenly out of a shroud of secrecy there will be a streaker of openness in terms of freedom of information. Where there has been closeness before in terms of parliamentary reform and a desire to keep government in control, I hope suddenly there will be a transformation to sainthood and a new plateau of involvement of Members of Parliament. If that is the result, we will all cheer. I will cheer with my friend. If need be, I will even buy a bottle of champagne which we can share together! It will be a bottle of Canadian champagne, by the way. I suspect, however, that many of the things we are discussing in terms of unemployment insurance as well as the economic program of the government would be different if parliament could have been involved.

I want to thank you very much, Mr. Speaker, for your kindness. You allowed me to proceed because you had also allowed the government House leader to do the same thing. As usual, you have presided over the House with the even hand and fairness we have come to expect of anyone from eastern Ontario who approaches that task.

I hope the minister will consider very carefully the question of adoptive parents, who have a unique problem. I also hope the government as a whole will bear in mind the new things that are happening in the unemployment insurance field.

I want to close with one further reference. I found an interesting clipping in *The Globe and Mail* which reports that the federal government is now setting up an ombudsman's office in Manitoba—I believe in the minister's riding—on a trial basis. I think that is very generous of the Minister of Employment and Immigration (Mr. Axworthy). The article in *The Globe and Mail* says that a new ombudsman would cut Unemployment Insurance Commission red tape. The office is being set up on a trial basis. I think it is wonderful the minister would do that for his riding. I do not know whether additional public servants will be hired for this, but it is a pilot project. It will cost $200,000 in the first year and will be expanded to other provinces if it proves useful. That is what the article says. This office is now being dubbed the "Canada Public Help Centre". The article states the centre, and I quote:

—will open Monday in Winnipeg's Osborne Village area, and will be staffed by four advisers under the direction of Ted Wakeman, a 30-year veteran of the Unemployment Insurance Commission.

I, of course, wish him well in that new undertaking. The minister made an interesting observation about what this is all about. He said it is to "break down the barriers to ensure people get a sympathetic response".

The advisers will help people understand confusing government forms, and will patch up difficulties that occur when public servants have bad days and give their callers the brushoff—

Now we have an ombudsman for those who get the brushoff. What is happening is interesting. When the freedom of information bill goes through, we will have a freedom of information ombudsman. We now have a language ombudsman. We have a penitentiaries ombudsman. We have a privacy ombudsman. We will have a UIC ombudsman.

If I may finish with this thought, I think the government should consider creating an ombudsman to report to this Parliament. There was a first-class bill in 1978, Bill C-43, which was advanced by the then minister of justice, Mr. Basford, which would have created the office of ombudsman. We cannot afford to have these little ombudsmen's offices all across the country. It would be much too expensive if we did it jurisdiction by jurisdiction, problem by problem and statute by statute.

The government's having gone this far, I think a case could be made now to create the office of ombudsman. I speak for myself only in this, naturally. If the government decided to move in that direction, I would be prepared to support it. I might even be prepared to help because what has happened in this country is that government has grown so large that in comparison the ordinary people feel quite small. I think we need help. Members of Parliament can help. Attitudes certainly can help. I think if this pilot project works out—the idea of a new kind of ombudsman is very interesting—the government should perhaps consider bringing in some legislation to create the office of ombudsman. It seems to me that should be the next step in this matter, the government's having gone as far as it has.

I want to thank you, Mr. Speaker, and my colleagues in the House of Commons. I hope the minister will take to heart my comments respecting adoptive parents and that my friend, the government House leader, will reveal himself ultimately as the saviour of Parliament.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, it is with great pleasure that I take part in this debate on the bill now before the House. I realize that we, the House leaders, have an agreement to get the bill through all three readings this afternoon. We are now engaged in second reading, and I shall therefore be brief, except to congratulate the Minister of Employment and Immigration (Mr. Axworthy) on his present initiative to request an extension of the existing legislation, as he has done in the bill now before the House. My colleague from the Progressive Conservative Party, the member for Nepean-Carleton (Mr. Baker), wanted to draw a parallel between parliamentary reform and the policies favoured by the government, and he implied that if our parliamentary rules were different, we would also be getting different policies, especially concerning employment. Perhaps he is right. I am not in a position to contradict his statement out of hand, but where he is making a mistake is when he is looking for scapegoats. I feel that even in 1982, it is rather presumptuous to accuse a few parliamentarians of being responsible for the very slow pace at which our noble institution is gradually becoming more modern. The hon. member knows this as well as I do. More or less as a joke, I said earlier that in a document tabled by the hon. member, there was

nothing that could be taken seriously. He realizes as well as I do that I approve of some of his proposals and already mentioned this to him, and especially, to give only one example, the proposal for a twenty-minute limit on speeches. I have always found this a sensible proposal and I certainly would support it if presented again.

However, without wishing to judge too severely his manner of proceeding when he was House leader, I think the proposals he made at the time should first have been considered by all parliamentarians in the course of preparing and approving a report by a parliamentary committee. He implied that he could not accept the proposals I made and explained in a speech to federal lawyers a few months ago. I want to make it clear that every single one of the proposals I made on this occasion had been considered previously by a parliamentary committee in 1976 and 1977, or from 1975 to 1976, it does not make much difference, a committee of which both the member for Nepean-Carleton and myself were members. Since these recommendations had already been made by a parliamentary committee, I felt it was entirely proper to air them publicly as being desirable changes in the short term, in order to show some confidence in the growth of our parliamentary procedures and the changes to be made.

In any case, I want to give the hon. member the assurance, since he insisted on drawing a parallel between parliamentary reform and the bill before the House today, that the referral to a special committee is a referral of a very general nature that will make it possible for members on both sides of the House to express their views, without constraint or limitation, regarding all aspects of the rules of this House. In addition, there will be no undue limitation on the committee's proceedings, we have no intention of cutting off the committee's work before it has reported to Parliament, and we earnestly hope that parliamentarians and especially backbenchers, will make a major contribution in suggesting procedural changes, as part of the committee's work. That is why when the member for Nepean-Carleton made it clear that he would agree not to sit on the committee, since he is more or less an old hand at parliamentary procedure, he did so provided I would agree not to chair the committee. I have no objections. I will not sit on the committee if he does not, so that more backbenchers will be able to express their views. In any case, we shall have an opportunity to discuss the matter at the House leader level—I am referring to the membership of the committee. I shall certainly consider the offer made by the member for Nepean-Carleton.

Finally, it should not come as a surprise to him, because earlier today I advised the Progressive Conservative House leader and the House leader for the New Democratic Party, of my intention to give notice today of this referral to a special committee of twenty members for the consideration of parliamentary reform, and also to present this motion. I also have the consent of the parliamentary House leaders for approving the referral, without debate, some time next week, probably early in the week. In the circumstances, there are absolutely no snakes in the grass. This is a very frank and open approach which will make it possible for members on both sides of the House to make recommendations, while the referral also provides for interim reports under which certain changes could be tested. In any case, all this will open the door to changes that may further affect the government's policies but, above all, will make it possible for Parliament to be more efficient and more productive and to respond more satisfactorily and promptly to the present demands of modern society, where problems tend to surface more rapidly than they did in the past.

Consequently, I believe there is reason to rejoice at this approach, and I shall be speaking to this subject in greater detail later on. In concluding, I hope, with the member for Nepean-Carleton, that the policy we are discussing today will be a step toward greater parliamentary flexibility. I am convinced that in view of the present unemployment levels and the economic situation the present bill will be very useful in our society. Once more, I wish to congratulate the minister on his initiative, and I thank members on both sides of the House for their co-operation in expediting the passage of this bill at all three readings today.

• (1500)

[*English*]

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, I am very pleased to have the opportunity to say a few words about Bill C-114 this afternoon. Is the hon. member for Victoria-Haliburton (Mr. Scott) rising on a point of order?

Mr. Scott (Victoria-Haliburton): Mr. Speaker, I thought the hon. member for Mission-Port Moody (Mr. Rose) was rising on a point of order.

The Acting Speaker (Mr. Ethier): I am sorry. We tend to focus on the center of the House all the time. It is my mistake. I did not see the hon. member rise. Usually we recognize one member from each party in the debate on an amendment, and in this case also we want to hear the opinion of each party. The hon. member for Nepean-Carleton (Mr. Baker) was recognized, followed by a member of the government. Now I will recognize the hon. member for Mission-Port Moody (Mr. Rose), followed immediately afterwards by the hon. member for Victoria-Haliburton (Mr. Scott).

Mr. Taylor: Mr. Speaker, I rise on a point of order. Are we speaking on the labour bill or—

The Acting Speaker (Mr. Ethier): I am sorry, I cannot recognize the hon. member when he is not in his seat.

Mr. Scott (Victoria-Haliburton): Mr. Speaker, I thought the hon. member for Mission-Port Moody was rising in response to the government House leader who strayed far from the contents of the bill we are dealing with here.

An hon. Member: Sit down!

Mr. Scott (Victoria-Haliburton): I will take my orders from other places. I thought the hon. member was answering the government House leader.

The Acting Speaker (Mr. Ethier): There was some confusion, I admit. The hon. member for Nepean-Carleton had the floor and was talking of reform. The President of the Privy Council (Mr. Pinard) spoke at some length on the subject of the committee that will be formed next week. Perhaps the Chair got carried away and was listening with great interest to what was being said. I agree that not enough was being said about the matter before the House, namely, the amendment to Bill C-114. However, I recognized the hon. member for Mission-Port Moody. That was done inadvertently because I did not see the hon. member for Victoria-Haliburton rise in his place.

Mr. Taylor: Mr. Speaker, there are two things that I should like to deal with. First of all, it is very strange that in the middle of a discussion on Bill C-114 we got into a discussion of parliamentary reform. There is limited time for debate on this bill so I do not think it is advisable at all to stray from it. A number of members want to speak on the bill, and the subject of parliamentary reform will be dealt with at another time. If we are to continue the debate on parliamentary reform then it is proper that we hear a member of the NDP, but we are dealing with Bill C-114 and the proper method is to go from one side to the other. Consequently the next speaker should be from the official opposition.

The Acting Speaker (Mr. Ethier): I have not a list of hon. members who have participated. I said that I did not see the hon. member for Victoria-Haliburton rise, and therefore inadvertently I recognized the hon. member for Mission-Port Moody. That can be withdrawn with the unanimous consent of the House.

Some hon. Members: No.

The Acting Speaker (Mr. Ethier): Consent is not given, so the Chair recognizes the hon. member for Mission-Port Moody.

Mr. Rose: Mr. Speaker, I feel like the phoenix rising three times from the ashes. If the rules of relevancy were to be strictly adhered to perhaps both sides of the House would come under criticism from the Chair. I support the Chair and the decisions of the Chair. When the Chair recognizes the hon. member for Mission-Port Moody I do not quarrel with that.

There has been a great deal of wandering from the subject in a couple of the other speeches, as was pointed out by the deputy whip for the Conservative Party. I do not think that started with the government House leader. It started with the intellectual and literal, if not verbose musings of the hon. member for Nepean-Carleton (Mr. Baker), who is a very capable man. He knows how many devils can dance on the head of a pin. He can launch into great stylistic meanderings on a moment's provocation. I think it is only fitting, after all his years in the House, that he be known as "the wizzard of ooze". I am very fond of him personally, even when he makes such gross literary errors as saying that the leopard can change its stripes at any moment. That kind of allusion baffles me, but obviously it does not baffle the master of bafflegab. I think he must have provoked the government House leader, which is why the government House leader got all mixed up, took the heat off the minister of unemployment, and we went on to a debate about parliamentary reform. I think there is probably a need for that because some of us tend to, if not defame, at least deform some aspects of Parliament. We should get on with reform through a special committee, and I think all of us are looking forward to it. I was a little worried, though, about the offer of the hon. member for Nepean-Carleton to buy the government House leader a bottle of champagne. I just wondered if that might be considered by some to be payola, or something like that.

• (1510)

Mr. Baker (Nepean-Carleton): Canadian champagne.

Mr. Rose: Canadian champagne. I am quite sure he did not mean it in that way at all.

Since we started out today speaking about unemployment insurance and the extension of the variable requirement, I would just like to make a couple of observations. First of all, we do not oppose the proposed extension. We are going to have a lot to say, though, when the bill is amended because we do not like the attitudes which are assumed in some of the utterances, not only of the minister but also of the Prime Minister (Mr. Trudeau) in attempting to put the blame for unemployment squarely on the backs of the unemployed, or to shift the cost of unemployment off the federal government and onto provincial welfare rolls. You might be able to do that, but you cannot shift the misery of unemployment to anyone else but the unemployed.

Some people do not pay unemployment insurance whatsoever.

Mr. Nystrom: Senators.

Mr. Rose: MPs, Senators—

An hon. Member: Stanley would not let us.

Mr. Rose: —but senators do not need it. They have a lifetime job. They do not need severance pay either. But I would point out that an MP's job is one of the most insecure in the world, as perhaps at least some of us have occasion to know. The average time in office of an MP is 5.3 years, so the job security is not all that great, and perhaps we as a group should be paying unemployment insurance regardless of what the hon. member for Winnipeg North Centre (Mr. Knowles) might have said.

I am sorry the minister has gone, Mr. Speaker, not that I blame him after the last couple of exchanges. He urged us not to talk today about the level of unemployment. He asked us to

avoid all discussions of the misery and insecurity of those employed who are about to lose their jobs. He did not want us to talk about long-awaited changes or what improvements we might suggest to unemployment insurance. He did not want us to talk about the grim employment prospects for students and young people. I do not blame him. He does not want us to talk about that because he wants people to forget about it and talk about the brave new world which will come about with some future legislation. He does not want us to talk about the 1.5 million unemployed, the people who have given up looking for work, the young people in communities with perhaps 20 per cent or 25 per cent unemployment. He does not want us to talk about native unemployment, which runs up to 80 per cent in some communities. I can understand why he does not want us to talk about that. I do not blame him. He said it would be redundant if we were to talk this afternoon about those things because, after all, we have a great chance to talk about those things some other time. Perhaps we will have that opportunity when Bill C-115 is introduced. Interestingly enough, the minister had a proposal that we should introduce that bill for second reading, not waste the time of the House this afternoon with Bill C-114 which everyone favours, but deal with the minister's second reading speech and we could have ours the following week. That was a very generous offer, especially when one considers that the minister woulld introduce the bill, it would be discussed in the press, and he would be the only one to get any news out of it. I think when we deal with Bill C-115 we should be all here together to discuss it, and each party's critic should have the opportunity to provide input.

So, Mr. Speaker, he does not want us to talk about those things. The government does not want us to talk about lots of things. A committee of the government, though, certainly talks about things. A committee of Liberal members talks about things. Here is a leaked document of a caucus committee, including one cabinet minister and one ex-cabinet minister. What are they talking about? They say:

> The political-economic situation is very serious and every effort must be made to improve it.

We cannot disagree with that. The document says:

> Committee must help demonstrate that the Liberals have the will and determination to govern.

No one can quarrel with that because they are demonstrating just the opposite at the moment. They are falling apart at the seams. Hardly a week goes by without some backbencher getting up on his hind legs and saying things about his own government which are hardly complimentary. It goes on:

> The committee should probe radically alternative ways of revitalizing the economy and of offsetting current hardships.

That is what members of the government are saying. We have been saying that for years now, but the government is now beginning to catch up and talk about things like that, too. But there is a cautionary note here when it says we:

> —must ensure that whatever is recommended it be consistent with Liberal philosophy.

I have been here some 14 years and what the Liberal philosophy is completely eludes me, if it is an identifiable philosophical position. There might have been a Liberal philosophy at one time, but what it is today is: do what you have to do and get away with all you can.

Mr. Pepin: That is a philosophy.

Mr. Rose: That is the philosophy. I am glad the minister admitted that is the philosophy. They go on to ask: what do we do and how do we achieve it? The document goes on to say we:

> —need to break the bureaucratic stranglehold on the system. Structure of government departments frustrates effective direction by ministers and prevents an imaginative, action-oriented approach.

I could go on and on. I am pleased to read that into the record, not just to embarrass the government, but to suggest that even the very prominent members of that government are worried. They look at the polls and are worried. Well they should be, because, as the hon. member for Nepean-Carleton said earlier, the country is worried. We have entered a period of negative growth for the first time since the depression.

I would like to direct the minister, Mr. Speaker, to a very serious matter which is not beyond his ability to correct.

Mr. Kristiansen: Where is he?

Mr. Rose: He is the Scarlet Pimpernel; one minute he is here, the next minute he has gone.

Mr. Nystrom: He is on the telephone.

Mr. Rose: The next time I wish to speak to him, then, I will phone him. He is listening to me on the telephone. I am very pleased to hear that.

An hon. Member: He is out looking for a job.

Mr. Rose: I do not know where he would get a job. In any event, I do not want to proceed as though what I was about to discuss were a frivolous matter or one that I did not care about. It has to do with the farm workers in the Fraser Valley. Many of these people are of one ethnic group. Many of them do not speak English. Many are new immigrants and work for $1.25 an hour. Many of these people are among the lowest paid people in my riding. They go from job to job as the crops ripen and develop doing farm work. Most of these jobs do not last more than a few weeks. Sometimes they do not last more than a few days. Because they do not last for more than a few days, they cannot work for one employer more than a few days and, therefore, they cannot establish the 25-day minimum necessary for them to qualify for unemployment insurance. I do not know of any other working group of people in society who are discriminated against in the same way that farm workers are. I do not know why this is so. On the other hand, if these people decide not to go to work for an individual farmer—because if they do and they work less than 25 days they do not qualify for unemployment insurance—and instead are employed by a farm labour contractor who can put them to work at several farms over a season, then they do qualify for unemployment I suppose if it works that way in the Fraser

Valley with crops such as broccoli, strawberries and raspberries, it should also work for us in southern Ontario with our grape picking, tobacco harvesting, and so on.

• (1520)

In addition to being very low-paid and having most insecure jobs, which causes difficulty in plugging themselves into the system—at least this is the experience of my constituents, many of whom are immigrants—they are discriminated against in terms of unemployment insurance because they cannot qualify for benefits.

I do not claim that all farm labour contractors are exploitive. They are not. They perform a good service for some of these people. But a person should not be faced with having to work for a farm contractor because otherwise he will not receive unemployment insurance. They should have the choice of working either for an individual farmer or for a farm labour contractor.

At the moment Section 16 of the regulations forbids this. If a farm worker goes to work for two weeks for farmer A and then two weeks for farmer B, he does not have the necessary 25 qualifying days. Therefore, he is not eligible for unemployment insurance. When that farm worker is laid off, as all of them are because this work is seasonal, he collects no benefits even though he has to pay the premiums. That is blatantly unfair.

This is not a new problem. It goes back two years, if not longer. It is at least two years that I know of, but the situation has become so bad that farm workers, like the lettuce and the grape harvesters in California, have formed a union. We hear people say there are too many unions and that unions are too strong. But unions come about because people are forced to bargain collectively in order to look after themselves. A farm workers' union has developed in the Fraser Valley. It will grow as it has in California and elsewhere, because there must be some way of fighting for rights collectively. You would think that people would have to fight a big, rotten and inflexible bureaucracy in order to change the act. That is only half right. They do not have to fight to change the act. The regulation is all that needs changing, and that can be done by order in council. That is all that is required to right what I think is a wrong which should not be perpetuated.

The farming season is nearly upon us, and there is no protection or relief for these people. If there is a Liberal philosophy which is: do what we have to and do only when we have to, and if there is more to it than that—and I see the Minister of Transport (Mr. Pepin), who is the acting Prime Minister, is nodding approvingly—surely a simple change by order in council is not beyond the ability of the government and a process which would not take long.

Mr. Baker (Nepean-Carleton): After all, there are more than 3,000 orders in council each year.

Mr. Rose: This is not the first time I have mentioned this matter. On December 8, when the Christmas spirit pervaded all our hearts, including, presumably, those who govern—

Mr. Anguish: Including the Liberals?

Mr. Rose: —I rose under the provisions of Standing Order 43 and said this:

> In contrast to other workers like plumbers and carpenters, Section 16 of the Unemployment Insurance Act denies farm workers all unemployment insurance credit for the days worked unless they work 25 days for the same employer. Thus, over 100,000 farm workers among Canada's poorest paid workers who are not normally covered by minimum wage legislation, health and safety protection, or workers' compensation benefits, are victims of unemployment insurance discrimination which can force these workers into the arms of labour contractors who can, by moving workers from job to job, employ farm workers for the season for a fee of sometimes up to 40 per cent of their already low wages.

I moved then that we change this regulation because it is only right and just to do so.

Finally, Mr. Speaker, we support the extension of the bill. We want to see it go through all its stages today. We think this is important. We look forward to improvements when the act is changed. But we are not all that optimistic about improvements in the Unemployment Insurance Act. Our experience has been just the reverse. Cutbacks have occurred and the poor have been blamed for the failure of the government's economic policy. I could certainly speak on that topic as well. However, I will not do so today. I will leave the House, I hope, with a very determined wish, supported, I think, by all fair-minded people, that we scrap Section 16 of the Unemployment Insurance Act regulations and start treating people who work in the agricultural industry on a seasonal basis as decently as we treat other people who work in our society and who have more protection.

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, when I spoke to the hon. member for Rosedale (Mr. Crombie) yesterday about this bill, he said it was the wish of our party that this bill receive speedy passage through the House. We all agreed on that and we agreed that we would keep our remarks brief. I am sure this was also the wish of the minister. Today, however, the government House leader made a very lengthy interjection, and I am sure other members were involved, which puzzled us. Nevertheless, hundreds of thousands of Canadians are affected by this legislation, and all of us should see to it that this bill pass.

I am, however, critical of the minister for waiting until the eleventh hour to introduce this bill. This legislation needs many amendments. Probably the minister agrees, but the point was agreed on years ago, yet here we are with a bill that has to be passed in all stages today to enable the unemployed in Canada to receive instead of what should be a paycheque some form of assistance.

I am very critical of the bill, and there are many sections of it which should be discussed. Many amendments should be made. I am sure every Member of Parliament has constituents phoning daily saying that they cannot get their unemployment insurance or their maternity benefits. We should also be dealing with the point raised by the hon. member for Nepean-Carleton (Mr. Baker) concerning adoptive parenthood regulations and benefits. This is something which certainly needs attention. This bill should be more creative and should stimulate people to work instead of merely passing out unemployment insurance cheques to them just to enable them to make ends meet. We should be striving to provide something more

meaningful in life for them. That is the direction in which the unemployment insurance program should be headed.

• (1530)

I believe that this bill should have been dealt with some time ago. I believe that it is proper that the minister had asked for input from members of Parliament since a Member of Parliament has a better opportunity to indicate how the bill may rectify problems that our constituents are having. The minister reflected this view recently in the House when we were speaking about the workload that some offices in the Unemployment Insurance Commission were taxed with. He indicated that he would look into the matter if hon. members would bring it to his attention. While that is very kind of him it is, after all, his department's responsibility. It is not the responsibility of a member to bring this to his attention.

There should be more prompt payment of claims, which is a matter we should be dealing with today. However, we are setting this aside for another year. I hope that in another year's time we will not once again be dealing with this at the eleventh hour. I hope something can be done in the meantime to have this bill put through with many amendments made to it. We need this Unemployment Insurance Act in our changing society. I do not think that any member would argue with that fact.

Another gross unfairness within the act concerns the regional boundaries. This had also been mentioned by the hon. member for Rosedale with respect to the riding of Simcoe North. I have the privilege and the honour of representing the two townships, Roma and Mara which he mentioned some time ago, which are located just outside of Orillia. These townships are grouped with the Toronto area for unemployment insurance entrance purposes. Also within my riding is the township of Georgina in the region of York where unemployment is the highest of any region in the regional municipality of York. Yet it too is grouped with the city of Toronto. I find that this is very unfair.

I think this bill is long overdue. What grieves me is that my constituents who live in the county of Haliburton and the county of Victoria are probably grouped with other areas where there are different industries and different unemployment problems. The entire riding of Victoria-Haliburton has an unemployment insurance rate of 9.5 per cent. It had been recommended by DREE in 1980 that this area would suffer large scale unemployment by the mid-1980s. Yet this area is not entitled to the DREE program to stimulate employment; it is ignored.

I have met with the minister many times. As late as yesterday, I travelled with the ex-minister responsible for DREE, who is still involved with the Department of Industry, Trade and Commerce, and I asked him about a DREE grant for my area. He said that it is coming and the government is working on it. I have heard this assertion for years but nothing happens.

I realize that we cannot take time on this very important bill and that there are other members who wish to speak to it. But I believe that we should not deal with this bill which affects so many Canadians in this manner. One would think from the way the debate was conducted by the government House leader that there were many Members of Parliament who would be unemployed. He brought that statement into it. It did not relate whatsoever to the bill we are discussing today.

I believe that the government should not delay any longer and should begin to introduce amendments to this bill immediately. I join in expressing the sentiment of many other members who spoke today that we need reform. We need to have a bill introduced which has some meaning and which will provide some light at the end of the tunnel for the unfortunate unemployed of this motion. We need new programs introduced.

I do not understand why the minister's riding has been chosen to have an ombudsman, as was revealed by the member for Nepean-Carleton. There are many other parts of our country that probably need and should have an ombudsman as well. I do not know when the minister will make that announcement, but it has probably been leaked out by now.

In closing, I would suggest that the government is responsible for the fact that this bill is necessary. The government came in with many promises and all the answers for an ailing economy in the 1980 election, but the economy has become increasingly worse ever since. I hope that the government will take the gravity of this situation to heart. This bill should receive top priority. It has not reached that stage yet and it is the government's responsibility to take it there.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I will be brief. I will begin my remarks by saying that I believe it is a tragedy that we are dealing with an unemployment insurance bill in one day, when, had the minister seen fit to introduce it sooner we could have taken it to committee and given it a thorough examination to determine whether it needed further amendments. However, I understand the urgency of the plea.

I come from Calgary, a community in Canada which has been an engine of growth within the last decade. Last Saturday I attended a meeting in that city at which there were many people who had lost their jobs and had either lost or were losing their homes because they could not afford to pay their mortgages at 19 per cent. They especially cannot afford those mortgages when they are unemployed.

I stand here today as someone who has recently experienced what is a very frightening phenomenon, that is, a government which can turn a healthy and thriving community and country into a disaster zone through its ill-conceived policies. We are debating this bill today because there are four times as many unemployed Canadians as there were 14 years ago when the present Prime Minister (Mr. Trudeau) took office. It is an achievement to turn out four times as many Canadians in 14 years. That is the undeniable record of the government.

I wish there was more money available for the unemployed. I realize, however, that our taxes are almost double what they were 14 years ago.

Another item which has risen 12 times as much in 14 years is the interest on the public debt. It represents 14 years of mismanagement, which has created a situation where 12 times as much money today is required to pay the interest on the public debt. As well, a good portion of that money leaves Canada. This means that it is not available for unemployment insurance, hospital beds or pensioners. That money simply pays the bankers' interest on the debt which this government has incurred over 14 years, with the encouragement and even the blackmail of the New Democratic Party, going back to the mid-1970s.

We have a tragic economic situation today. This dilemma was predictable. We stand here today knowing that last year we spent $4.8 billion in unemployment insurance benefits. That is a lot of money; close to $5,000 million. Last year we also spent twice as much as that amount on importing one commodity, that is oil. Today we are buying oil from Saudi Arabia, Mexico and other countries at $35 and $45 a barrel, which amounts to some $10,000 million annually. In the meantime, oil sits in the ground in western Canada because we have a government that developed a policy which favours the importation of oil. We have a government which has developed a policy indicating that Canadian oil should be left in the ground, Canadian jobs should be lost and unemployment rolls shall grow. That is the rhythm of the energy policy to which this nation has been subjected since the "Liberal Party West" chose to throw out a sensible government. The NDP, the "Liberal Party West" threw out a sensible government and returned a government—

• (1540)

Some hon. Members: The people!

Mr. Hawkes: —whose record has been, is today and will be tomorrow a tragedy for Canadians, and then it had the gall to stand in the House and say, "We care. We would like to get rid of unemployment. Let us throw more money at the problem."

An hon. Member: The people put you out!

Mr. Hawkes: But do the hon. members ever say how the government is to raise the money? Do they feel very good about the borrowing pattern over the last 14 years, with the result that today 23 cents out of every federal tax dollar goes to pay the interest on the debt? When one pays taxes, the government is left with 77 cents out of every dollar one gives. The rest goes to the bankers. The taxes go up, but the payment of interest goes up even faster. We have less money today. The NDP solution is to tax business. Where do the unemployed come from? Where did the unemployed come from, if it were not businesses which had to lay people off and then went bankrupt? Where did the unemployed come from, if it was not a factor that—

Mr. Deans: How about young people who cannot get into the work force?

Mr. Hawkes: —the costs went up so high that they could not sell the things they produced?

Mr. Deans: How about the young people who cannot get into the work force?

Mr. Hawkes: The young people cannot get into the work force because the factories are closed.

Mr. Deans: Because they are poorly managed.

Mr. Hawkes: Support the labour union leadership, not the membership. The leadership wants 30 per cent raises. In Medicine Hat, just in the last two weeks, there was a union like that, a leadership like that, which represented 175 people and it wanted 30 per cent raises. All right, that is what they got, but the business was closed and not one of those 175 people is working. They just had an auction, sold off the equipment and there are no more jobs for those 175 people. Did we really ask those 175 people if that is what they wanted? Or were they the captives of a leadership element which was paid so well it was out of touch with the grass roots and did not understand that the grass roots person in this country, in Canada today, is a person who cares, who wants a job, who wants a chance to be promoted, who wants a life which allows him to own a home and to have a decent standard of medical care? That is what the grass roots of this country want and we have a leadership which has gone berserk at the urging of people who have no common sense at all. To be spending $10 billion a day, paying four nations, importing oil when the oil is sitting in the ground in Canada, is not common sense.

Mr. Deans: Right!

Mr. Hawkes: It is not common sense to tax a business or an individual to the point where he cannot compete in the marketplace, where the things he produces cannot be sold. It is insanity. It is not common sense.

Mr. Kristiansen: You want to tax the consumer!

Mr. Hawkes: It is not common sense. The prescription or the trail that we have been on for the last 14 years, is a disastrous trail. I think people can understand it. Today it is possible for people in the gallery and people watching television to go out and get many credit cards or to go out and borrow a lot of money. But they must surely know that if they borrow so much money that their entire paycheque goes to pay the interest on the money they have borrowed, they will have nothing left for food. That is the growing achievement of this government, aided, abetted and supported by the New Democratic Party. It is a prescription for borrowing today to pay back tomorrow.

I remind people that today we spend 12 times as much paying the interest on debt as we did on the day that the Prime Minister took office. In 14 years, we have increased our need to pay interest by 1,200 per cent. There has been a 1,200 per

cent increase. That is one of the major reasons for our difficulties, because money is auctioned. The government borrows 25 per cent of what it spends, goes out into that auction market and competes against everyone in this chamber, everyone in our gallery and everyone watching television who wants to borrow money. It drives up the cost of that money. It drives up interest rates because its borrowing needs are so high. When it does that, it causes the small businesses in this country to collapse.

I would like to refer to interest rates. Farmers cannot afford the interest rates and they have no choice but to lay off their employees, to voluntarily liquidate or to go into bankruptcy, and the jobs are gone. The need for help for those important, unfortunate victims increases. So the costs go up and the jobs go down. That has been the prescription in this country for 14 years.

I would like to conclude by drawing the attention of the Minister of Employment and Immigration (Mr. Axworthy) to the *Hansard* of June 26, 1980, almost two years ago. I would like to remind hon. members of the New Democratic Party that that was the last evening on which we considered an employer tax credit bill. Hon. members in our party fought the government and the New Democratic Party in this chamber for eight days. We said that unemployment would get worse and the economy would collapse. The cheapest and best way to create jobs in this country is through employer tax credit programs, some kind of wage subsidy program, because that would help people, especially young people, to get and keep jobs. Instead of costing an employer $260 a week, it would cost about $65 a week. For one quarter of the the same dollar, four times as many jobs could be created. One other impact would be to reduce the cost and the production of those goods. They would be cheaper to make, inflation would be kept down and jobs would be created.

On June 26, 1980, I moved an amendment which would have extended that program for an additional two years. It would have been in place today. There would have been more jobs in the Canadian economy.

Mr. Kristiansen: Bail out big business!

Mr. Hawkes: The hon. members of the "Liberal Party West", the New Democratic Party, said no to that amendment. The Minister of Employment and Immigration said no to that amendment. Two years later, we are standing here with a major problem which must be solved. Common sense must begin to prevail. In the inner workings of the Liberal cabinet, it is crystal clear there are people charged with the responsibility to help people. The Minister of Employment and Immigration, the Minister of National Health and Welfare (Miss Bégin), and the minister responsible for social policy, are losers in the resource game. The Minister of Energy, Mines and Resources (Mr. Lalonde) and the Minister of Finance (Mr. MacEachen) are the winners in the resource game. When hon. members, through passive behaviour, allow the minister of energy to win, they are sending money and jobs out of the country to other nations. When they allow the Minister of Finance to win, they are doing the same thing. It is about time that the backbenchers on the other side stood up in caucus, stood up in this chamber, and forced that cabinet to pay attention to those ministers who are supposed to help people, the Minister of Employment and Immigration, the Minister of National Health and Welfare, and others. You can no longer afford, in the name of common sense, to allow the minister of energy to win the resource battles. We will help the Minister of Employment and Immigration today to pass this bill, because Canadians need it. Next time, I hope he brings it in a little sooner so we can look to see if it will be even more helpful. But we need the help of the backbenchers on the other side.

The minister of energy is a minister who has caused more economic grief in this country, more of this unemployment with which we are dealing, than one can ever imagine. If you have a day and a half, read the transcripts and you will find out how and why. However, he must be replaced with somebody with common sense. That is the way to get this nation back together and get rid of the unemployment problem. Get rid of the ministers who are causing it. It cannot be done without the will of the backbenchers on the other side.

• (1550)

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Francis in the chair.

On Clause 1—*Short title*

Mr. McGrath: Mr. Chairman, I did not want to interrupt because I did not want to delay the Committee of the Whole, but I have a couple of questions for the minister.

The minister will recall we had some difficulty with regard to discrimination in the administration of the Unemployment Insurance Act. For example, there was a time when women who fished with their families were discriminated against. The minister may recall the case of the squid fisherwomen. There are still elements of that, I suspect. In any event, I want to give the minister an opportunity to report to the House on what steps he has taken to close the loopholes which allow for women to be discriminated against in the application of the Unemployment Insurance Act.

Mr. Axworthy: Mr. Chairman, I am pleased to report to the hon. member that we did take actions to allow women who are spouses of fishermen who would also be eligible for fishermen's benefits to also collect those benefits. I do not have the exact details in front of me, but I will be glad to provide them to the hon. member.

Mr. Rose: Mr. Chairman, I have a question for the minister. He was out of the room making a phone call when I made the plea about Section 16 of the regulations which discriminates

against farm workers. Is the minister considering removing through order in council Section 16 at an early date?

Mr. Axworthy: Mr. Chairman, I apologize to the hon. member. I was called to the phone. I am sorry I did not have the chance to hear the whole tone of his remarks. I will look at the transcript of his remarks in the House this afternoon and give him the reply by letter at the beginning of next week, if that is agreeable. I would prefer to have his exact remarks before trying to reply in the House.

Mr. Taylor: Mr. Chairman, I have three questions for the minister. I will ask them quickly because I understand there is an agreement.

First, there are a lot of people unemployed. Many of them try to find jobs on their own. Sometimes when they find a job, they have to get to that job immediately, and it requires a move. Under the regulations, persons are supposed to make arrangements before moving in order to receive any moving assistance. I would ask the minister whether there is any flexibility, as many of those unemployed who find a job on their own do not have the chance to get to the unemployment insurance office first, as there are not that many in the country. Could there be some flexibility to encourage our unemployed to find jobs by offering them some assistance with regard to moving expenses?

Second, I want to reinforce the argument made by the hon. member for Nepean-Carleton in connection with adoptions. Many of my constituents have adopted babies two, three or four days old. That is tantamount to having given birth to those babies. The department insists that a mother stay home with a baby for six months. Many can ill afford to do that. They have taken the child and given that child a name. Will the minister give consideration to amending the statute so that those adopting will receive some consideration with regard to unemployment insurance?

Third, I would like to mention a situation with regard to telephones in the Calgary office. Sometimes you phone and phone and phone. There is an antiquated telephone system in that office. Other government offices have switchboards. It is not necessary to sit listening to a busy signal minute after minute, sometimes up to half an hour. I would like to pay tribute to John Hodge, the man in Calgary. He does a good job. However, he is handicapped because of the telephone system. He has not told me that, but I know. I would like to see a switchboard installed in those offices where there are a great number of calls. This would help keep down the blood pressure of people, and they would not explode when someone finally answers the phone.

Mr. Axworthy: Mr. Chairman, with regard to the question of mobility, we have a mobility grant program. I can report that that program has been used substantially more in the last few months than a year ago. It is designed for permanent, not temporary moves. There are certain conditions with regard to the distance one must travel. The reason we require a person to go through our office is so that we can verify that it is a legitimate move and meets the conditions. I will be glad to supply the hon. member with a more complete explanation. I am conscious of the clock; I do not want to take too much time. However, it is a legitimate question and he will be provided with an analysis of what is taking place.

I am glad the hon. member raised the question of adoptions. I receive a great many representations on this, not only from the hon. member for Nepean-Carleton but from many members of the House. These proposals were contained in the task force recommendations on reform. They are being kindly looked upon by my colleagues in government. We have not completed our recommendations. I can assure the hon. member that these are areas we plan to act on when we bring in the omnibus bill for reform to the Unemployment Insurance Act.

With regard to the third point of telephones, I cannot give an immediate answer. I will ask the deputy minister's office to look into this and I will get back to the hon. member.

Mr. Deans: Mr. Chairman, I would like the minister to tell us when he anticipates bringing in the comprehensive reform bill. There are a number of matters we want to deal with in the House.

The second matter is directly involved with the bill. Some time ago I wrote the minister about the situation that prevails with regard to the interpretation of being involved in a labour dispute and the problems that flow from that. Has the minister had an opportunity to look at the proposals for change in keeping with the case that he dealt with very well? It affected a number of employees in Hamilton during the Steel Company of Canada strike. Can we expect to see some change to that interpretation? Is he in a position to give us an indication as to what sort of change we can expect to see?

Mr. Axworthy: Mr. Chairman, on the first question, that decision is not entirely in my hands. We have gone through a full year of consultation, and recommendations are being considered by cabinet. Because of their extensive nature, we felt we needed a good deal of parliamentary time in order to give them proper examination. That would be a matter for the government to decide in terms of the next session and when the distinguished House leader feels we will be able to give the matter proper consideration. That is a matter for discussion between him, the hon. member and the hon. member for Yukon. We would be prepared to bring in our recommendation as soon as we can. Under the circumstances, I would like a clearer picture of what is taking place so that we can modify it to take that into account.

We established a committee of employers and trade union people to examine what changes can be made to Section 44 dealing with the unemployment insurance requirements during strikes. Their findings were not exactly universal or based upon consensus. My officials now have the findings of that committee and are preparing a report for me. If it is possible to arrive at something satisfactory for both sides, we will see if we can include it in the omnibus bill.

Mr. Nickerson: Mr. Chairman, not only the unemployment insurance program but a number of other programs which are supposedly of a job-creating nature come under the jurisdiction of the minister. They are to be based on the percentage of unemployment in that particular region. In regions such as those that I represent, particularly those in the north of Canada and those areas that have a large indigenous population, the Statistics Canada figure can create a problem. I will give an example. In my constituency 8 per cent unemployment is shown, whereas offices within the Department of Employment and Immigration will say that the real rate is something like 22 per cent, because many people just are not counted, they are no longer entitled to UIC benefits and they are not counted at all.

• (1600)

I am wondering, Mr. Chairman, if the minister is aware of this type of problem and is proposing any solution. It is becoming more and more widespread that programs are based on the percentage of unemployed.

Mr. Axworthy: Mr. Chairman, that is similar to the issues raised on second reading by the member for Rosedale, with a view to getting a much better definition of unemployment, who is unemployed, and how we can provide for more adequate distinction for the different categories. I associate myself with these remarks because it is important to have a clear understanding. I have asked my colleague, the Minister of Supply and Services, to find out if StatsCan could find a more appropriate way of coming to grips with the issue. The report back was that, without exceptional additional expense the present labour survey is probably the most useful tool that we have to make those judgments about the rate of unemployment. We do take into account as the member knows, that that part of the problem is caused by the fact that a number of native people on the reserves are not included in the labour report survey. We tend to build that factor into the formula when we come to the calculation of the allocation of money for the direct problem of unemployment. We just do not use the labour force survey statistics in that respect. We do build in some additional factors.

I would like to find a better answer for those points raised by the hon. member for Rosedale. We are trying to examine the position to find if there is a more effective way to come to grips with the figures. It is not always fair to compare the labour force survey with the actual number of claims that there may be in an unemployment centre office at that time. The unemployment centre judges claims by a different means, and they are in regard to different cycles. The labour surplus judgment that they make is not always an accurate reflection of what the actual rate of unemployment may be.

I must confess that I am as perplexed at times as the hon. members opposite are. We have asked StatsCan to look into the problem to see if we can get a better reading on it, to find a system that is not only effective but also that is not so costly as to be prohibitive.

Mr. Kristiansen: Mr. Chairman, I have two questions for the minister. The minister will recall that on March 24, 1982, there was a motion under Standing Order 43 that I raised regarding the question of voluntary lay-offs. There was an exchange of correspondence relating to that. The minister's last answer was, I think, on April 30, 1982. I am not sure—it may be partly my fault or maybe the minister misread it somewhere in an excerpt—but I would like to explain the problem again and again get a response from the minister so that he could take another look at it.

What basically happens in these cases is that a discrimination takes place as between the treatment of employees of non-union firms and the treatment of employees of unionized firms which have seniority clauses and collective agreements. In the case of a non-unionized company, the Unemployment Insurance Commission will simply accept the word of the employer that a given person is laid off. But where there is a collective agreement in place, the UIC tends to go behind that decision and see whether or not it is going to accept the word of the employer, and make its own judgment as to who should or should not be laid off in the circumstances. Here is what has happened in some of these cases. I am not attempting to sensationalize it in regard to the allegations, because one never knows what the medical reasons may be. There have been older employees in some cases who have been forced to remain on the job, people who are close to retirement, working on very heavy jobs that they are not used to any more, and who have suffered injury and are now on compensation. In some cases it is alleged that heart attacks have occurred and that at least one person has died as a result of that. It is urgent that we return to the kind of humane consideration and flexibility in the interpretation of regulations, that we require to go back to the system of two or three years ago, when the UIC simply accepted the word of the employer, in good faith, that this was the person who was laid off. That is one question to which I would like an answer.

The second question deals with another matter. I know that the minister is currently considering some correspondence from me. I have not yet received the answer, but I am sure his staff is working on it. The problem arises owing to the existence of clauses in collective agreements whereby employees do not receive their holiday pay, for example, for Christmas Day, Boxing Day and New Year's Day, because they were on lay-off. These agreements state that they must work the scheduled day preceding the holiday and the day following, and that has to be within a 60 day period. What has happened is that we have many employees, many hundreds in my own community alone, who have found themselves intermittently off and on work over a period of months and months. But because they reported back to work once within that 60 day period they are now dinged for two or three days' unemployment insurance overpayments, sometimes having to make up for the whole qualifying period, depending on when that vacation or the time of lay-off fell.

When you have been unemployed for five out of six months and find yourself dinged for that much money, surely there is

something in the way of humane consideration that could be put in place so that we are not playing the role of the Grinch that stole Christmas retroactively, or something like that.

Mr. Axworthy: Mr. Chairman, as I explained in the correspondence with the hon. member, it is certainly not the intention of the commission to play that heavy role in this area. It merely comes down, in many cases, to the choice of the older worker who, because of the existence of a collective agreement, is given the right to choose voluntarily to be laid off and thereby provide the remaining work space for a younger worker. That choice is made usually in the circumstances where the collective agreement provides for a sub, where there is a payment procedure through the collective agreement for a lay-off.

Of course, where we get caught in the cross-fire is that we see that, according to the legislative framework, as a voluntary lay-off without just cause and a six-week penalty is therefore imposed for doing that. We understand that that may be done for good reasons. One may want to help the younger worker to stay on the job and that may bear ultimately on the sub. But to make that change, to take into account that peculiar case in that collective agreement would mean that we would open up the whole question of a large number of people who could take voluntary lay-offs and therefore be held to receive these benefits, and that, as you know, would run counter to the wishes of Parliament when they made the amendments earlier. That is the reason for the problem.

I will take a look at this correspondence again to see if we can come up with a more satisfactory answer. I suppose that perhaps when we get to the larger bill and if we have time to discuss it in committee, we can get to a better exchange on this matter at that time.

Clause 1 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

Mr. Deputy Speaker: It being 4.10 p.m., the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely, public bills, notices of motions, private bills.

• (1610)

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

Mr. Deputy Speaker: Shall all orders preceding No. 111 stand by unanimous consent?

Some hon. Members: Agreed.

BROADCASTING ACT

AMENDMENT TO PROHIBIT ADVERTISING ON CHILDREN'S TELEVISION PROGRAMS

Hon. James A. McGrath (St. John's East) moved that Bill C-311, to amend the Broadcasting Act (advertising on children's programs) be read the second time and referred to the Standing Committee on Communications and Culture.

He said: Mr. Speaker, I will not take up too much of the time of the House except to bring the House up to date on a measure that has been before it now for approximately 13 years. The bill was first introduced in the House in 1970, and it was at the second reading stage on November 22, 1971. Of course, at that time it was talked out.

Just by way of interest let me point out that during the course of that debate there was a very distinguished intervention by Your Honour, which I am sure you will want to read at page 9945 of *Hansard* for November 26, 1971.

Let me bring it up to date a little bit further. The bill was again introduced in 1973 as Bill C-22, and at that time it was agreed that the bill would be withdrawn and the order withdrawn and the subject matter referred to the then Standing Committee on Broadcasting, Films and Assistance to the Arts. We held very substantial hearings indeed. We heard from a number of witnesses, 19 altogether. Indeed, the hearings were comprehensive and resulted in a very interesting report to the House, which hon. members can find if they refer back to the first session of the Twenty-ninth Parliament in 1973. I presume the *Journals* for July of that year would have the report. It should interest the House if I put on the record the recommendations of the committee, which were unanimously concurred in by the House, as follows:

> In the opinion of your committee, it is recommended that consideration be given to the advisability of taking whatever action is necessary, including the introduction of legislation to accomplish the following objectives:
>
> 1) that the CRTC pass regulations which would provide that advertising must not be directed exclusively to children;
>
> 2) that the CRTC limit further the number of commercial minutes per hour during children's programmes;
>
> 3) that the CRTC require the deletion of advertising directed to children from American programming distributed on the Canadian cable systems;
>
> 4) that the Income Tax Act be amended so that advertising directed at Canada on foreign television stations would no longer be considered deductible for income tax purposes;
>
> 5) that ways and means be found to expand the Canadian programme production industry with particular emphasis on the creation of children's programmes.

As I say, those recommendations were unanimously concurred in by the House, and it would be well for us to consider what has happened since that time. Indeed, that is the purpose for bringing on the bill at this time, to enable the House to being itself up to date on just exactly what has happened since the House unanimously concurred on those five recommendations.

I believe hon. members will find there is a disposition on the part of the House to do just that by way of an amendment which would have the effect of withdrawing the bill and the order at second reading and having the subject matter referred

to committee, which would allow the committee an opportunity to call the CRTC to ask the CRTC to report to it on just exactly what progress has been made with respect to the implementation of the recommendations of the committee which were concurred in by the House.

I will not go into the arguments in support of the bill. I refer hon. members to *Hansard* for November 26, 1971, page 9941. I have already made reference to the report of the committee; the bill is the same bill, and the arguments we could put forward can be found there. Since I believe there is a disposition on the part of the government to allow the subject matter of the bill to go to committee, I will not take up any more time of the House other than to say that I believe this is a very important matter. Children are influenced by television more than any other group in our society. Children are much more vulnerable than any other group in our society and, hence, they need the protection of society.

Advertising for children usually is perceived as a directive or an order, and often a child—especially a child as defined by the bill, one who is under ten years of age—cannot differentiate between a commercial message and the program the child is watching. This creates a great deal of confusion. It creates stress on the child-parent relationship, especially in these difficult economic times.

As I say, I could go on and on, but I will conclude by just noting that since the bill was introduced, Quebec has introduced its own legislation which prohibits this form of advertising within the province of Quebec. I believe that has created jurisdictional problems which have been the subject of court references from time to time. I think that as well could be something we could look into when this matter is referred to the committee.

In any event, I thank the government in anticipation of the amendment which I expect will come forward to allow the subject matter of this bill once again to be referred to committee.

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, I am pleased to say that I and my party agree with the bill, as we did in 1973. I heartily recommend that it go to the appropriate committee, and hopefully this time something will come of its recommendations, certainly as they apply to certain private broadcasters here but, also as they apply to programs which spill over into our country from the great nation to the south of us.

I recall the hearings vividly. While I did not take full part in all of them, I can well remember the effort and the concern expressed by some companies producing breakfast foods. They manufactured their "crunchies" out of some sort of sawdust and loaded them with sugar and then defended the nutritional value of their products before our committee, even to the point of bringing in experts and nutritionists from south of the border to defend the position they took.

This bill will not be embraced with jubilation by all advertisers, so I think it takes a great deal of courage on the part of the hon. member for St. John's East (Mr. McGrath) to bring this bill forward again and also for Parliament and our broadcasting authority, the CRTC, to do something about it.

I do not think the fight will be an easy one. The idea of a voluntary code will be the idea most appealing to many advertisers. The point is that a voluntary code has not worked; otherwise, we would not need to have this bill.

As I said before, we agree with the intent of the bill, and probably would support stronger legislation than is actually in this bill. However, I understand that it is only the subject matter of the bill that will be referred to the committee. If it is referred to the committee—and I understand it is to be—perhaps in its wisdom the committee might take stronger steps than are outlined here.

Since the inception of CBC television the CBC has had an advertising ban on child-directed educational programs. Five years ago the CBC increased its restriction on child-directed advertising, and a total ban on advertising during programs directed at children under 13 has been in effect for some time. This has not been the case on a number of private broadcasting stations. A total ban on advertising adjacent to—meaning before and after—programs directed to children under the age of 13 is also part of the CBC code. There are also restrictions on the number of child-directed commercials during prime time or family viewing times. That is also part of the code, and I support that, as does my colleague, the hon. member for Beaches (Mr. Young), who moved a motion under Standing Order 43 the other day proposing to ban television commercials during prime time if they are commercials advertising horror films which show the most violent and sensational clips from those films while children are watching which, presumably, they are since it is a time for family viewing and the programming is supposed to be suitable for family viewing.

• (1620)

I think there are a lot of areas that could be examined and investigated. Certainly, violence of any kind is something we should guard against. In our society there is far too much violence, and allowing it, or in effect almost recommending it to children as a form of entertainment or masochism, is something we do not need.

We can ask why child-directed commercials are allowed during adult programming. Perhaps it is because parents can discuss the programs with the child and rationalize the bid being made by the advertiser.

What the hon. member for St. John's East (Mr. McGrath) has been proposing since 1973 is that the kind of policy which the CBC has adopted be made widespread throughout the broadcasting media. He has noted, and I agree with him, that the province of Quebec is tougher about advertising than the rest of the country. Three years ago the province of Quebec adopted legislation banning advertising on children's programs. Naturally such a ban leads to a loss of revenue and advertisers could charge discrimination. There is no denying that in some ways that would be the case, but other things have been banned for a number of years. I think of liquor and beer commercials which are prohibited on certain television

stations. Tobacco commercials have been banned but advertisers have survived. Perhaps more money would be put into children's toys and games or food as a result. In any case, I think the advertisers would soon make up the revenue.

I should like to thank the hon. member for St. John's East for bringing this to our attention again and I recommend that the bill go to committee. I should like to close by quoting briefly from a report prepared by the research branch of the Library of Parliament for the House of Commons Subcommittee on the International Year of the Child. It notes the need for positive action programs, and on page 14 has this to say:

—the CRTC encourage the development of a television program composed of brief segments (one or two minutes each) to be aired several times daily, providing information on a variety of subjects such as nutrition, the harmful effects of alcohol, drugs and smoking, and on available sources of help for people with problems; and encourage increased use of television for educational discussion groups and talk shows dealing with subjects such as the developmental needs of children, parenting practices, etc.;

This is the kind of child advertising we need, not just banning what we do not need but, adding the kind of educational topics that children desperately need in order to survive in this consumer jungle in which we live.

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Mr. Jack Masters (Parliamentary Secretary to Minister of Communications): Mr. Speaker, my remarks will be brief as well. I welcome the chance to comment on this important area of children's television. It has been noted this afternoon that much has been done on a voluntary basis. Like the hon. member opposite, I believe that the subject matter is worthy of parliamentary review from time to time and therefore the government does not oppose the idea of submitting it to committee for scrutiny to see how far we have come and where we are going.

I should like to make a few observations on the subject. I think we all recognize that the ban would have little or no effect on the CBC, Radio-Canada or the provincial educational television systems. The CBC has never accepted commercials for pre-school programming and since 1975 it has not carried commercials on any program for which the majority of the audience was made up of viewers under the age of 12. Provincial organizations such as Radio Quebec and TV Ontario are, by the nature of their licence, noncommercial. Therefore, the effect of this legislation on Canada's public broadcasters is nil in that none of these organizations presently accept advertising in this type of programming.

What the bill suggests is the elimination of advertising in children's programming on the private television stations in Canada. These privately owned and operated stations reach over 96 per cent of all Canadians and rely entirely upon advertisers for financial support. As has been pointed out this afternoon, there would be some difficulty for them as a result.

I think it is useful at this time to step back for a moment and review what has already been achieved in the important area of children's television. In the early days of television in Canada, that is, in the 1950s and 1960s, private television stations produced and scheduled many programs for children. These were financed out of the revenue of commercials. The Canadian Radio Television and Telecommunications Commission has routinely reviewed the licences and the progress made in this important area. A review of the commission's decision does not reveal any great objections to the performance of private television. However, in the latter part of the 1960s, a number of people began to question some high pressure advertising techniques being used by a minority of television advertisers in their commercials for products and services of interest to children.

The advertising industry and the Canadian Association of Broadcasters recognized that there was merit in these concerns and in 1971 produced a voluntary code imposing standards and restrictions for advertising for children. In 1974 the CRTC required each private broadcaster to adhere to the code as a condition of its licence renewal, as well as limiting the number of commercial messages in children's programs.

I would like to point out that the voluntary system seems to have worked quite well. We believe, with hon. members opposite, however, that there is a time to review the impact of such measures on young people. We certainly have no objection to bringing the subject matter of this bill before the committee for further study and review to see if our thinking is as clear as we would like it to be.

Hon. Bud Cullen (Sarnia-Lambton): Mr. Speaker, it will come as no surprise that I move:

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

That Bill C-311, an act to amend the Broadcasting Act (advertising on children's programs) be not now read a second time but that the order be discharged, the bill withdrawn and the subject matter thereof referred to the Standing Committee on Communications and Culture.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Amendment (Mr. Cullen) agreed to.

Motion (Mr. McGrath) as amended, agreed to. Bill withdrawn and order discharged.

Mr. Deputy Speaker: The hour provided for consideration of private member's business has now expired. Accordingly, this House stands adjourned until Monday at 2 p.m. pursuant to Standing Order 2(1).

At 4.29 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, May 31, 1982

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

NUCLEAR ENERGY

COMMENDATION OF SAINT JOHN DOCK WORKERS—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, because of Argentina's failure to have signed the nuclear proliferation agreement, I move, seconded by the hon. member for Bow River (Mr. Taylor):

That this House commend the dock workers at Saint John for their refusal to load the nuclear bundles which were to have been shipped to Argentina today by a Canadian government agency, AECL.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE PRIME MINISTER

MOTION UNDER S.O. 43

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, in 1960 Canada was home to the second-most productive people in the world. By 1970 we had slipped into third place. By 1980 Canada had plunged into eleventh spot in terms of productivity. In light of the fact that the greater part of this slide occurred during the administration of the current Prime Minister (Mr. Trudeau), I move, seconded by the hon. member for Okanagan-Similkameen (Mr. King):

That the Prime Minister resign for having unwisely exploited Canada's natural resources while failing to cultivate our human resources.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

CHARTER OF RIGHTS

APPLICATION TO HOUSE OF COMMONS EMPLOYEES—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I have a motion under Standing Order 43. Given that the Canadian Charter of Rights and Freedoms provides in Section 2(d) for freedom of association, and in view of the interpretation of the Acting Minister of Justice before the Special Joint Committee on the Constitution on January 22, 1981, that freedom of association covers the right to organize and bargain collectively, and since exclusion from the Public Service Relations Act effectively denies freedom of association to the messengers, bus drivers, kitchen staff and all other employees of this House, I move, seconded by the hon. member for Churchill (Mr. Murphy):

That this House reaffirm its commitment to the Canadian Charter of Rights and Freedoms by explicitly terminating the extraordinary privileges of the House with respect to its employees.

Madam Speaker: I am not sure whether this motion is in order. However, I will put it to the House. Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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BILINGUALISM

IMPOSITION ON TORONTO AIRPORT BUSINESS OPERATIONS—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, small businesses are under ever-increasing pressure today thanks to ever-increasing government intervention in all phases of their operations. For example, the government is forcing the 38,000 retail grocery stores in Canada to purchase new metric weigh scales from foreign manufacturers. Now it appears that the small franchise operations at Toronto's international airport are being forced to employ bilingual staff in an area which, of course, is multilingual. What a shame that they will have to fire Italians, Portuguese, Chinese or others because they cannot speak French. I therefore move, seconded by the hon. member for North Vancouver-Burnaby (Mr. Cook):

That this order to impose rigid bilingualism at all Toronto airport business operations should be considered insulting and unconstitutional to the immigrant populations of Toronto and an added burden to the already overburdened independent businesses trying to make a living there.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE ADMINISTRATION

DEMAND FOR HOLDING OF GENERAL ELECTION—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, while Canada-wide dissension rages in the Liberal Party, as witnessed by the B.C. affair last weekend when delegates were told that the government has no plans to deal with the economy until after Versailles, and equally at the Ottawa policy convention where eastern Ontario Liberal backbenchers described themselves as "voices crying in the wilderness", I move, seconded by the hon. member for Bow River (Mr. Taylor):

That this House determines to rid itself of the Liberal blight and replace the present incompetent government with the Conservative alternative.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

IMMIGRATION

PLIGHT OF EAST INDIAN WOMAN—MOTION UNDER S.O. 43

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, I rise under Standing Order 43 on an urgent matter. Amarjit Kaur Sandhu, an East Indian woman whose husband took her dowry and abandoned her, will be forced to leave the country tomorrow, with no place to go. Over 200 appeals to the Minister of Employment and Immigration (Mr. Axworthy) have been ignored, and the minister responsible for the status of women has refused to intervene. Inasmuch as Mrs. Sandhu cannot return to India for economic, cultural and family reasons and she has job offers in Canada, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House urge the Minister of Employment and Immigration to have a change of heart and allow Mrs. Sandhu to stay in Canada on humanitarian grounds.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1410)

HUMAN RIGHTS

PLIGHT OF ESTONIAN CITIZEN, SERGEI SOLDATOV—MOTION UNDER S.O. 43

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, I seek the attention of all hon. members of the House on a matter of urgent and pressing necessity, under the terms of Standing Order 43. On May 12, 1982, Mr. Sergei Soldatov, a distinguished Estonian political and human rights activist, appeared in Ottawa before the Canadian Parliamentary Helsinki group along with representatives from the Estonian Central Council in Canada. Mr. Soldatov was in prison for six years for alleged anti-Soviet activity. His only son, Aleksander, 23 years of age, has been refused permission to leave Estonia to join his family, which is an obvious violation of the provisions of the Conference on Security and Co-operation in Europe Final Act. In view of Canada's strong support for the principle of family unification, I move, seconded by the hon. member for Etobicoke Centre (Mr. Wilson):

That this House express its deep concern to the government of the Soviet Union and strongly urge that Mr. Sergei Soldatov's son, Aleksander, be permitted to leave Estonia without delay so that he may be reunited with his family.

Some hon. Members: Hear, hear!

Madam Speaker: For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

FINANCE

CALL FOR BUDGET WITHDRAWAL—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, taxes arising out of the National Energy Program and the November 12 budget are a burden to wage earners and those on fixed incomes and have discouraged investment in and expansion of industry and have, indeed, killed incentive in this country. Therefore I move, seconded by the hon. member for Okanagan-Similkameen (Mr. King), on behalf of the million plus unemployed, and the thousands more who will become unemployed if things are not changed, and those who would invest in Canada if the government would cut down its present exorbitant "take" in taxes:

That this House demands that the government withdraw the budget and substantially reduce the energy taxes at once.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PUBLIC SERVICE

DESIGNATION OF AIR TRAFFIC CONTROLLERS AS ESSENTIAL EMPLOYEES—MOTION UNDER S.O. 43

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, in view of the fact that the Supreme Court of Canada has today ruled that the government has the right to designate an overwhelming percentage of the membership of the Canadian Air Traffic Controllers' Association as essential, and in view of the fact that that action effectively removes the right to strike for that group of public employees as well as stripping them of their real bargaining power, I move, seconded by the hon. member for Churchill (Mr. Murphy):

That this House condemns the government for its backdoor Ronald Reagan labour policies and calls on the government to cease this continued vicious attack on the men and women who serve the people of Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE ADMINISTRATION

CONDEMNATION OF PUBLIC APPOINTMENTS—MOTION UNDER S.O. 43

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, the government has given entirely new dimensions to the terms "deserving Liberals", "political patronage", and "appointment by merit". The CNR, the CBC, the CTC, virtually all federal institutions, now have come to be seen by those opposite, Madam Speaker, not for appointing the best men and women to fill the positions but for appointing their political cronies. There has perhaps been no government in Canadian history, federal or provincial, that is worse than this government in that regard. I therefore move, seconded by the hon. member for Esquimalt-Saanich (Mr. Munro):

That the Tammany Hall and Huey Long award of merit for incorruptible government be awarded to those opposite, to be presented to the Prime Minister at Versailles later this week at the home of King Louis XIV, the Sun King.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

BANKRUPTCIES

INCREASE IN NUMBERS—MOTION UNDER S.O. 43

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, whereas bankruptcies in the Province of British Columbia are up by 48.3 per cent, and in mid-May national total bankruptcies were 3,651, up from 2,000 last year, and whereas the debt incurred from the bankruptcies already this year is approximately $627.8 million, double last year's figure, I move:

That this House recognizes that the Minister of Finance in his budget has completely destroyed the operation of small business in Canada and that the Minister of Employment and Immigration has now achieved the record of putting more people out of work than the government can create in job-creation programs.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

SMALL BUSINESS

FINANCING REVIEW—PRIORITIES AND NEEDS

Hon. Ron Huntington (Capilano): Madam Speaker, my question is directed to the Minister of State for Small Businesses and Tourism. The minister has spent $1.2 million directly and a little over $800,000 in indirect expenditures on a small business financing review which has been under way for over two years. From twelve major reports he has produced a 77-page overview which, apart from the business sector profile of clusters, is probably the most poverty-stricken report in terms of conclusions ever produced by the Government of Canada.

As the Minister of State for Small Businesses and Tourism has had access to the 12 reports for some time, can he tell us what are the priority issues and needs of the business community in Canada?

[*Translation*]

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism)): Madam Speaker, I have already explained to the House that after reading the reports prepared by various university experts and consultants' firms, I felt it was necessary to analyse the conclusions drawn in these reports with the small business sector itself and with a group of people across the country who could perhaps held me to find new perspectives or confirm existing ones with respect to policies on small businesses. As far as the figures quoted by the hon. member are concerned, when I said that the cost involved

was $1.2 million, I was referring to the total cost. Consultants' fees and private studies carried out over a period of almost two years during which the study was made, amounted to $700,000, and this, with the estimated cost of the work of departmental employees who worked on the special team, added up to $1.2 million.

[*English*]

Mr. Huntington: Madam Speaker, it is obvious to those of us on this side of the House who know something about the subject matter that the minister is not addressing, nor is he aware of, any of the real gut issues which face this important community which relies on him in its interface with the government.

CREDIT CO-INSURANCE PROGRAM—QUERY RESPECTING INTRODUCTION OF LEGISLATION

Hon. Ron Huntington (Capilano): Madam Speaker, the overview speaks positively about the credit co-insurance program, which has been in the Ottawa works for about three years or more. The agreement for the first broker under this program was signed on February 10, 1982. Essential to the implementation of this program, which will be a valuable aid to the long-term financial needs of the business sector, are amendments to the Canadian and British Insurance Companies Act and amendments to the Pension Benefits Standards Act. Why have these amendments not been brought forward so that this new vehicle of financial assistance will finally be able to operate?

[*Translation*]

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism)): Madam Speaker, the hon. member said only one firm was authorized to provide reinsurance. I think he should check his facts, since as far as I know, there are five firms who are allowed to operate in this field at the present time. I have taken note of the two suggestions made by the hon. member.

[*English*]

Mr. Huntington: Madam Speaker, the minister obviously does not know what is going on in his own department. There is only one broker who has been licensed, and that agreement was on February 10. There are others making applications and taking positions in the marketplace, but they have not been licensed, nor is the legislation in place. I am asking the minister to make sure the legislation is put into place so that that need in the financial markets can be served.

BUSINESS BANKRUPTCIES

Hon. Ron Huntington (Capilano): Madam Speaker, the FASCYM report says:

Day to day operating problems far outweigh financing in importance—

Can the Minister of State for Small Businesses and Tourism explain why 300 small businesses per month in the Toronto area alone are closing their doors, why thousands of independent stores cannot pay their bills and are closing their doors, why bankruptcies are accelerating at depression rates, and why transportation companies are closing or going into receivership?

Madam Speaker: Order.

[*Translation*]

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism)): Madam Speaker, the hon. member does not seem to realize that we are going through an extremely difficult period. Until our economy, with the co-operation of all economic agents including business, consumers, governments and unions, is able to control inflation which at the present time is causing a drop in consumer demand, which in turn is the main cause of the bankruptcies that are taking place right now, until we have dealt with the very basic problem of inflation in our economy, Madam Speaker, I do not think we can expect to see any rapid improvement.

* * *

• (1420)

[*English*]

NATIONAL ENERGY PROGRAM

FORTHCOMING STATEMENT BY MINISTER

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. The minister has announced that at eight o'clock this evening he will make a statement on motions. I think he will understand that this is only the second time in this Parliament that a minister has made a statement on motions, the first being when the Minister of Finance announced very, very extensive changes to his budget last December 18. Will the minister's statement tonight on his energy policy continue in the tradition established by the Minister of Finance?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the hon. member will have to wait until eight o'clock. I may remind him that the National Energy Program has been adjusted regularly since October 1980. A number of adjustments were made when an agreement was signed with the three oil-producing provinces. Further changes representing, in all, about $900 million in additional income for the industry were made since last September, and I am referring to the $900 million spread over the period from 1981 to 1986. My hon. colleague will have to make up his own mind this evening, but I want to make it clear that we have made regular adjustments as the situation has developed.

[*English*]

REASONS FOR STATEMENT

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, maybe I could be more precise. Is one of the reasons for the statement tonight that consumers today are paying 10 to 20 cents more per gallon for gasoline than consumers in the United States? Is it because the goal of self-sufficiency by 1990 has gone out the window? Is it because Canadian-owned oil and gas companies are struggling along today in the position where they are hardly able to survive? Finally, is it because so many jobs have been lost in the manufacturing industry because of the disastrous energy policy which the minister introduced in 1980? Are those the reasons for the statement on motions tonight?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I understand that my hon. friend is no longer the energy critic for the opposition. It shows in his question that he has lost touch with the facts. First of all, the average price of gasoline in Canada today is still lower than it is in the United States.

Mr. Thomson: That is not true.

Some hon. Members: Oh, oh!

Mr. Munro (Esquimalt-Saanich): Try the truth for a change.

Mr. Lalonde: Secondly, the price for heating oil in Canada is lower by as much as 7 cents per litre than it is in the United States.

Third, the price of natural gas in Canada is very significantly lower than it is in the United States.

These are the facts that the Conservatives, with their blinders on, refuse to see and refuse to notice.

As far as the other points raised by the hon. member are concerned, if he were still energy critic he would realize that Canadians have made great progress in the conservation of energy. This has meant that the objective of self-sufficiency today is clearer and more achievable in 1990 than it was in October, 1980, or than it was when the Conservatives were in office—

Madam Speaker: Order please. The hon. member for Brant.

Mr. Lalonde: Madam Speaker, there was a fourth question.

* * *

AUTOMOTIVE INDUSTRY

CANADIAN CONTENT IN JAPANESE MANUFACTURED VEHICLES

Mr. Derek Blackburn (Brant): Madam Speaker, my question is for the Prime Minister. In a few days time he will be in Versailles and will have an opportunity to have a discussion, face to face, with Premier Suzuki of Japan. The Minister of State for International Trade failed to get an 85 per cent Canadian content in Japanese automobiles and trucks coming into Canada. I ask the Prime Minister very simply, will he screw up his courage and demand that Premier Suzuki make sure that, within one year to 18 months, 85 per cent of the part content of Japanese cars and trucks will be manufactured here in Canada?

• (1425)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am happy to take notice of the question.

STEPS TAKEN BY AUSTRALIA

Mr. Derek Blackburn (Brant): Madam Speaker, while the Prime Minister is taking notice of the question, will he keep in mind that Australia, which also exports a great deal of raw materials to Japan, has very effectively imposed a 57 per cent tariff on all Japanese automobiles and trucks, as well as the 85 per cent content requirement? Will he remind Premier Suzuki of the Australian deal with Japan?

Mr. Paproski: Take him on a motorcycle.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I—that is a very serious question in spite of the hon. member for Edmonton North trying to devalue it. Madam Speaker, I will take notice of that question too.

REQUEST FOR EMBARGO ON IMPORTATION OF JAPANESE MANUFACTURED VEHICLES

Mr. Derek Blackburn (Brant): Madam Speaker, I notice the Prime Minister is in a very noticing way today. While he is at it, will he assure this House—and I think he can answer this question without going to Versailles—that if all else fails, if the Japanese refuse to source up to 85 per cent here in Canada, he will unilaterally impose a 15 per cent embargo on all Japanese cars and trucks until they do agree to source here in Canada up to 85 per cent?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, one of the purposes of the Summit will be to try collectively to avoid returning to the kind of beggar-thy-neighbor policies which ruined the western industrialized societies in the 1930s. So rather than promise to take that kind of protectionist attitude without further discussions, my answer would be that I would not want to give that undertaking.

APPLICATION OF NON-TARIFF BARRIERS TO JAPANESE IMPORTS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, in the absence of the Minister of State for International Trade I will direct my question to the Minister of Industry, Trade and Commerce, having to do with the non-tariff barriers now being imposed on Japanese automobile imports. The guerrilla tactics adopted by the government are an amateurish and chicken-hearted reaction to the minister's

total inability to negotiate with the Japanese, and simply underscore the immensity of the failure of his negotiations. Because of these tactics, owner-operater truck drivers are in danger of losing their rigs, 100 to 200 jobs have already been lost, and consumers will pay more for transportation. Does the minister think it is necessary and right that these Canadians have to suffer because of his ineptitude and failure at negotiations?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, we are not intending to create suffering for Canadians; we are intending to preserve and maintain the jobs of several hundred thousand Canadians in all parts of this country whose lives are linked with the production, distribution and sale of automobiles and parts. If my hon. friend is serious, he would direct his question, not to me but to his colleagues, such as the hon. member for Halton, the hon. member for Perth, and the hon. member for Mississauga South who call for action even more direct, blunt and severe than the reasonable steps we have been taking over the past few weeks.

CUSTOMS INSPECTION OF SHIPS CARRYING JAPANESE IMPORTS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, the minister will have his opportunity to address himself to those members. At the present time Customs officials are conducting random searches of the crew's cabins on ships bringing in those cars, inspecting the licences of the officers of those ships, and in general harassing the crews. Have officials of the minister's department or that of the Minister of State for International Trade given orders to the customs officials to do that? Also, since Canada sells more to Japan that it buys, why does the minister think these kinds of tactics would induce the Japanese to buy even more from Canada?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, it is a fact that Japan sells us $1.5 billion worth of cars and parts. In spite of very strong efforts by our industry, supported by the government, they have bought from us in the past year only $6 million worth in parts, a decline from $8 million in the preceding year.

• (1430)

With respect to the custom procedures that my hon. friend was talking about, all the procedures taken, as far as I am aware are fully prescribed by law. I do not know if he is asking us not to carry out the procedures properly under the customs law or the procedures with respect to anti-pollution or the procedure with respect to safety requirements, but if my hon. friend is so concerned about this matter, why did he not speak up and tell his colleagues, the hon. member for Halton, the hon. member for Perth and others in his caucus, not to press us for the kind of action that we have not yet decided is necessary to take.

Miss MacDonald: Do something.

Mr. Gray: His complaint is against them, not against people like ourselves who are working to get a satisfactory resolution of this matter with the Japanese on a voluntary basis in a way that respects our good commercial relations and in a way that takes into account the needs of Canadian workers which the hon. member does not seem to care about.

Madam Speaker: The hon. member for Halton.

Mr. Jelinek: Madam Speaker, we are used to a lot of hogwash coming from that minister, but what he has just said is totally ridiculous. As the minister knows, the automotive industry in this country has lost nearly 50,000 jobs because of a lack of action on the part of the government. The minister should know that these new tactics in Vancouver will not create one new Canadian job.

GOVERNMENT POLICY

Mr. Otto Jelinek (Halton): Madam Speaker, will the Minister of Industry, Trade and Commerce tell this House and, more important, will the minister tell the automotive industry once and for all what policy his government has to help those automotive workers who are out of work in Canada? I ask the minister to tell us now because that industry can no longer continue to operate in the vacuum in which it is operating today. I ask the minister to give us an answer.

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, we have been working to strengthen and preserve our industry, and to strengthen and preserve jobs. But, more important, I would like my hon. friend to tell us what his party's policy is.

Mr. Gamble: What arrogance.

Mr. Gray: Is his policy what the hon. member from British Columbia is saying, or what he has been seeking for over the past several weeks? Why don't you guys get your own act together?

Mr. Jelinek: We have a policy. There is no action on your part.

UNEMPLOYMENT IN INDUSTRY

Mr. Otto Jelinek (Halton): Madam Speaker, since we are not getting answers from the Minister of Industry, Trade and Commerce, I will pose my supplementary question to the Right Hon. Prime Minister. After two years of negotiations on the part of the Minister of State for International Trade and the Minister of Industry, Trade and Commerce, which negotiations have failed totally as far as the importation of Japanese vehicles is concerned, could the Prime Minister tell this House and the automotive industry in this country—which is suffering perhaps beyond repair unless some specific action is taken as soon as possible—what his government's policy is with regard to the 50,000 unemployed in this industry and the

growing number of unemployed in this important sector of our economy?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I can only repeat the point excellently made by the Minister of Regional Economic Expansion. We have just had one Conservative member for British Columbia, I believe, indicating that he wants Japanese automobiles to come into Canada in greater numbers and with accelerated frequency. Now we have another member who is asking us to protect the Canadian automobile industry. The hon. minister is absolutely right. If the Tories had a policy, they would not be asking these absolutely contradictory questions.

EFFECT OF CAPITAL COST ALLOWANCE PROVISION IN BUDGET

Hon. Bill Jarvis (Perth): Madam Speaker, my supplementary question is for the Minister of Industry, Trade and Commerce. If he is so concerned and knowledgeable about the industry, would he tell the House whether he supports that budgetary provision dealing with capital cost allowance which has cost the likely sale of between 50,000 and 100,000 new vehicles since last November? Does the minister support that policy? If he is so anxious to know what the Tory policy is, I will tell him. We are against any budgetary provisions such as the one in last November's budget—

Mr. MacEachen: Which one?

Mr. Jarvis: —which cost those thousands of jobs in his riding and in mine.

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, assuming I am going to refer to the same aspect of the budget which the hon. member is talking about, I have already suggested in answer to a question in this House that the analysis he has put forward is greatly exaggerated and the impact is not at all what he has said it is.

Mr. Jarvis: How much? How many cars?

Mr. Gray: In any event, the question asked by my hon. friend further shows the contradiction. The hon. member for Halton asks us what our policy is and what the cause is of the problems in the industry. He ascribes them not to the pressure from imports of Japanese cars but to a provision in the budget, which we say is greatly exaggerated.

Mr. Jarvis: Do you or do you not support that budgetary provision?

QUERY RESPECTING POSSIBLE SURCHARGE AND IMPORT QUOTA

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is addressed to the Minister of Industry, Trade and Commerce, and it is along the same line as the one asked by my colleague, the hon. member for Perth. Does the minister feel that it is a proper policy for the Canadian government to use harassment techniques rather than amendments to the law, with respect to imports of Japanese cars? Does the minister not think that we should be above that kind of harassment and that we should take some positive action in terms of a surcharge and in terms of an imposed quota, rather than using harassment techniques which are clearly the kind of thing that only a bully boy would do?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I totally reject the premise of my hon. friend's question. We are taking steps that are fully provided for, by law. It is interesting that the hon. member himself is calling for an approach which certainly would have a much more severe impact on the people about whom the hon. member from British Columbia was talking than anything we have done so far.

ENFORCEMENT OF INSPECTION PROCEDURES

Mr. Don Blenkarn (Mississauga South): My friend knows, Madam Speaker, that the business of enforcing laws is to enforce them in a reasonable and sensible way. Is the minister's way of handling this import problem that he is taking, and will continue to take, a detailed enforcement of inspection on every single vehicle coming off ships in Vancouver? Will that procedure continue for a long period of time, or is the minister going to do the proper thing under GATT by putting a temporary surcharge on these automobiles coming in, until our industry can recover and re-organize and be competitive on a world basis?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, my hon. friend has not told us what impact his idea will have on the jobs of the people in his British Columbia colleague's riding.

Some hon. Members: Oh, oh!

Mr. Gray: He has not responded to my point about the impact on jobs. He wants a more severe effect on those jobs in British Columbia than anything that we are doing in terms of a reasonable enforcement of our existing law. As far as we are concerned the best way to deal with my hon. friend's concern is for the Japanese to respond to our very reasonable approach in a way that will assist our industry to continue its restructuring—

Miss MacDonald: Tell us about the unemployed in Windsor.

Mr. Gray: —and move toward substantial content in Japanese vehicles in a way that recognizes the basic strength and potential of our industry and the workers in it.

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF FOREIGN AFFAIRS AND CO-OPERATION OF THE REPUBLIC OF BURUNDI

Madam Speaker: I wish to draw the attention of the House to the presence in our gallery of His Excellency Mr. Edouard Nzambimana, Minister of Foreign Affairs and Co-operation of the Republic of Burundi.

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[*English*]

MEDICAL CARE

EXTRA BILLING BY PHYSICIANS

Mr. Rod Murphy (Churchill): Madam Speaker, I have a question for the Minister of National Health and Welfare. However, she is not in the House today, and we have been told by an assistant in her office, Miss Anita Biguzs, that we will no longer know when the minister is coming to the House unless we give her the content of our questions ahead of time.

Some hon. Members: Shame!

Mrs. Mitchell: That's undemocratic and it is disgusting.

Mr. Murphy: Therefore, under those circumstances, I will put my question to the Prime Minister. Right now we have five provinces that are levying user fees. We have three provinces that are charging a premium increase each year for medicare, and $55 million is coming from Canadian taxpayers' pockets for extra billing. Will the federal government support universal health care services by amending the Medical Care Act to eliminate all forms of extra billing?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I would not want to pre-empt the minister on this question. However, I have to remind the hon. member of the New Democratic Party that the law concerning medicare was adopted in this House after agreement with the provinces. The hon. member will recall that the Constitution does not authorize the federal government unilaterally to legislate on the delivery of medical services. The law was a compromise reached with the provinces. I personally think that the minister was very successful in moving the provinces closer to our view on this matter that extra billing should be frowned upon. If we could legislate that, I would be happy to hear from the New Democratic Party under what section of the Constitution they would contemplate legislation.

● (1440)

REQUEST THAT GOVERNMENT TAKE ACTION

Mr. Rod Murphy (Churchill): Madam Speaker, my supplementary question is directed to the Prime Minister. I should like to quote from the absent Minister of National Health and Welfare who is on record as saying, "if you allow surcharges to the system, very soon medicare will collapse". Despite all legal arguments, we have had the minister saying on a number of occasions that she will not allow extra billing. If that is the position of the government, if that is really the position of the government, then do not call conferences; start the constitutional process.

Right Hon. P. E. Trudeau (Prime Minister): Well, Madam Speaker, the hon. minister is on record, as is the government, as feeling that extra billing is regrettable and should be dispensed with.

An hon. Member: Withhold it.

Mr. Trudeau: I put the question to the hon. member that the Constitution does not permit us to legislate in this area. We can only proceed by agreement. I have heard a member of the New Democratic Party shout across the way that we should withhold the money. If that is the position of the New Democratic Party, no doubt it would have effect. It would destroy medicare and extra billing with it. If that is the policy of the hon. member, or if they have some secret approach to the Constitution which will permit us to legislate in areas of health delivery, I would like to hear them.

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PUBLIC WORKS

TASK FORCE REPORT ON PAYMENT OF GRANTS TO MUNICIPALITIES IN LIEU OF TAXES

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, my question is directed to the Minister of Public Works. In almost all ridings and municipalities in Canada there is federal property in respect of which the Minister of Public Works annually makes a grant in lieu of real property taxes. The House will recall that Bill C-4 passed on July 15, 1980. The House will also recall that a task force, chaired by Mr. Isodore Pollack, was formed and was asked to consider two questions which arose in committee study—first, the right of municipalities to appeal from the discretionary powers of the minister in respect of assessed value of properties and, second, the right to appeal from certain exclusions from grants in lieu of taxes.

Could the minister tell us whether the task force has made its final report? If it has, could the minister tell us what conclusions were reached and what measures he intends to take to implement the recommendations?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I thank the hon. member for the question. It will give me an opportunity of responding to other members on both sides of the House who took an interest in the legislation and the issues which were raised in the question. That study has been prepared and made available to my ministry. In committee deliberations I indicated that that report would be made available to the committee. I intend to make it available to the committee, and all hon. members will have an opportunity to

look at the results which flow from intensive discussions with the provinces and many municipalities.

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NUCLEAR ENERGY

STATUS OF CANDU REACTOR SALE TO MEXICO

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, in the absence of the Minister of Energy, Mines and Resources I should like to direct my question to the Prime Minister. During the time that the National Energy Program has been in place and the minister has been directing his efforts toward redressing some of the very serious difficulties which have been created by the program—and we hope that we will hear some answers tonight, some things which will redress some of the problems—there has been another sector of the Canadian energy industry which has been in serious difficulty, that is, the Candu, or the Canadian nuclear industry system. The Romanian reactor deal has been lost, and now it appears as though the Mexican reactor deal is doomed. Does the Prime Minister know what is the status of our potential sale to Mexico of the Candu reactor? Does he have any idea what the impact of the loss of that sale will be on the Canadian nuclear industry?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not believe the hon. member is stating the facts correctly when he says that the Romanian deal has been lost. There have been some economic difficulties in Romania, as we know, but that does not mean that the contract has been lost. The Canadian bid is still there, the contract is still there, and that reactor has not been lost any more than the Mexican one has. In the case of the Mexican government, I understand that it has delayed the date of decision and purchase, but we on this side are not considering those contracts lost.

FUTURE OF INDUSTRY

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my supplementary question is also directed to the Prime Minister. I have to say that all reports we on this side are able to obtain indicate that indeed both those sales are doomed. In the face of that, there are somewhere between 40,000 and 60,000 skilled and highly technical jobs at stake in the Canadian nuclear industry. If the Prime Minister checks, I think he will know that those jobs are very much at stake right now unless something happens in the near future. Is there anything on the threshold or on the near horizon which he can see which will answer the problem and help the Canadian nuclear industry to survive?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Minister of State for International Trade, the Minister of Energy, Mines and Resources and myself in our travels in foreign countries have pushed the sale of the Candu. We have in some cases signed contracts. I repeat that it is not our position, as it seems to be that of the hon. member and his party, that these contracts are doomed. Before giving up on the contracts which we already have and declaring them doomed, I think the hon. member should try to encourage and support us in making those contracts effective, rather than asking us what we will do for an encore.

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AUTOMOTIVE INDUSTRY

EFFECT OF BUDGET PROVISION ON EMPLOYMENT

Mr. John Bosley (Don Valley West): Madam Speaker, I have a question which is supplementary to the earlier one of the hon. member for Perth, for the Minister of Industry, Trade and Commerce. He indicated in response to that hon. member that his estimate of lost car sales as a consequence of capital allowance changes was exaggerated. My question to the minister is simple. Would he please tell the House how many car sales and jobs, in his opinion, have been lost as a consequence of that budget measure? Given that there have been job losses in the minister's own view, why does he continue to support that measure?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I tried to get across that I did not accept the premises of my hon. friend's question because the analysis of the Minister of Finance and his advisers indicates that the impact is not what the industry had originally feared. Therefore, the approach of my hon. friend in his question is not one I would accept.

POSITION OF MINISTER

Mr. John Bosley (Don Valley West): Madam Speaker, I repeat my question to the minister; it is a simple one. Does the minister believe that there have been any job losses and car sale losses as a consequence of the capital allowance change? If he believes that there have been, what is the degree, or is he saying to the House that no jobs and no sales have been lost as a consequence?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, we are in a situation where the over-all market for motor vehicles has declined in size in both the United States and Canada. There are a number of complex factors involved. The industry continues to argue that it is having some effect, and the analysis we have available indicates that, if the effect is there at all, it is minimal. I think this continues to be a matter of debate.

Oral Questions

ENVIRONMENTAL AFFAIRS

CONTAMINATION OF WATER SUPPLY AT BANFF, ALTA.

Mr. Gordon Taylor (Bow River): Madam Speaker, in the absence of the Minister of the Environment who is responsible for national parks, I direct my question to the first acting minister, the hon. Minister of Fisheries and Oceans. For two months or more the people of Banff have been very concerned, to put it mildly, about a parasite in their water which causes diarrhoea, vomiting, cramps, and sometimes swollen limbs. This parasite is carried by beavers which are a protected species. I advised the minister about this about a month ago. What action is the government taking to make the water safe?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, if I may, I will take notice, of what appears to me to be a slightly technical question, for the Minister of the Environment. I will try to bring the hon. member an answer perhaps tomorrow.

Mr. Taylor: Madam Speaker, I thank the minister. I notified the office of the Minister of the Environment about the question. I thought he might have given the first acting minister the information.

NECESSITY FOR FILTRATION PLANT

Mr. Gordon Taylor (Bow River): Madam Speaker, regulations in the Alberta department of the environment give the department the authority to order a filtration plant where the water is of poor quality or where there is a dangerous parasite in the water. This is seldom used, however, because town councils are just as anxious as the department to keep their water supply good. Will the government, since it is responsible for the townsite of Banff, order a filtration plant or instal a filtration plant in order to protect the water for local inhabitants and also for the thousands of tourists who will shortly be coming to that area?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I will certainly bring that to the minister's attention.

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[*Translation*]

AIRPORTS

SALE OF EXPROPRIATED LANDS AT MIRABEL—GOVERNMENT POSITION

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question is directed to the Minister of Public Works. Last week, the government decided to sell off one third of the expropriated land at Mirabel, that is, 35,000 acres out of a total of 96,000. What is the government going to do with the remaining 60,000 acres? Why not get rid of the rest as well?

• (1450)

[*English*]

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, as many hon. members know better than I, the decision of the government followed a year-long study by a commission, a company established to take a look at land uses around the airport. It was as a result of those intensive studies and negotiations with all persons affected concerning the airport lands that there was a recommendation that all of the lands, in light of the experience at the airport over the last few years, were not required. Some lands were to be returned to private ownership and other lands were retained on the advice of experts, for example, for the ministry of transportation, who indicated that in order to serve two purposes, that is, to permit the airport to be established, without terrible inconvenience or safety hazard to the people in the area, a certain amount of the acreage could be released back to private ownership, which decision was finally reached.

Mr. Skelly: It is a very surprising response, Madam Speaker, especially to fall back on the defence that a year-long study was conducted, considering the sabotage done to the Kent Commission. The government really should not have any qualms about proceeding in a more equitable manner, at least in one case.

SELL-BACK PRICE OF EXPROPRIATED LANDS

Mr. Ray Skelly (Comox-Powell River): I would like to ask the minister a supplementary question. The proposal of the government is to sell back the property at today's market prices, less 15 per cent. In the interest of fairness, would the minister not be prepared at least to allow those individuals whose land was expropriated to purchase back that land at the price at which their land was expropriated plus the accumulated interest?

Some hon. Members: Hear, hear!

Mr. Skelly: Fair ball.

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, one of the reasons the study did take a year's time was in order to be fair and to find a formula which was, in fact, fair. It was no easy task to hit upon a formula which could be fair to the taxpayer of Canada in general, that is, the person putting up the funds for acquisition of the property, and which would spell out to whom, how, and under what basis we could manage a resale of the property to people in the area. That was difficult, and we did attempt to be fair. It was a complicated question, taking into account assessment of market values. That was a matter involving not only technical advice but also some appreciation by people in the area. That is why we had representatives from a broad spectrum of the community on that committee trying to decide what would be a fair formula to people in the community.

THE ECONOMY

REQUEST FOR ANNOUNCEMENT OF GOVERNMENT PLANS

Mr. John Gamble (York North): Madam Speaker, my question is directed to the Minister of Finance. There are millions of Canadians who are suffering under severe economic pressures, but we are told that nothing in the way of a new initiative of an economic nature will be taken by the government until after the Versailles Conference. Surely the government has contingency plans in place in the event that some of the actions that it intends to take at that conference are not supported by other international governments. Why does the government today not announce what it plans to do within the framework of its power so that Canadians, as soon as possible, can see some hope and expectation for the future?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member's question is very general indeed, and I am at a loss, because of its general character, to respond to it with my usual specific answers.

Some hon. Members: Oh, oh!

Mr. Wilson: Back to the drawing board, Allan.

Mr. MacEachen: Madam Speaker, we are attending the economic Summit at Versailles and we will be discussing the world economic situation with other Summit members. If, as a result of that meeting, further initiatives should be taken, then, of course, the government would announce them.

Mr. Huntington: Retired before you start.

Mr. MacEachen: I am not quite prepared to admit to the hon. member that we are just waiting for the Summit, in that case.

Mr. Paproski: Maybe you should go to Fatima, never mind Versailles.

Mr. MacEachen: Where?

Mr. Trudeau: You are the guy who should go to Fatima.

POSITION OF MINISTERIAL ADVISERS

Mr. John Gamble (York North): The reason the question is general, Madam Speaker, is because the problem is general, brought about by general misadministration by the government. The one thing the people do not have is hope and expectation for the future, because there has not been one sign of something—

Madam Speaker: Order, please. The hon. member has been allowed to ask a supplementary question. The first question should obviously be short, but the supplementary should be even shorter.

Mr. Gamble: The best news that could be given, Madam Speaker, would be the resignation of the minister. In default of that—and I am sure he will not give us that kind of good news—will the minister at least announce that the general incompetents, those people within his department who brought about that calamity on November 12, have been replaced by people who have some expectation of a bright future for Canadians?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): I think, Madam Speaker, that the hon. member has a very simple attitude toward the current economic situation. If it were simply a question of bad policies in Canada and bad officials and a bad minister in Canada—

Mr. Jarvis: Mostly the minister!

Mr. MacEachen: —then I would wonder why the unemployment level in the United States is about the same as it is in Canada. I would wonder why the unemployment levels in the OECD area are increasing and are projected to increase, why inflation is a problem in almost every industrialized country—

Mr. Huntington: Why can we not have energy self-sufficiency?

Mr. MacEachen: —and why the recession exists all over the world. Surely the power of the Minister of Finance and his officials is not great enough to bring about such economic chaos in every part of the world.

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AVIATION INDUSTRY

COST OF CANCELLED CHALLENGER AIRCRAFT DEVELOPMENT PROJECT

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce, who might recall that on February 11 I asked him the following question:

> Could he inform the House how much research and development money and other funds went into the stretched version of the Challenger jet before the project was cancelled with a loss of some $500 million worth of orders?

The minister replied that he would "be happy to obtain that information and provide it to my hon. friend as soon as possible." Well, his "hon. friend" has been waiting for three and a half months, and I would like him to narrow the date down a bit.

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I apologize for not having provided the information to him by now. I will try my best to have it for him by the end of the week.

DEBT STATUS OF CANADAIR

Hon. Allan B. McKinnon (Victoria): Perhaps while the minister is getting that information for me by the end of the

week, he could explain to the House the debt status of Canadair at the present time. I understand that the government is giving it letters of comfort which have enabled it to borrow something over $1 billion. I wonder if the minister could tell the House, within $100 million, how deeply in debt Canadair is at the present time.

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): I will be happy to do that, Madam Speaker. Not long ago, the House, in the supplementary estimates, approved authority to the government to guarantee up to $1.3 billion in loans by private sector companies to Canadair to help provide operating capital for the carrying out of its projects.

* * *

ENERGY

PROPOSED NATURAL GAS PRICE INCREASE IN ONTARIO

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. There are vast numbers of consumers in the province of Ontario who are angry about a proposed huge increase in the price of natural gas after the Government of Canada implored people to convert from oil to gas for home heating fuel. I recognize that permission for Consumers' Gas to raise its rates comes under Ontario provincial jurisdiction, but can the minister say whether there is anything that he can do to temper this increase to these consumers?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Yes, Madam Speaker. I suggest that the hon. member who asked the question and who is a distinguished member of the Progressive Conservative Party, speak to his friends who are running the government in Toronto.

[*English*]

REPRESENTATIONS TO ONTARIO ENERGY BOARD

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, I quite realize that Ontario consumers are affected by the government of this province, but will the Minister of Consumer and Corporate Affairs, as a federal minister, also protecting the interests of consumers of this province, join me in persuading the Ontario Energy Board to reduce these proposed gas rates in the interest of keeping prices down and combatting inflation?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, if the hon. member believes that my support could be of any help, with pleasure.

• (1500)

[*English*]

PRIVILEGE

MR. COLLENETTE—ALLEGED IMPUTING OF MOTIVES BY MR. THACKER—RULING BY MADAM SPEAKER

Madam Speaker: I would like to rule on the question of privilege which was raised by the hon. member for York East (Mr. Collenette). The hon. member raised a question of privilege alleging that on May 25 the hon. member for Lethbridge-Foothills (Mr. Thacker) imputed motives to Liberal backbenchers.

I just want to say that disrespectful or offensive language is covered by Standing Order 35 and that the unparliamentary words must be brought to the attention of the House by way of a point of order, not by way of a question of privilege. Therefore I cannot accept that the hon. member had the basis for a question of privilege.

Having examined what might have been a point of order, I looked at the words used by the hon. member for Lethbridge-Foothills. I found that he was not exactly addressing his remarks to any member individually. Erskine May says at page 430 of the Nineteenth Edition:

> Expressions which are unparliamentary when applied to individuals are not always so considered when applied to a whole party.

In the words of my predecessor, Speaker Lamoureux, I would say that these kinds of exchanges are part of the political life of the House. However, I would urge hon. members to try to use language that is acceptable to all members on all sides of the House.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

Mr. Pinard: Madam Speaker, I rise on a point of order. I have had consultations with my colleagues on the other side with regard to statements by ministers. I would like a House order to ensure that at eight o'clock we will be in a position to revert to statements by ministers in order to allow the Minister of Energy, Mines and Resources to make a statement at eight o'clock this evening. If you seek unanimous consent, Madam Speaker, I think you will find it, following consultations I had with my colleagues.

Madam Speaker: Does the House give its unanimous consent to revert to statements by ministers at eight o'clock this evening?

Some hon. Members: Agreed.

[*Translation*]

HOUSE OF COMMONS

ESTABLISHMENT OF SPECIAL COMMITTEE ON STANDING ORDERS AND PROCEDURE

On the order: Government Notices of Motions:

May 28, 1982—*The President of the Privy Council:*

That a Special Committee, consisting of, notwithstanding any Standing Order, 20 Members, to be named at a later date, be appointed to consider the Standing Orders of the House and procedure in both the House and its committees;

That the Committee be authorized to include in its interim and/or final reports drafts of proposed permanent or temporary Standing Orders drawn to give effect, if concurred in by the House, to any permanent or temporary change or changes proposed by the Committee; and

That the Committee have all the powers granted to Standing Committees by Standing Order 65.

Madam Speaker: Pursuant to Standing Order 21(2), this notice of motion is transferred to and ordered for consideration under Government Orders later today or at the next sitting of the House.

* * *

[*English*]

MISCELLANEOUS PRIVATE BILLS AND STANDING ORDERS

REFERENCE OF PETITION TO STANDING COMMITTEE

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, with the unanimous consent of the House I would like to move, seconded by the hon. member for Nepean-Carleton (Mr. Baker):

That, pursuant to the provisions of Standing Order 99, the petition of J. Paul Robert of the City of Ste-Adele, in the province of Quebec, praying for the passage of an act to revive and to provide for the continuance of E.G. Klein Limited, filed after the time limit specified under Standing Order 90, be referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders, together with the two hundred and forty-fourth report of the Clerk of Petitions thereon, presented to the House on Thursday, May 20, 1982, for any recommendations the committee deems advisable.

Madam Speaker: Does the hon. member have unanimous consent to move his motion?

Some hon. Members: Agreed.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,117, 4,125, 4,213, 4,214 and 4,296.

[*Text*]

NCC—WINTERLUDE FESTIVAL

Question No. 4,117—**Mr. Cossitt:**

1. Did the National Capital Commission at any time state that the cost to the taxpayers of the Winterlude Festival was approximately $350,000?

2. Did the figure include overtime to employees of the Leisure and Culture Branch and, if not, was that figure estimated to be approximately $100,000?

3. What was the estimated cost of publicity and promotion and was it approximately $100,000?

4. What was the cost of piped music and lighting the canal and was it approximately $100,000?

5. What was the estimated cost of all maintenance and was it approximately $150,000?

6. Were all the extra figures included in the original estimate and, if not, for what reason?

Hon. Paul J. Cosgrove (Minister of Public Works): 1. Yes at a press conference held January 17, 1982. Later, the estimate was raised to $473,000.

2. No. Recreation and Culture Division overtime estimated at $60,000.

3. Estimated at $100,000.

4. Cost $30,000.

5. Estimated at $150,000.

6. Yes, in revised estimate, except for overtime under 2 above.

FOREIGN INVESTMENT REVIEW AGENCY

Question No. 4,125—**Mr. Herbert:**

Does the Foreign Investment Review Agency, when receiving applications from foreign-owned trucking companies, require that applicants indicate if they are prepared to use Canadian chartered banks and Canadian-owned advertising agencies and to direct their purchasing to Canadian-owned suppliers?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Foreign Investment Review Agency is concerned:

The Foreign Investment Review Agency, when receiving applications from foreign-owned trucking companies, does not require that applicants indicate if they are prepared to use Canadian chartered banks and Canadian-owned advertising agencies. Nor are applicants required to direct their purchasing to Canadian-owned suppliers.

However, the effects of a foreign investment proposal on the utilization of parts, components and services produced in Canada are required to be taken into account in the determination of whether or not the proposal meets the test of significant benefit to Canada. Accordingly, all applicants, irrespective of the industry sector to which their proposals apply, are required to specify their sourcing intentions. There are no special policies which apply to the trucking sector.

Order Paper Questions

SECURITY CLEARANCE FOR PUBLIC SERVICE

Question No. 4,213—**Mr. Robinson (Burnaby):**

1. How many public service positions require security clearance and what percentage of the total positions does this represent?

2. What are the criteria currently used to determine which positions in the public service require security clearance?

3. Since 1977, by year, how many security screening requests went from departments and agencies to the security service?

Hon. Yvon Pinard (President of the Privy Council): 1. Personnel security clearance programs are prepared by departments and agencies to meet their own security requirements. As these requirements vary in intensity from one department/agency to another, so will the number of positions affected.

2. A security clearance is mandatory in positions where an employee requires access to classified material in the discharge of his/her duties.

3. 1977—71,689

1978—67,261

1979—60,965

1980—56,199

1981—59,514

A large proportion of these figures represents rechecks or updating of an earlier screening process; departments/agencies generally review security clearances at five-year intervals. The Security Service is not required to make a statistical distinction between a first screening and an updating process.

CRITERIA USED TO CLASSIFY GOVERNMENT DOCUMENTS

Question No. 4,214—**Mr. Robinson (Burnaby):**

What are the criteria currently used to determine which government documents should be classified?

Hon. Yvon Pinard (President of the Privy Council): Top secret: Documents, information and material of paramount security importance, the unauthorized disclosure of which would cause exceptionally grave damage to the nation.

Secret: Documents, information and material, the unauthorized disclosure of which would endanger national security, cause serious injury to the interest or prestige of the nation, or would be of substantial advantage to a foreign power.

Confidential: Documents, information and material, the unauthorized disclosure of which would be prejudicial to the interests or prestige of the nation; would cause damage to an individual; and would be of advantage to a foreign power.

Restricted: Documents, information and material are to be classified restricted when they should not be published or communicated to anyone except for official purposes, and when they are not classified in any of the three previous categories.

DIEMACO INC.

Question No. 4,296—**Mr. McKinnon:**

Did the Department of National Defence place a $753,100 contract with Diemaco Inc. for in-service small arms publications under contract number MC50.2550409 (2MC81-02092) and, if so, what types of small arms will be covered in the publications?

Hon. J.-J. Blais (Minister of Supply and Services): Yes. The Department of Supply and Services awarded a contract on behalf of the Department of National Defence, to Diemaco Inc. in the amount of $753,100. The type of small arms covered in the publications is: pistols and revolvers, rifles, submachine guns, machine guns, small arms weapons turrets and mounts, small arms accessories.

[*English*]

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered.

* * *

STARRED QUESTION

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, would you be so kind as to call starred question No. 4,298?

[*Text*]

*SINKING OF "ARCTIC EXPLORER"

Question No. 4,298—**Mr. McGrath:**

1. On what date was the enquiry ordered into the circumstances surrounding the sinking of the Arctic Explorer?

2. Did the Arctic Explorer sink some time during the morning of July 3, 1981 and, if so, for what reason did the enquiry into the incident not begin until April 27, 1982?

3. Were SOS distress signals received by the Canadian Coast Guard between 0000 hours and 2400 hours on July 3, 1981 and, if so, what action was taken in response to the signals?

[*English*]

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Madam Speaker, the reply to question No. 4,298 of the hon. member for St. John's East (Mr. McGrath) is as follows:

1. July 9, 1981.

2. The vessel sank on July 3, 1981. The Coast Guard required the normal 2 to 3 months to prepare technical evidence to be presented at the formal investigation. The usual practice, which was followed in this case, is for the Chief Justice of the province concerned to then nominate a judge to be commissioner. Because of the heavy court calendars of the Newfoundland judges at the time, there was difficulty in providing the nomination.

3. The answers to this question and all others related to the sinking will be examined in public by the Court of Formal Investigation currently sitting in St. John's, Newfoundland. Therefore, it would not be advisable for me or anyone else to make further comment while the investigation is proceeding.

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

Madam Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

HOUSE OF COMMONS

ESTABLISHMENT OF SPECIAL COMMITTEE ON STANDING ORDERS AND PROCEDURE

Hon. Yvon Pinard (President of the Privy Council) moved:

That a Special Committee, consisting of, notwithstanding any Standing Order, 20 Members, to be named at a later date, be appointed to consider the Standing Orders of the House and procedure in both the House and its committees;

That the Committee be authorized to include in its interim and/or final reports drafts of proposed permanent or temporary Standing Orders drawn to give effect, if concurred in by the House, to any permanent or temporary change or changes proposed by the Committee; and

That the Committee have all the powers granted to Standing Committees by Standing Order 65.

Madam Speaker: Is there unanimous consent for presentation of this motion?

Some hon. Members: Agreed.

Madam Speaker: Agreed. The parliamentary secretary to the President of the Privy Council.

Mr. Pinard: Madam Speaker, I was promoted two and a half years ago! I realize you spoke as you did out of the force of habit, because usually at this point my parliamentary secretary rises to answer the questions on the Order Paper.

I would like to say that I had consultations—

[*English*]

I had consultations with the House leaders of the opposition parties at the end of last week. If you seek unanimous consent, Madam Speaker, to get the approval of this motion without debate, I will believe you will receive it. I know that the deputy House leader of the Conservative Party has a question to ask regarding staff, and I will be pleased to answer the question before unanimous consent is sought.

Mr. Doug Lewis (Simcoe North): Mr. Speaker, our party is prepared to grant unanimous consent to the passage of this motion on the understanding that Standing Order 65 is broad enough to allow the committee to have whatever staff it requires to deal with the matter. I believe the government House leader is prepared to put on the record exactly what staffing facilities will be available to the committee.

Mr. Pinard: Mr. Speaker, as I indicated earlier to my colleague, the committee will have the same advantages as standing committees under Standing Order 65. As I told him, the intent is to allow parliamentarians to first have input. We would like to see it as a committee of parliamentarians, mostly backbenchers. If during the process, whether it be two weeks, a month or more down the road, the committee requires technical assistance and requires the right to hire specialized staff, as I told the hon. member, we will consider that request from the committee very seriously. However, in the first instance, we do not intend to give that specific power to hire technicians. Once again, we want it to be a committee of parliamentarians. We have knowledgeable parliamentarians who should first make their input and recommendations on changes in order to make this Parliament more relevant, modern and human.

The Acting Speaker (Mr. Ethier): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

• (1510)

UREA FORMALDEHYDE INSULATION ACT

PROVISION OF ASSISTANCE TO HOME OWNERS

The House resumed from Monday, May 10, consideration of the motion of Mr. Ouellet that Bill C-109, to provide for payments to persons in respect of dwellings insulated with urea formaldehyde foam insulation, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Hon. James A. McGrath (St. John's East): Mr. Speaker, this is a very important bill. I should declare at the outset that I may be in a conflict of interest situation, as I have a residence that has had urea formaldehyde foam installed in it as insulation. Consequently, I am one of the parties involved and affected, although I doubt if I will be one of the persons who will qualify for assistance under the bill because the parameters are so narrow that less than 20 per cent of the houses insulated with urea formaldehyde foam will qualify for assistance.

It is not because I am one of the affected parties, but because there are over 100,000 people out there who are affected and will get virtually no assistance from what was a bad mistake in judgment by this government, that I would like to zero in on this matter today in my intervention in this debate.

It is perhaps necessary and well to go back on the events leading up to the ban that was announced by the government in December. Back in May, 1977, the government was being advised through one of its deputy ministers that it should proceed cautiously before approving this material for use in

home insulation. One of the problems that was identified then by Dr. Ian Efford was that the standards failed to prescribe application procedures critical to the foam's effectiveness. He went on to state, as a result, that no federal department should use the product.

That is very interesting and very germane to my argument, Mr. Speaker, because this product was approved by Canada Mortgage and Housing Corporation for use under the government's home insulation program, the CHIP program, in September of 1977. In other words, the government went against their own advisers. According to the advice they received, it was not good enough to be used in federal government departments. Indeed, there was some question as to whether or not the standards were adequate with regard to how the stuff was to be applied, and, indeed, whether or not there were standards governing application of the material. Notwithstanding that, there were the warnings that the government had, even going back beyond that to April, 1977, when the then minister was advised that there were problems with regard to shrinkage, degradation, the potential of UFFI causing metal corrosion and wood rotting. Because of that, the minister of energy at the time was advised not to recommend the product for use under the CHIP program. Yet it was recommended for use under the CHIP program and was given the seal of approval of Canada Mortgage and Housing Corporation in September, 1977.

There is a combination of errors here that has brought us to this particular situation at this point in time. First of all, we have the government closing its ears, failing to accept the technical advice it was getting from within the government. Secondly, this was a program that was and still is applied across the country without any statutory authority or any statutory provisions. In other words, there is no statute governing the Canadian Home Insulation Program. As a consequence of that, the CHIP program in its early days was responsible for a number of fly-by-night operators. These people knew absolutely nothing about the insulation business, being hastily formed in order to cash in on what was perceived as a bonanza.

We had this dangerous combination of inexperienced insulators, using a material that had inadequate standards for application. That is the combination which I believe has in large measure resulted in the problem that we are faced with today. It is a serious problem, Mr. Speaker, that is facing many home owners today. We do not know what the guidelines are and we will not know until presumably the bill gets to committee. And we may not know even in committee, given the track record of this government. We may not know what the guidelines are until the bill receives third reading and becomes law. Of course, the guidelines are critical in telling us how effective and how fair and just the bill will be in its application. We do not know that.

What we do know is that less than 20 per cent of those affected will qualify for the payment of the $5,000 or up to $5,000 that they can receive under the bill. What about the other 80 per cent? These are people who do not necessarily have a health problem or they have a health problem that they cannot prove meets the criteria set out under the regulations. They may not have a health problem, but they have an economic problem of enormous proportions. They face the prospect of seeing their life savings—and a home investment usually represents the life savings of a family—depreciate to the point where they cannot sell their homes, where they have difficulty in obtaining conventional mortgages for the home. Up to now they have not been able even to make the case with municipalities that they should receive some consideration in terms of municipal property taxes, although I believe there is a movement in that direction.

So, Mr. Speaker, in my opinion the government has not only a moral responsibility. Given the fact that the minister responsible for housing went against the advice within the government in September, 1977 and approved urea formaldehyde foam to be used under the CHIP program, I believe the government has a legal obligation as well. Once we get to committee or beyond committee and have the guidelines, I suspect that this will be a matter for the courts to decide ultimately. Secondly, the legal responsibility flows from the government's ignoring the advice that came in the first instance, by the way, from the National Research Council in 1978, and from the government's subsequent decision to approve it, as I say, for use under the CHIP program.

By its decision to ban the product in December, 1980, the government assumed responsibility not only for the protection of the health of those using it but also to protect them from financial loss. That is a responsibility to the more than 100,000 Canadians who had this material in their homes.

The bill we have before us today not only fails adequately to address the health problem but totally ignores the very serious and very substantial economic problem created for that 80 per cent of the more than 100,000 homes which will not qualify for assistance under the bill. Incidentally, it should be said in passing that estimates of the number of homes which have had urea formaldehyde foam insulation installed range from 85,000 to a quarter of a million, so we can take our choice of any figure between 85,000 and 250,000 and somewhere between is an accurate figure for the number of homes affected in this country.

• (1520)

Of course, we are not even talking about public buildings, nor does the bill address itself to apartment buildings. That is another problem in itself and one which certainly will have to be addressed, because once we lay emphasis on the problem in terms of addressing it by legislation with respect to the health problem, then that, of course, has to be applied to other buildings as well such as public buildings, apartment buildings and motels and hotels. However, as I said, this does point out what I consider to be a very serious problem.

Was the government right back in December, 1980 in banning urea formaldehyde foam insulation once it had given the material its seal of approval under CMHC standards for use under CHIP? Did the government fully realize the consequences which would flow from its action? I submit that even

to this day the government still does not appreciate the consequences which have flowed from its decision to ban urea formaldehyde foam insulation back in December, 1980, as evidenced by its failure to address the economic problems as well as the health problems facing those who have urea formaldehyde foam insulation in their homes.

The president of the Canadian Home Insulation Contractors' Association said on May 10: "The mass hysteria that has been created out there has created problems for everyone." I use that quotation advisedly because I suspect there is not a region of this country where a legitimate contractor involved in the home insulation business has not gone under as a consequence of this, because urea formaldehyde foam insulation was the prevalent material used by most legitimate insulators across the country—and I underline and emphasize the words "legitimate insulators"—who were doing an adequate job. They were using urea formaldehyde foam, and as a consequence of the government's decision they were forced out of business. Hundreds, and perhaps thousands, of Canadians lost their jobs as a consequence, so everyone has been affected. Everyone has been hurt.

I am not suggesting for one moment that the government was wrong in making the decision it made back in December of 1980. We will have to wait until the minister comes before us in committee where we will have an opportunity to question him in greater detail. What I am saying is that the government has to take full responsibility for its decision. It has to take full legal as well as full moral responsibility and, in so doing, it has to address the serious economic problems it has created for over 100,000 home owners in this country, a disproportionate number of them in the minister's own province of Quebec. That is my main concern.

I listened with interest to the minister, and if indeed the government was anxious to get this bill out, I just wonder why it waited so long to resume the debate at second reading. Perhaps the minister is trying to drag out second reading debate until we receive the final report of the three-man committee of inquiry which was established under the Hazardous Products Act. It is interesting that that committee has not issued its final report. The committee is still in the process of preparing its final report to the government. We have received a preliminary report. It is conceivable—indeed, it has been predicted—that that committee will criticize the government and say that the government was wrong to ban the use of urea formaldehyde foam insulation in the first place. Whether the committee will do that, of course, remains to be seen, but it seems to me to be passing strange that we as legislators would be asked to give second reading to a bill on which the jury has not come in. In effect, that is what this three-man investigating committee set up under the Hazardous Products Act is.

In any event, given the fact that the chairman of that committee is well known to the minister because he was the minister's campaign manager and there is a very close relationship there, I suspect that the report of the committee and the minister's program with respect to the bill will operate in tandem.

Having said that, I think it is important for us to make the point that we are concerned about the effect of the government's ban on the investments of thousands of Canadians who are struggling with homes they cannot sell. They are stuck with homes on which they are even finding it difficult to get conventional mortgages. Given our responsibility to these people, it certainly is incumbent upon the government to give us an undertaking, before second reading, that it will at least tell us in the committee just exactly what the guidelines are. Is the minister prepared to give the House that undertaking? Is he prepared to tell the House, before third reading of this bill, that the House will know exactly what the regulations are with respect to the application of the financial assistance provisions of the bill? It is absolutely critical that we know that in order to determine that those who are to be assisted will be assisted as justly as possible and there will be no discrimination with respect to any consideration.

In addition, I believe the government also has a very serious obligation to tell the House exactly what it feels is its responsibility to those who do not have health problems as a consequence of urea formaldehyde foam insulation, and I am one of them. There is no problem in my home. I do not live there all year round. It is in my constituency, but I have no problem there. Indeed, the insulation has worked very well. It has served me very well, but if I were attempting to sell my home, I would have to state that it has urea formaldehyde foam insulation because that is now a regulation of most real estate companies in the country. Of course, the minute that goes down on the sales contract, I am out of luck. The property value is gone. I could not give my house away once people knew it had urea formaldehyde foam insulation in it. I think that is a problem.

My good friend, the hon. member for Gloucester (Mr. Breau), usually makes good contributions in the debates of this House. I suspect many of his constituents have urea formaldehyde foam insulation in their homes, and the majority of them, as the hon. member well knows, will not qualify for assistance under this bill. However, they will continue to have very serious problems, and I ask the hon. member to join with me in a bipartisan approach to this problem so that we can help all of our constituents.

• (1530)

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, there are many four letter words in our language which are judged to be obscene. I think UFFI, the acronym for "urea formaldehyde foam insualtion", has been added to the list of dirty words in the English language. As we know, urea formaldehyde foam insulation is a dirty, poisonous substance which has been used in some 100,000 homes by people who thought they were using a reliable, safe product recommended by the federal government and sponsored through the CHIP home insulation program.

As we also know, many members of families have suffered very serious health problems as a result of the use of the foam. Others who have not yet had health problems are afraid that,

with further deterioration of the foam, the formaldehyde gas will be released. We know that under certain weather conditions, such as the high humidity of the west coast, it is possible that there will be health problems in some families in the future.

Some people have a particular sensitivity to urea formaldehyde gas and there is particular risk for infants, elderly people and people with asthmatic conditions, as well as women who spend all day in their homes, those who do not go out into the workforce. The effect of UFFI is now recognized as so potentially hazardous that the real estate value of most homes insulated with this substance is nil. I have seen cases where it has actually been below zero—where people have received less than the value of the property when the home is insulated with urea formaldehyde.

Not only are urea formaldehyde foam insulation victims worried about health and economic loss, but many have been under extreme stress for almost two years, since they became aware of the problem. They are also angered beyond tolerance by the hypocritical, uncaring attitude of the government that created the problem in the first place. The government, supposedly set up to protect consumers, advocated the use of this substance to insulate homes and to save fuel costs.

A number of years ago the government was warned by its own researchers that this substance was risky and dangerous, and the Massachusetts experience confirmed this. Tests made over the past year also showed a health hazard, yet even today the government refuses to acknowledge the seriousness of the problem and that it is primarily responsible since it permitted this form of insulation to be used. It ignores the obvious and only solution, which is to provide for the removal of this poisonous substance from contaminated homes.

Let me summarize some of the facts we know about urea formaldehyde foam insulation. There are an estimated 100,000 homes in Canada that had urea formaldehyde foam installed in the walls expecting that it would improve the value and make these homes more comfortable. Through the CHIP program, the federal government is directly responsible for the insulation in at least 25,000 of these homes. In British Columbia, some 8,000 homes have used urea formaldehyde and, as a result, are at risk. People have found that sealing and ventilation techniques do not guarantee that the gases will be contained or removed. The full cost of removing the foam in most provinces is estimated to be around $25,000 per home.

We know that health problems can occur when there is a very low level of urea formaldehyde concentration. The government uses the level of .1 parts per million foam in the air as the minimum level. I have many examples of people who have a doctor's certificate to testify the foam has caused health problems where there has been a much lower level than the .1 part per million. Symptoms caused by UFFI are nose and throat irritation, breathing difficulties, sore throat, dizziness, nausea, vomiting and asthmatic types of attacks.

We know that despite the promises of the Department of National Health and Welfare to keep physicians and medical experts more informed on this issue, even today many doctors are not aware that the symptoms they are diagnosing as allergies are probably related to this hazardous foam insulation. Urea formaldehyde foam insulation has also been linked to nasal cancer in laboratory rats and mice. There are health hazards that have been substantiated. They are not evident in every home where this foam has been used but they are very serious and are potentially a risk and a worry for most home owners who have used it.

There are structural problems in the homes that have used this type of insulation as well. For example, there are cases where urea formaldehyde foam insulation has been used and the electrical wiring has been corroded. It also creates rot problems. I understand this is particularly prevalent in a climate of high humidity and that means, of course, in the coastal regions of British Columbia. This structural problem leads to potential fires and contributes to shortening the safe lifetime of the house.

In 100 per cent of the 100,000 homes I mentioned, there are very serious financial problems. Houses with UFFI show a very dramatic loss in value which can only be changed by removing the foam. Real estate agents are asking whether there is UFFI in a house when it is listed for sale or when its value is assessed. As soon as they know that to be the case, the value drops. This is acknowledged by many provincial and municipal governments which are reducing taxes because the value of the property has fallen. It has been suggested that the form for assessing the value of a house insulated with urea formaldehyde foam used by real estate companies will contain a question about this.

Those are some of the symptoms we know of that have created such a serious problem for many Canadian home owners. The problems with this type of foam came to my attention two years ago, as I am sure it did to many other hon. members. I recall a number of very pathetic human situations that raised serious concern in many of us. I recall, for example, an elderly couple who lived in a very wealthy part of Vancouver coming into my office. They had put all their life savings into their home, and it had beautiful antiques, draperies and in fact gold leaf trimming. Because of health problems they had to move into the basement. They were really wrought with anxiety wondering what to do. The woman had a very serious asthmatic condition and was in bed most of the time. Her husband was completely bowed under with worry. They could not move out of the house and they could not live in it.

• (1540)

Another family with young children, where the wife and one baby particularly affected by the gas, lived in a tent in their backyard. Eventually, after the summer was over, they had to sell their home without knowing what would happen. They had no other choice and took a considerable loss. Even now they do not know whether they will be compensated.

Two years ago a man living not too far from my office came in very, very angry. He is still very, very angry. His name is John Owens and he has been very outspoken on this issue. He had not yet been seriously affected, although members of his

family woke up every morning with nasal congestion. Headaches and nausea were not uncommon, particularly in the wife, who stayed in the home all day. He was angry because the government was doing nothing, and he did not know what to do about his house. Again, he was an average worker who had put all his savings into fixing up his home. He had worked very hard and now his major capital asset was at risk. Added to this was the complete frustration, month after month, indeed year after year, of the federal government simply not taking this problem seriously and doing nothing to help.

Finally, Mr. Speaker, I would just like to read a letter from the Rapanos family of Carnarvon Street in Vancouver. This is what they say:

In the Autumn of 1978 we decided to take what we felt would be a good step to improve our home which was constructed in 1943 and to help protect our family from the future inflation in energy costs. The CHIP programme was available to provide a further incentive. After obtaining three estimates, we enquired about the contractor's reputation and whether or not the urea formaldehyde foam he was proposing to use was CMHC approved. Everything checked out so the work was done and subsequently we received a CHIP grant. There was some unusual smell and at one place a wet spot appeared on the wall next to an electrical outlet but since we were also painting at the time we attributed some of the smell to this even though it still seemed to continue for a time after the painting had been completed. At this time we had no reason to suspect anything out of the ordinary.

Since 1978 a number of facts have become known to us:

1. At the end of 1979 we brought our normal, healthy baby home from the hospital. She immediately developed bronchial and breathing problems which we treated with innumerable visits to the doctor. The child has had more antibiotics and prescriptions in her first two years than many people experience in twenty years. She is well below average in terms of her growth today in spite of her being of average birth weight and we are very worried about the long term effects of her ongoing breathing problems in terms of her future health and growth.

2. We, ourselves, have both noticed, particularly in the winter months when the windows are more likely to be closed, that sore throats in the mornings were an almost daily occurrence for both of us, yet the colds we expected to follow never occurred. It has seemed, however, that we have both experienced a lot more "colds" or precold symptoms over the last few years.

The above observations were prior to our awareness of any potential health impacts of the UFFI. Since the time of the ban on use of the material a number of further facts have come to be known through reading the studies associated with the product, discussing the effects with staff from the Vancouver Health Department and speaking to others who have this insulation in their homes.

3. The degradation of this unstable UFFI material is a certainty, only the rate is variable and unpredictable and this degradation releases formaldehyde gas.

4. There is no established "safe" level for this material for long-term continuous 24-hour per day exposure (as in the case of a mother and child at home). The .1 parts per million is an arbitrary figure gleaned from research to date. The Final Report of the Department of National Health and Welfare Expert Advisory Committee on Urea Formaldehyde Foam Insulation April 1981 states:

"The Committee is therefore not prepared to recommend any level of formaldehyde exposure as inherently safe."

The carcinogenic potential of this material is not clear; however, it has been shown to effect rats at 6 ppm which is presumably over a fairly short test period.

I am sorry the minister has just left us because the letter goes on to say:

Mr. Ouellet, what is this going to mean to the health of our child as she grows in this environment? Would it be "safe" to have more children? Looking at the health of our child now, we must say we are extremely concerned. We have therefore come to the conclusion that this level of uncertainty is too great & that the only thing we can do is have the UFFI removed.

5. Our home has been tested by the City of Vancouver Health Department (report attached). The tests indicated that the formaldehyde level was approximately .05 ppm in the living space and .66 ppm in the walls, which indicates that the level of gas being produced in the walls is creating a potential to continue to contaminate the home.

There are no new furnishings or finishes in the home which could have contributed to this formaldehyde level and we do not smoke.

I might mention that was the kind of rationalization I recall the minister using in this House to try and get himself and his government off the hook. The letter goes on:

6. We recently found another home which we were interested in purchasing and have discovered, from speaking to three separate real estate companies, that in spite of the fact that the home we were interested in was assessed at a lower value than ours, because of the formaldehyde ours would in fact be worth much less on the market. Only one company stated that the presence of the foam should result in a lowering of the list price by $25,000, while the other two simply suggested quite low asking prices and said that the "buyer resistance" to homes with UFFI had become "considerable".

One agent advised that several of the major banks were either refusing to write mortgages for such homes while others "reviewed" each case on its own merits.

Well, Mr. Speaker, I think this illustrates again in very human and specific terms the seriousness of this problem and the terrible situation in which home owners find themselves. The letter goes on:

In the case of this insulation, where the Government acted as a promotor through CMHC (and apparently through RAPCO), in the use of this product, action should be immediate and complete. If you do not provide full compensation in this case, how can your ministry ever have any respect from private companies who might be required by your Ministry to recall their faulty products. This is a terrible double standard!

The fact remains that the effectiveness and safety of UFFI were misrepresented when the product was given an endorsation. Since that time, your Government has fully recognized the problem and has established a compensation program.

Mr. Minister, why make this compensation incomplete! We can demonstrate a concrete economic loss and we believe also demonstrate health effects; why then when WE have acted in good faith, should we be penalized either for the full cost or a portion of the cost of removal of this frightening material from our homes. What kind of common justice is there in helping some people but not others? Your proposal is insufficient, unfair and discriminatory.

• (1550)

This stuff decays and a .5 ppm reading today is not either safe or constant over time and we would be irresponsible to raise children in an environment contaminated by the material or the fungus that live in it 24 hours a day—selling the home is a very costly non-solution which simply shifts the problem.

In conclusion, we must say that we believe that this hazardous material MUST BE REMOVED from our home and this conclusion is drawn from the National Research Council data, economic damage and most important, real and rational concern about the PRESENT AND FUTURE OF OUR FAMILY.

That letter was written by Bill and Marilyn Rapanos. It is typical of what so many UFFI home owners across the country feel. I think the only positive thing that we can say about this situation is that home owners in every province of Canada are so incensed that they have formed very militant citizen action groups. They are determined not to accept the insulting kind of compensation program which the government has proposed and which, of course, is legislated in Bill C-109 under discussion.

Over the past year and a half, as housing critic for our party and as the hon. member representing the riding of Vancouver East, I have spoken many times in the House about the disastrous situation which has affected home owners with UFFI insulation. My constituency office has a headquarters for one urea formaldehyde action group.

The federal government must bear full responsibility for this disaster facing home owners with UFFI. For it to try and say otherwise or even to try to put the responsibility on to the provinces is irresponsible indeed. The federal government endorsed the program and encouraged home owners to use urea formaldehyde insulation under the CHIP program.

For the record, I would like to go over a couple of statements that were made earlier. These will show how long the government has ignored this problem and how long it has been in trying to do something about it. On July 17, 1981, we proposed a financial solution which would help home owners. I demanded in the House that the federal government establish a fund to assist Canadian home owners with the cost of removing UFFI from their homes. After all, we have disaster funds for floods and for fires; surely this is just as great a disaster.

In 1981 we proposed reallocating the $5 million which the minister was proposing to spend on testing homes with UFFI and also that the $330 million which had been allocated in 1981 for new insulation programs be reallocated and used as a good start on a UFFI disaster fund. Of course, the government ignored these proposals, just as it ignored repeatedly the need for a major program for these people, not to give information and to set up action phone lines, to which people could not get through, but something constructive. The federal government talked about several million dollars for informational programs as well which did not even get out to local family physicians about the effects on health of UFFI. But what we wanted were funds to be used immediately for the very obvious and well documented problems which were evident and which should have been acted upon in a direct way.

At that time we said also that public health officials in British Columbia, Alberta and Ontario had already indicated that the federal government's testing program was unreliable and inconclusive. The affected home owners had called for the removal of the insulation as the only way to ensure further problems would not occur in the future. That was in 1981. Then we move to December 24, 1981 when the government was proposing what it saw, after this long delay, might be the solution. At that time I stated:

> The federal government, by making a token tax deduction for removal of urea formaldehyde foam insulation, at last has admitted they have a responsibility for the UFFI disaster. However a $5,000 tax deduction for only ten per cent of the affected homes falls far short of solving the UFFI problem which the federal government created.
>
> UFFI homeowners are left with devalued properties with little or no resale value. Many people have their life savings invested in their homes which now are contaminated.

As I said earlier, it would cost between $20,000 and $30,000 to remove the foam. But to remove the foam—the poison—is the only solution. The federal government endorsed and promoted the use of this insulation material. The federal government ignored earlier warnings from the National Research Council. The federal government is responsible for both the economic as well as the health problems which it created. UFFI action groups across the country and members of the New Democratic Party have said over and over again that the federal government has been hypocritical by pretending to provide remedial help. The phony aid program. which was part of Bill C-109, is just that. It is available to only a few home owners whose homes have a 0.1 parts per million reading, and to people who have serious health problems.

Many people are not yet aware what their health problems are possibly as a result of UFFI. Perhaps their doctors have not yet documented them. But when I questioned the minister about that, he admitted in the House of Commons that 0.1 parts per million was merely an arbitrary figure. The minister also agreed that individuals react differently to the foam. The more a person is exposed to the foam, the more sensitive a person becomes. Those serious health problems occur as the foam disintegrates. I asked the minister why these limits were set. They are just a waste of money and do not get at the real problem. What happens to people who are forced to move out of their homes? Many have already moved. Some people in my riding have actually had their homes torn down without any guarantee they will be compensated for that. They have rebuilt their homes at considerable risk and a lifetime's indebtedness with today's high interest rates.

The idea of paying $100 as a sort of downpayment as a prerequisite for testing is unrealistic. This has been a serious problem for senior citizens. Many of our senior citizens worked hard to insulate their homes. They were the ones with older homes who wanted to conserve fuel costs. Most senior citizens cannot afford this $100 requirement.

There is no real remedy for the disastrous effect of this foam insulation which, as I have said, was sponsored by the government, except for the government to compensate home owners for the complete removal of this insulation.

I might say also, Mr. Speaker, that we have asked the minister, who is so keen on testing and on studies which give him time for the heat to diminish, whether he would do a real estate assessment of the devaluation of property if he feels he needs proof. He has chosen to ignore this request also.

I know we do not need a lot of extra evidence in the record because many people have spoken about this problem. However, I would like to quote from a UFFI Action Association letter. This association operates out of my constituency office. It has members from across British Columbia.

Some hon. Members: Oh, oh!

Mr. Skelly: No money or government support was involved.

Mrs. Mitchell: This group has been extremely active in research. It has provided valuable data for the government. The December, 1981 letter of the UFFI Action Association of Vancouver reads in part as follows:

• (1600)

The B.C. UFFI Action Association together with the other UFFI groups across the country reject the federal government's proposed plan of compensation. We reject because the amount (only up to $5,000 remedial action) is too low given the cost we face and is available to only a select few (those with current health problems and/or levels above 0.1 ppm formaldehyde level). The vast majority of UFFI home owners stand to get almost nothing under this plan.

They organized a telegram campaign to the minister. Telegrams flooded in, in the thousands, which read as follows:

I expect nothing less than full compensation for foam removal and restoration of my home.

This is the position of the New Democratic Party. My colleague who spoke on this bill strongly advocated a federal-provincial conference on the matter. We say that effective help does not have to be delayed in the meantime. Surely we all agree that it would be fine if the provinces helped also, but I think the greatest help they could provide at this time would be to assist citizen action groups to move forward with some of their legal cases since the federal government seems to be so slow.

I should like to use this opportunity to commend particularly the action groups to which I have referred in all provinces. Penny Tilby, president of the B.C. action group, and John Owens, also a very active member, have put hours and hours of work into this entire effort. There are thousands of members of their groups at the present time. They have organized numerous meetings. They have up-to-date research. They have tested any and every suggestion which has been made. Also they developed an information network which is far superior to that of the federal government.

The federal government should make funds available immediately to assist these groups. If ever there was a group committed to research which has a vested interest in arriving at solutions, it is UFFI victims themselves. Despite the promises of the ministers, funds have really not been available. I believe $10,000 was available from the Government of British Columbia to help with some of the administrative and travel costs, but to my knowledge the federal government has not yet made funds available to these groups.

Also we advocate that the least the federal government could do would be to sponsor conferences to bring together organizations in Ottawa and to listen to them. Of course, it is very convenient for the federal government to close its ears when the victims are hundreds, indeed thousands, of miles away. The Minister of Public Works (Mr. Cosgrove) should be an advocate himself because not only did his department sponsor the program in the first place, but many public buildings have been insulated with urea formaldehyde. Also we know that many schools and small trailers have particular problems. There must be action on them.

We have mentioned that we want a federal-provincial conference. However, we do not only want advisory groups, which will be used, as the Liberal government is so fond of doing, to stall, to get the government off the hook, and to do nothing to solve the problem. We want some laws passed which will provide full compensation. Bill C-109 is completely inadequate. I have repeated these points over and over again, as have other speakers.

I appeal once again to the minister to sponsor immediately a federal-provincial conference and to provide funds for action groups to meet here in Ottawa, to bring together their research and to take action on their own behalf. They have said that kicking them when they are down and refusing grants is very typical of what they have been led to expect from the government. The last straw with the group with which I am familiar was that they were refused charitable status for their organization, so that people contributing to them cannot even obtain tax deductions. There are over 40 groups in Quebec alone and 24 other known groups across Canada.

I urge these groups to keep the heat on and to keep pressuring. Certainly all of us in the House, including government backbenchers, should keep pressuring for justice in this case. It is a national disaster. We must establish a national disaster fund. We must find ways for the government to change and extend its bill to provide true compensation for urea formaldehyde foam insulation victims.

Hon. Bill Jarvis (Perth): Mr. Speaker, I hope my intervention in the debate on this legislation dealing with urea formaldehyde foam insulation will not be overly long, but I feel compelled to make some contribution. In my view, this legislation, taken in isolation, is woefully inadequate. I am not convinced, although I suspect, that this is the government's sole answer to a very serious emotional, social and economic problem. I would be much comforted if either the minister or perhaps his parliamentary secretary later today allays my suspicions. If this is simply a first step by the government in addressing the problem, I think I would be inclined to be more patient and more understanding. If, on the other hand, this legislation represents the total response to this very, very serious problem, then I suggest there will be difficult times ahead for the minister, for his department and for the government of which he is a member.

If one looks briefly at the history of the problem up until approximately September of last year, I suppose one might adopt the cliché, "a comedy of errors". But the word "comedy" implies that there is some levity or something funny about the situation. There is absolutely nothing funny about it. It is a tragedy of errors rather than a comedy of errors.

In August, 1977, CMHC acceptance numbers were granted by the corporation's acceptance branch. In the next month, September, 1977, urea formaldehyde foam insulation was approved by CMHC for use in the Canadian Home Insulation Program. In November, 1979, some two years later, a complete ban of the product took effect in the state of Massachusetts. Attendant upon that, of course, was significant publicity in our country. In September, 1980, the Minister of National Health and Welfare (Miss Bégin) announced the establishment of an expert advisory committee to study the documented evidence available on the product. In December, 1980, the same minister and the Minister of Consumer and Corporate Affairs (Mr. Ouellet) took steps to institute a temporary ban

on its use. In April, 1981, the Government of Canada made the ban on the use of UFFI permanent.

Following the ban, on June 11, 1981, the Minister of Consumer and Corporate Affairs announced the establishment of an information-co-ordination centre to solicit and register public complaints on UFFI. On the same day the minister announced a board of review pursuant to the Hazardous Products Act to hear submissions from the industry and from other interested parties related to the decision to ban UFFI. Finally, on September 20, 1981 the then parliamentary secretary to the President of the Treasury Board, the hon. member for Hochelaga-Maisonneuve (Mr. Joyal), told reporters in Montreal that Treasury Board "has accepted the principle of evaluation damages and of compensating victims".

• (1610)

I do not claim to represent a riding which, with regard to this issue, is unique. I think we all share, to varying degrees, the problems within our ridings which have arisen from the installation of this product by our constituents, with government encouragement and, indeed, financial support in many cases. Surely there is a very strong moral obligation on the government, and I quote the Minister of National Health and Welfare who said, at a press conference in December, 1980: "I feel that, morally, we were the victims as much as the people were of a lack of knowledge".

I do not know how one might interpret that. If the Minister of National Health and Welfare, by claiming to be a victim, was suggesting in some way that she was sharing the impact of the UFFI ban, then one would have to suggest that the minister was using a very unfortunate choice of language. If, however, one might interpret her remarks to the press on that occasion as indicating a very serious responsibility to her fellow Canadians who were the victims of this government's inadequacy, then this response contained in the legislation is hardly enough to resolve the moral problem that she professed on that day.

I said that the problem was not simply an emotional one, nor simply a social one, nor simply an economic one. I certainly do not claim high seniority in this House. I have been here for something less than 10 years, but I suppose that those of us who have been here any length of time have dealt with problems at various times which one could quite accurately classify as emotional problems and they are often very difficult to deal with. Certainly from time to time and under a certain amount of pressure we have dealt with problems which could quite adequately be described as social problems. In the last few years, particularly in the last few months, we have all dealt with problems that can be described, again quite accurately, as economic. However, I do not recall a challenge or a problem in the few years I have been in the House which has so dramatically combined all the emotional, social and economic elements.

I have read news reports and I have heard it said that the victims of the UFFI disaster were simply reacting emotionally. Well, of course they were reacting emotionally; it would be a natural reaction. I have heard other observers say that the socio-medical problem was more a problem of the imagination of the users of UFFI than genuine physiological problems. Well, I do not care one wit whether that problem is real in a physiological sense or is simply a medical problem of a psychological nature, because one can be every bit as serious as the other. I would find it hard to find a colleague in the House who would not agree with me it I advanced the proposition that very often the perceived problem on a certain issue is every bit as important and often harder to resolve than the real problem on a certain issue. Therefore, I cannot say whether a person with UFFI in his home who can be diagnosed as having a physiological problem, whether it be akin to an allergy or some form of respiratory problem which can be diagnosed as a particular disease, is in any poorer health than the victim of this foam insulation who is suffering serious mental health.

I have heard other critics and observers say that the economic problem is not nearly as serious as UFFI users are making it out to be, and that if one took masking tape and put it around light switches and that type of thing, then it would resolve the test level and those home owners should be quite able to sell or mortgage their homes on the same basis as a home without the insulation. That is nonsense. It is simply not a fact. Therefore, we have a group which is very small in relation to the total population but which, in terms of the number of users of UFFI, is very significant. On the basis of government advice and in many cases on the basis of government subsidy, these people are now the victims of an emotional, social and economic disaster.

Bill C-109 is the government's response. To repeat what I said earlier, if it is simply the first step, that is fine. I will work happily, enthusiastically and energetically with the government on its second, third, fourth and fifth steps. But if it is the total reaction of the government to this problem, if this is the end of it, it is not good enough.

I am happy to see the President of the Treasury Board (Mr. Johnston) in the House. I know of his problems. As a cabinet minister I had the experience of going to the Treasury Board and I know what the President of the Treasury Board faces. But I must suggest to him, through you, Mr. Speaker, that this is an absolutely unique situation and it must be dealt with in that way. Sir, if you put yourself in the place of a home owner with UFFI, I think you would have an appreciation of the frustration, anger and sorrow that these people feel. In my riding there is a very active home owners group composed of people from all age groups and all income sectors. It is a very representative group of my constituency. When I last met with them, I found them to be dreadfully disturbed, not just by the fact that they were the victims, but also by the inadequacy and uncertainty with which they perceived government to be dealing with them. For example, one home owner asked me this question during that meeting: "Having removed my foam insulation, am I entitled to apply for another CHIP grant to replace it with acceptable insulation?" Immediately upon returning to Ottawa following that occasion, I wrote to the minister that this question was asked of me. I did this many

weeks ago. What was the answer? I have not yet heard. I wrote again last week and said, "Give me the answer; it is a simple question. If the answer is no, and a home owner with UFFI who removes the insulation cannot apply for another CHIP grant, tell me so that I can relay that information to my constituent." I appreciate that this is a very small issue in terms of the total issue, but appreciate the frustration of a home owner who asked his Member of Parliament what he quite accurately considered to be a simple, straightforward question, and weeks go by without any answer whatsoever.

I would like to refer to the testing procedures. Immediately upon the application forms becoming available for this latest testing, those in my riding who had not directly received the application form from the department were supplied with the form by me through the home owners' group, the HUFFI group. Applications, to my direct knowledge, were completed and mailed immediately upon their being available. This was weeks if not months ago. The home owners have heard nothing.

• (1620)

Put yourself, Mr. Speaker, in the position of the home owner who completed an application form weeks and weeks ago and there has been no action. We wonder why there is anger and militancy among the members of these groups! It is the most expected reaction in the world. Naturally, they not only blame the government but blame their Member of Parliament. It is my responsibility to deal with that.

What am I to say to a constituent to whom I supplied the application form and who I know completed it and sent it in in an expeditious way? That home owner sits at home surrounded by UFFI and receives no response to his application. It is absolutely unacceptable and inexcusable that the mechanics did not exist, and maybe still do not exist, for dealing expeditiously and efficiently with those applications.

I said my intervention in this debate would not be long, but I want to deal with what I expect to be a firm commitment from someone speaking on behalf of the government before the end of this second reading debate regarding the regulations which will be the main vehicle for the implementation of Bill C-109.

We have every right on behalf of our constituents who are the victims of this disaster to be able to inform them before the end of second reading and before this matter goes to committee that these will be the regulations under which the legislation will be implemented. I do not know whether a backbencher or a parliamentary secretary will participate from the Liberal side, but I feel not only justified but perfectly reasonable in insisting that we know what these regulations are before we move into committee stage.

If that commitment cannot be made on behalf of the minister, then I have serious reservations as to the efficacy of those committee hearings. Is it the proposal of the government that witnesses representing these home owners' groups come to Ottawa to appear before the committee to discuss this legislation and that parliamentarians on the committee will discuss clause by clause the provisions of this bill without any knowledge whatsoever of the regulations? In terms of this legislation, that is absolutely absurd. One cannot study at committee stage the provisions of this legislation without knowing specifically the regulations. I plead with the government on behalf of home owners everywhere who have UFFI installed to let this House know this afternoon or this evening what these regulations will be.

In conclusion, I want to repeat that if this is the government's total response to a problem that it created, underwrote and issued grants on, a problem of which it is the author, that is not good enough. Second, I want absolute assurance that the department is adequately staffed to deal efficiently, effectively and expeditiously with the applications and to respond. Finally, it is absolutely essential that parliamentarians and witnesses who appear before the committee know the exact content of the regulations before the commencement of committee study of this legislation.

Mr. Skelly: Mr. Speaker, I rise on a point of order. The hon. member has a certain amount of time left. I wonder whether he would entertain a single question?

Mr. Jarvis: Yes, Mr. Speaker.

Mr. Skelly: Mr. Speaker, there is a very vital issue missing in the bill before the House and the debate in public. As the hon. member very ably pointed out in his presentation, we are considering a bill which must go before the Standing Committee on Health, Welfare and Social Affairs. That committee has been given a very rough and rocky time by the Minister of Consumer and Corporate Affairs (Mr. Ouellet). I see that the critic in the opposition party is nodding his head. There has been a question about the procedure and the agenda before the committee.

The hon. member knows very well that if we allow this bill to go to that committee, two arguments will prevail. I am sure he will agree that they would be prepared to shut down that committee by bringing in some form of closure and failing to permit adequate study.

There is another aspect of the question—

The Acting Speaker (Mr. Ethier): Order. I thought the hon. member had risen to ask a question. We will entertain a question.

Mr. Skelly: There are some serious considerations as to why we are not prepared to bring this bill forward quickly. One consideration is that the Conservative Party has put absolutely nothing on the record for the home owners. They say there is too much UFFI and it is the fault of the Liberals. Is there a point at which we are going to get the Conservative Party to put something constructive on the record as to what they would do for the home owners should they ever become the government? It is basically a put up or shut up position at this point.

Mr. Jarvis: Mr. Speaker, I am not sure what the first question was.

Mr. McGrath: Don't ask him to repeat it!

Mr. Jarvis: If the hon. member is asking me whether we want to be party to a delay at the committee stage because the report is not available, I suggest to him that I have some sympathy with that. The down side of that is the problem in coming to grips with what is inadequate. As the hon. member well knows, there is a great deal of legitimate pressure on behalf of some home owners with the problem. I tried to make that clear in my speech. This is a first step.

I do not want to be dogmatic. I understand the great help the board's report would be to committee, not just to parliamentarians but also the witnesses who appear before it. Whether I would like on behalf of our party to be party to a filibuster or a delay or any such thing at committee stage, I am not sure that would get the report in quickly. I do not know if we will get the report or not. I hope the parliamentary secretary to the minister will address that.

In terms of the second part of the problem—and I am sure the hon. member will not take this personally and will forgive me because we have a begrudging but mutual respect for each other—if that party had voted the right way back in 1980, this country would be a lot better off.

• (1630)

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, some hon. members in this debate have described the urea formaldehyde foam insulation situation as a national disaster. It is. There are approximately 80,000 homes with UFFI in them. It has been said already, but it deserves repetition, that if all those homes were together in one place we would consider it a national disaster. If those 80,000 homes had been hit by a flood or an earthquake or some similar national disaster, this House and the government would have rushed immediately to help them. But because they are spread across the country and because these desolate tales come to us in bits and pieces, slowly, it does not have the impact it should have, yet it really is a national disaster.

During the Easter recess, Mr. Speaker, I attended a meeting in my riding of 300 UFFI victims. These were French-speaking victims, not English-speaking victims. I must tell you that I wished that I had the bureaucrats and government officials with me on that night. Women came to the microphone, wept and broke down in tears, at the situation as a result of the gas emitted from the walls of their homes. Others told stories of having lived in garages outside their homes throughout the winter, of parking cheap mobile homes on their property to live in because of the intolerable situation in their homes. Others told of going to live with relatives because they could not live at home; and because they left their homes vacant the insurance companies were charging them additional insurance for fire and theft because they were no longer living at home. To sit there that night as a federal Member of Parliament and listen to those stories was very difficult. I was wishing that all those who could expedite assistance for them had been there with me.

Some hon. Members: Hear, hear!

Mr. Allmand: The problem is not just one of health alone. There are others whose health has not been affected so far, thank God, but they have seen the value of their homes decrease. They do not know from day to day whether there will be some future breakdown in the walls or in the structure with the result that gas will be emitted from the walls. That is to say that in a year's time they may be affected by the gas. They know they have UFFI in their homes, they do not have the health problems yet, but they may have those problems next year or the year after, and they do not know what will happen when the time comes to sell the home when their children grow up. They see their houses decrease in value, they are left in a terrible state of uncertainty and they want corrective measures taken, even though they may not suffer from ill-health right away.

The government says it has no legal responsibility with respect to these people who freely put UFFI in their houses. I think they are correct in that; the government has no strict legal responsibility. If people were to sue in a civil action before the courts, those people would probably fail. But I submit very strongly, Mr. Speaker, that we have come to the aid of people in disaster situations. I refer to earthquakes, to floods and to disasters on the prairies where crops have been destroyed. The government may have had no legal responsibility to do so, but felt it had some responsibility, both politically and morally, to help those people who were in such serious difficulty.

Mr. McKinnon: That is right.

Mr. Allmand: The government has already responded. In December, 1980, by banning the foam, by admitting that it could cause difficult problems. Again, in December, 1981, the government announced a program of testing and assistance. The program has come to us, however, only in bits and pieces. The people I have spoken to in my constituency have not yet received any definite assistance. Some of them have had tests, they have had visits, and there have been letters back and forth. But none of them have got money in their hands to compensate them or to help them rid those homes of UFFI.

With respect to the tests, one man at that meeting of 300 in my constituency to which I referred said he had three tests done on his home and all three came out with different results. The government-sponsored test was done, but he also had tests done by very reliable engineering firms. Even among them, there were two different results. That indicates to me that if we are going to give aid on the basis of these tests, we certainly should not be dogmatic and inflexible. The amount of gas that may be emitted in a home at any one time might depend on weather and other conditions. Otherwise, I do not see how one could explain why the result of the tests were different.

The government has prepared a bill and that bill is before us now. It will go to committee and I am very hopeful that in committee the government will keep an open mind on this issue. I hope it will listen to those groups which represent victims across the country. I hope those representatives will be called to the committee, so that they may give their stories

directly to the committee as I was able to hear them at that mass meeting one night in my constituency. It is very important to listen to the representatives of victims. The committee will also wish to listen, of course, to engineers and other people familiar with this foam, but the bill should be given very thorough study in committee. Amendments should be considered to widen the coverage. If we are going to give aid, we should not be niggardly, we should not draw the lines too restrictively. We should reconsider the deadline for helping people retroactively to the announcement of the program. Some people who had UFFI in their homes acted quickly, before the government announced its program. Those people paid a lot of money to do that and have gone into debt. They should not suffer because they took that quick action.

Some members mentioned the regulations. Of course, the regulations are very important. Clause 3 of the bill provides that assistance will be given to applicants, in accordance with the evidence and according to criteria set out in the regulations. At this point we do not know what kind of evidence will be required or what the criteria will be. It is very important that members know those important factors before there is a final vote on the bill at third reading.

I wish to mention a few other steps that might be taken to help these victims. I mentioned before, and I have repeated—and this has been taken up by others—that we should consider using the tradesmen in the Armed Forces to help take out some of this foam. We have many engineers and tradesmen in the Armed Forces who help in times of national disaster. If there were a flood or something like that, the Armed Forces would come to the assistance of the people concerned. We have these trained tradesmen who are being paid salaries by the federal government and their equipment is covered by the federal government. Could they not be put to work for a year or two to remove the foam insulation? That would save the government moneys they would pay to private contractors or private businessmen. It is not that it is bad to give such contracts, but we are in a period of restraint. We are already paying these tradesmen and engineers; they are not faced with any great military challenge at this time and could be used to great effect in helping individuals remove this foam from their homes.

There is another matter, Mr. Speaker. The government says it is not legally responsible for the damage resulting from this foam insulation, and I agree that that is probably correct. However, should the government not consider that it could take the corrective measures and pay for them, and then be subrogated legally in the right that the victims might have had against those who were responsible, whether it be those two installed the foam improperly, or whether it be those who manufactured the foam. Whoever is found responsible, there is a right of action against them. The government may hesitate to spend sums of money now to compensate these victims, but it could take corrective action and then be subrogated in its legal right to make claims against the people who were really responsible for these serious damages.

• (1640)

In his announcement last December the minister spoke about research being undertaken to develop neutralizers to the foam insulation. If such neutralizers could be developed, that would be much cheaper than tearing down walls and buildings, and so forth, to get the foam out because neutralizers could be injected into walls. That would do away with the negative effects of UFFI and probably solve the problem. In his final remarks today or before the committee I would like the minister to tell us what progress has been made by research scientists in developing UFFI neutralizers.

I do not know whether this is correct or not, but some victims have told me that the grants which will be made to them under this program will be taxable and that they will have to include those grants as part of their taxable income. This may be a case of taking away with one hand while giving with the other, and I would like some clarification on that point.

I do not want to give a long speech on this matter. I merely wanted to put on the record my very real concerns about what I believe to be a serious national disaster and a very, very sad situation. I urge the government to act quickly and fairly to bring justice to the home owners affected.

Mr. Keeper: Mr. Speaker, I wonder if the hon. member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) would entertain a question.

Mr. Allmand: Sure.

Mr. Keeper: I listened with great interest to the hon. member's speech about urea formaldehyde. He outlined the problem very well. He made it clear that there are people across the country who are suffering very severe health problems because of this insulation. He noted the fact that the government subsidized—we might even say promoted—the use of this kind of insulation in houses across the country. The hon. member made clear note of the fact that while the government may not have a strict or narrow legal responsibility to compensate people and to help them with their financial problems, it has a moral responsibility and should act upon it. The hon. member pointed out that citizens who have put this foam insulation into their houses—

The Acting Speaker (Mr. Ethier): Order, please. Did the hon. member seek the floor to be recognized to participate in the debate or to ask a question?

Mr. Keeper: Mr. Speaker, I will go straight to the question.

The Acting Speaker (Mr. Ethier): The House would like to hear the question.

Mr. Keeper: Thank you, Mr. Speaker; I will take your advice to heart.

Having made such a good speech about urea formaldehyde on behalf of the citizens of this country and given the

inadequacy of this legislation, is the hon. member prepaped to vote against it?

Mr. Allmand: No, Mr. Speaker. At second reading I will not vote against it. In my speech I stated that I want to see this legislation sent to committee. I hope the committee will listen to the associations of victims as to how the legislation can be improved. I would like to know, as would opposition members, what the content of the regulations will be because the regulations will establish the criteria and the evidence required for assistance. After we have finished the committee hearings and the bill returns here for third reading, I will then make a further decision.

Mr. Simon de Jong (Regina East): Mr. Speaker, I feel honoured to participate in the debate this afternoon because we are dealing with an extremely important question which affects many families right across Canada. Large numbers of Canadian families are concerned and have very deep anxiety with respect to this question.

It would be interesting just to review briefly the history of urea formaldehyde foam insulation. Originally it was banned in Massachusetts in 1976, although it was approved in Canada as a safe product in 1977. The original Canadian approval was given in 1969. That was withdrawn in 1970. In 1977 the National Research Council stated in one of its public releases that urea formaldehyde was a problem. In 1977 the CMHC again endorsed it as a safe product, even though the NRC had recommended against its use in a prior report. Also in 1977 the Canadian Home Insulation Program began, and urea formaldehyde foam insulation was an approved insulation material. In August of 1978 Dr. Vian of the Department of Consumer and Corporate Affairs stated that there were serious problems and complaints about urea formaldehyde foam insulation and advised against its use.

In 1979 the state of North Carolina documented proof of cancer in laboratory animals exposed to low emission rates of urea formaldehyde. In January of 1980 final and conclusive laboratory tests were done by the Department of National Health and Welfare, and those tests showed that urea formaldehyde was a possible source of cancer. In September of 1980 the present Minister of National Health and Welfare (Miss Bégin) formed a special committee. Two months later, in November of 1980, the Consumer Product Safety Commission in the United States issued a report on the threat of cancer. In December of 1980 there was a temporary ban in Canada imposed by the Department of National Health and Welfare, and in April, 1981, there was a permanent ban on urea formaldehyde foam.

It is interesting to note that as far back as 1969 concerns were expressed about the safety of this product, and yet we continued through most of the seventies to use it. In fact, it was used widely during that decade. The estimates vary. Government members say 80,000 families have been affected. Conservative members say close to 200,000 families have been affected. Our estimate is that close to 100,000 families have been affected. These are all estimates. Part of the problem is lack of information. We do not even know how many homes are affected.

As we look through the history of the seventies, we see a process whereby this material was approved, then not approved and then deemed to be a problem, and yet nothing was really done about it until the 1980s. There is a problem because, first, this material affects health. Its affects are difficult to pinpoint because they vary. They vary from house to house. They vary depending on climatic conditions. They affect various people living in a home in different ways. Some people are affected more than others. However, what is understood is that this material is not good for people in any dose. As I said, some people are affected more than others. In some homes more gas escapes from the walls and into the homes than in other homes. However, let me state very categorically, very simply and very plainly that any amount is not good. Therefore, we should make our objective the eventual removal of this foam from all homes.

We all recognize that that is easier said than done. Estimates for removing the substance from a home range between $20,000 and $30,000. That would make this a billion-dollar program right across the country. I think there is recognition that the price tag would be high and that the solution to the problem is not simple. However, the bill before us certainly is not the solution.

A government which has not acted with haste all at once acts with too much haste. We are dismayed that this bill is presented to us without the special advisory committee having reported to the government. What is the sense of having the advisory committee if it is not to advise as to what type of remedial action should be taken? Why is the government moving now when its own advisory committee has not even reported? We suggest that there is a bit of folly in that. We also suggest that the home owners who have organized themselves into various associations across Canada should be consulted. Is it not just plain common sense that people whose health of life is affected should be consulted? Unfortunately, the government has deemed it fit not to consult them.

• (1650)

As we look at the problem and realize the anger Canadian home owners feel toward the government and the companies that put the foam in their homes, we must ask who is ultimately responsible. Surely the government must accept a fair amount of responsibility. After all, it did a fair amount of testing and approved the product. The company which manufactured it was even indirectly owned by the government through the Canada Development Corporation. The government should accept a fair amount of responsibility, but instead it has played political games with Parliament and with the home owners across the country. If it were to deal realistically and honestly with the problem, it would meet with home owners in an honest, open and frank way. On all counts the government has failed, however.

Sometimes to the chagrin of some of my fellow members in this party, I have risen to question the testing procedures

followed in the areas of pharmaceuticals, herbicides, pesticides, etc. I have drawn to the attention of the government the fact that an outfit called International Biotest Laboratories in the United States, in testing most of the herbicides and pesticides used in Canada today, has deliberately falsified its data. Yet the United States government accepted that data and registered most of the herbicides and pesticides that are on the market today.

Recently I put a question to the Minister of National Health and Welfare about the testing of pharmaceuticals. From freedom of information data obtained in the United States, it was revealed that the U.S. Food and Drug Administration had done a random sampling of 10 per cent of companies and individuals that tested pharmaceuticals and had found that approximately 45 per cent of them did not have good laboratory practices. In fact, because of its investigation it declassified 10 per cent of the companies and individuals that were testing pharmaceuticals.

There is a basic problem in the testing of individual chemical products put on the market every year, and there are thousands of them, Mr. Speaker. The testing has not been adequate or honest. If a problem occurs, very often the government is the last to hear about it. We have found that remedial action by government departments is slow. That is illustrated by the history of urea formaldehyde during the 1970s when various tests showed there was a problem with it. Different government departments ignored the test results and did not act upon them. Even the National Research Council warned the government about it but that warning was ignored. We need a total re-evaluation of the way new products are tested and how the results of those tests are made available to government departments.

I commend my friends to the right for the initiative they have shown in taking up this issue, Mr. Speaker. However, in the short period that they were in government I brought the problem of urea formaldehyde to their attention. During question period on October 22, 1979, I put a question to the then Minister of Regional Economic Expansion who was also in charge of CHIP and CMHC as follows:

> Have other materials, such as styrofoam and treated wood-shavings, been subject to testing methods, and are there any testing procedures to ensure that urea-based foams do not give off highly toxic formaldehyde gas after insulation?

The minister replied:

> The testing has been done in the past for CMHC by the Ontario Research Foundation. CMHC in itself has not taken part directly in the testing but has had to take their word for the results obtained.
>
> We are looking into all aspects of this very important program. It has been generously funded. We hope to improve its administration as more experience is gained.

At the Standing Committee on Health, Welfare and Social Affairs on November 2, 1979 I put the following question to the Conservative minister:

> Were there any studies as well conducted with formaldehyde insulation materials in terms of whether they do throw off toxic fumes and whether this is much of a danger?

He replied in part:

> However, I never had anyone talk to me about this rather exotic-sounding insulation. You brought it up in the House and I am sure some of our officials have looked into it.

Then I turned to the official from CMHC who was present and the following exchange took place:

> MR. DE JONG: Are the people in CMHC aware of the problem with foam?
>
> MR. HESSION: Specifically the urea formaldehyde?
>
> MR. DE JONG: Yes.
>
> MR. HESSION: Yes, we are. I think you were inquiring as to the degree of testing there. I think more particularly the standard that is in existence is in the order of a one-part-per-million requirement, which, in the extreme, has suggested to our professional staff, our technical staff, that the toxic difficlty is minimal in this country.

Those were the answers we were getting from government officials when the Conservatives were in power, Mr. Speaker. When I asked particularly about urea formaldehyde at that committee, the minister turned the question over to Mr. Hession, who replied:

> I want to assure the member that there are literally thousands of materials every year, new materials, coming into the market, and we make it our business, before accepting them, to be satisfied, either through the industry's own testing or through the testing of third parties, that they are acceptable in professional technical terms.

Those were the answers we were getting not too long ago. I am glad to see the conversion of hon. members opposite to the realization that a problem exists. I am also glad to see that there has been some enlightenment of members of the opposition as well. My short experience in the House has shown that as soon as either party sits in opposition, certain enlightenment occurs and they become good, honest advocates; but once they cross the floor everything seems to be "I'm all right, Jack". In fact, the questions we are hearing from the right now were being stonewalled by them when they were sitting opposite. I must surmise that when hon. members opposite were on this side they were asking the same questions and championing the same sort of causes. But strange things seem to happen when either party crosses the aisle.

Enough politics have been played with this very serious problem, Mr. Speaker. People are angry, and they have every reason to be, at the fumbling and mismanagement and at different departments making conflicting statements. People are seeing the value of their homes being destroyed, and they are angry because they do not see any clear and positive direction which the government is following. They see mass confusion, attempts to evade responsibility, and continued flight into bad weather, as my colleague says.

• (1700)

I suggest first of all, Mr. Speaker, that the government meet with the citizens concerned. That surely should be obvious as requirement number one; an honest dialogue with those citizens who are losing their homes. Second, the minister should withdraw the bill until he has heard from his own advisory council. Third, the minister and his officials should meet with their provincial counterparts. Then he should come back to the House with a bill which has had input from those three groups of people.

My other recommendation, Mr. Speaker, is that the government get its act together. The Department of Consumer and Corporate Affairs, the NRC, CMHC, and the officials responsible for CHIP, should get together and devise a co-ordinated and meaningful program. Surely, Mr. Speaker, the government is not so big and insensitive that it cannot do that. Surely the government is not so incapable that it cannot do something in an honest way for the citizens affected by this foam insulation.

The minister advocates civil action. I feel he is somewhat cynical in that suggestion. He surely should know that a civil action on this issue will cost anywhere from $100,000 to $300,000 and most people cannot afford that. He must also know that the statute of limitations, which I recognize is a provincial responsibility, will prevent many people from taking legal action. Perhaps if he is serious about that, however, he can do two things. He can make some money available from the public treasury so that those affected can take action in the courts, and perhaps he can approach his provincial colleagues and suggest to them that they amend the statute of limitations requirements so that people have the time to bring this matter to the courts. I think these are sound suggestions, more so than those my friends to the right have been proposing after discovering this was a problem.

It is all well and good to say a terrible problem exists, but you have to follow it up with something concrete. I recognize and do not minimize the difficulties we face. It is a difficult and costly problem, one which we are not going to be able to resolve overnight. But at least we can put in place a process by which we can begin moving in the right direction: the removal of this insulation from Canadian homes. That is the ultimate goal.

I have tried to tie my remarks, Mr. Speaker, into the much larger question of how new chemical products and technology enter the marketplace. I hope the government has learned a lesson from this. I hope the government realizes a very costly mistake has been made, and I hope and pray it will go over the existing procedures whereby new products are registered and allowed to enter the marketplace, so that this will not take place in the future.

In conclusion, I am afraid this legislation which is before us is not adequate and does not really meet the concerns of the Canadian people. It is a bill which has been brought forward more, I suspect, out of politics than from a desire to deal honestly with a mistake. As such, Mr. Speaker, we will stand in opposition to this bill.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order! It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Surrey-White Rock-North Delta (Mr. Friesen)—Automotive Industry—Application of non-tariff barriers to Japanese imports. (b) Customs inspection of ships carrying Japanese imports; the hon. member for Kingston and the Islands (Miss MacDonald)—Status of Women—Voting rights of military personnel spouses. (b) Request that legislation be amended; the hon. member for Algoma (Mr. Foster)—Customs and Excise—Query respecting possible extension of customs area to include continental shelf.

GOVERNMENT ORDERS

[*English*]

UREA FORMALDEHYDE INSULATION ACT

PROVISION OF ASSISTANCE TO HOME OWNERS

The House resumed consideration of the motion of Mr. Ouellet that Bill C-109, to provide for payments to persons in respect of dwellings insulated with urea formaldehyde foam insulation, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I have been listening carefully to the debate this afternoon, with some interest and a great deal of disbelief at some of the statements made by hon. members opposite. I want to spend the time available to me in responding to a number of the more sensational statements that were made this afternoon, and to touch upon a number of actions the government has taken, is taking and will take.

Let me remind hon. members opposite that the Government of Canada is concerned enough about this problem to allocate over $110 million to a program to assist the victims of urea formaldehyde foam insulation. Let me remind all those members who need reminding that those people with problems are eligible for a tax-free grant of some $5,000. We are told that is not enough. Well, in my riding I have talked to a number of people with UFFI in their homes. They tell me that the bids they are getting from contractors to remove the insulation are well below that $5,000 figure. We are told by scientists at NRC that not only might removal be the most expensive solution, but also possibly the worst one. We are now

studying ways and means of doing the job in a better way than that of total removal. We are looking at ways of sealing walls and installing air exchangers which, to the best of our knowledge at this time, are better solutions than total removal.

• (1710)

We are proceeding in a rational orderly way because we take this problem seriously. We have a testing program in place. We have a program in place to certify contractors to do remedial work. We have a program in place for remedial advice which is categorized to specific problems in specific homes. This is not a case of throwing money at a solution hoping that we will get off the hook. It is a case of an intelligent orderly program. However, I just heard the hon. member for Regina East (Mr. de Jong) tell the House and the Canadian public that the only solution is the total removal of this foam. It is typical of the New Democratic Party to suggest that kind of thing which would be total fiscal irresponsibility. To do what the NDP suggests would cost between $1.5 billion and $2 billion. It is not even needed.

This afternoon we heard the hon. member for St. John's East (Mr. McGrath), who has urea formaldehyde foam in his own place, tell us in a honest and forthright way that there is no problem in his home. He is warm, secure and happy in his home. He has even saved money on his heating bill. The media has made this problem sensational. And the problem for the hon. member for St. John's East and for many home owners throughout the country is that the market value of their homes has decreased, not because there is a tremendous problem, but because of sensationalism in the press.

I would like to take this opportunity to read into the record a report that was broadcast on the CBC Radio national news on May 19, 1982, which has to do with the situation in the United States. The report opens with this comment:

> The U.S. Congress has been holding hearings in Washington this week into the problems thousands of Americans are having because they used urea formaldehyde foam insulation in their homes. Although there have been calls in the U.S. for an aid program similar to Canada's for these home owners, the Reagan administration doesn't think the health problems warrant it.

Then a reporter from Washington elaborated by saying:

> Reagan administration officials said today there is not enough evidence of a health hazard from formaldehyde foam for the government to give aid to people who used the material to insulate their homes. Legislation has been introduced in Congress to establish an aid program similar to one Canada has started, but administration officials down-played the reports of a cancer risk from formaldehyde.
>
> Canadian professor Dr. Michael Newhouse of McMaster University testified at today's hearings. He said there is no health hazard from the insulation, and he said it was a mistake to ban the material.

Dr. Newhouse said:

> There is no question that the psychological harm done to date by the ban far exceeds the potential health effects, if such effects exist at all. People may not have had a problem before, but, since all of this stuff has appeared in the press and has not been denied by government health agencies, a huge problem exists.

The reporter concludes by saying:

> Congress is expected to take up legislation for the aid program this year, but its prospects of passage are dim.

If we keep having filibustering from across the way, the prospects for the passage of this bill will also be dim. But it is some action, and we are proud of it.

We have heard comments that the government is responsible for this mess, that we approved the product. Let us make it clear that every year tens of thousands of new products appear on the market. Some are very useful, some are not. But the government does not approve these new products. The government cannot approve or even test all new products. In order to do so we would need an entire army of employees, inspectors, scientists and experts. That is impossible. If it were possible, the cries of outrage from the official opposition would be so loud that we would not be able to hear ourselves think. Hon. members on the other side would complain about government interference and about free enterprise. Let us make it clear that the government is no more responsible for urea formaldehyde foam insulation than for any other product put on the market by manufacturers.

I have already touched upon some provisions of the bill and some of the action that we are prepared to take if hon. members opposite will allow us to do so. I have reviewed the provisions of the bill, as I have said, but let me enumerate some other actions that have been taken. Let me point out to members opposite who refuse to go into the facts that we have funded through public moneys UFFI home owner groups throughout the country enabling them to get a better reading of the picture and enabling them to do their work in representing their membership. An amount of $40,000 has gone to a group in Quebec; an amount of $39,000 has gone to the association of Ontario home owners with urea formaldehyde foam insulation; an amount of $4,000 has gone to concerned urea formaldehyde foam home owners of St. John's, Newfoundland; and an amount of $7,000 has gone to HUFFI, Manitoba. A co-ordinating grant of $30,000 for the production and distribution of a news letter to UFFI home owners throughout the country was given to a group here in Ottawa.

A national advisory committee has been established to consult and meet with the minister, officials of his department and officials of UFFI centres. The meeting will be held this month. I will be attended by representatives of 12 home owner organizations across Canada from the Atlantic provinces, Quebec, Ontario, the prairies and British Columbia. Mr. Richard Patten, president of HUFFI, Ottawa, has agreed to accept the position of chairman of this council. The purpose is to dialogue and discuss possible remedial measures. UFFI officials from the UFFI centres, the minister and representatives of home owner groups across the country will be able to exchange ideas in a reasonable and orderly fashion and review research. In short, it is for people to come together to see what can be done about this problem and to find out what advice they have for the government on the best way to proceed.

The hon. member for St. John's East and the hon. member for Perth (Mr. Jarvis) raised the question of regulations today. There was some sinister suggestion that regulations are being hidden or were not forthcoming because there was some purpose in keeping them in the dark. That is not so. The

minister has made it clear that he will circulate draft regulations at the committee stage of this bill. We have purposely set up the bill in general terms because we want to be flexible. As you know, Mr. Speaker, the best way to be flexible is to incorporate flexibility into the regulations. As long as we can, we want to be open to the new research being done daily and to be open to suggestions from home owner groups across the country so that we can incorporate suggestions into the regulations and thereby improve the bill.

One other thing to which I want to respond concerns a remark made by the hon. member for Regina East who suggested there was some connection between the deliberations of the board of review set up under the Hazardous Products Act and the introduction and presentation of this bill. There is no connection; I want to make that perfectly clear. We are not waiting for the board of review report because we have decided, as a humanitarian gesture, that we must proceed as quickly as possible to assist those who need help the most.

• (1720)

The hon. member for Regina East also accused the government of not consulting. I have already made it clear that we are in the process of consulting with home owners. In fact, we consulted before the bill was introduced. We consulted with the industry and with provincial governments. Unfortunately, neither the industry nor the provincial governments thought the problem was of sufficient merit for them to become involved.

We believe there is a problem for some people—the very young, the very old, those with allergies—and those who are sensitive to gases and associated substances with which they come in contact in their homes. We believe that this bill is a step in the right direction. We would like to have the co-operation of the provinces, but it does not appear to be forthcoming. I suggest to hon. members opposite that there is a saying that the enemy of good is the best. We have a good bill here, and I invite their co-operation to see that it is quickly passed.

Mr. de Jong: Mr. Speaker, would the hon. member accept a very short question?

The Acting Speaker (Mr. Ethier): Is that agreed?

Some hon. Members: Agreed.

Mr. de Jong: Is the hon. member aware of an exchange which occurred when we met with the National Research Council before the Standing Committee on Miscellaneous Estimates on Thursday, March 18, 1982? At that time I asked Dr. Kerwin, the head of NRC:

> Are you at all addressing the long-term problem of devising ways and means in which we can get rid of the urea formaldehyde that is in the walls in an efficient and an inexpensive manner?

Dr. Kerwin answered as follows:

> Mr. Chairman, we are not addressing that problem at the moment. The facilities we have are stretched to dealing with the current day-to-day worries and problems—

The Acting Speaker (Mr. Ethier): Order, please. If the hon. member has a question, I would ask him to pose it. He is just repeating a question which has already been posed.

Mr. de Jong: Is the hon. member aware that Dr. Kerwin stated that they were not addressing the problem of removing urea formaldehyde from walls because their resources were stretched to the limit and they hoped, if they obtained more resources, that they might be able to address the problem?

Mr. McCauley: Mr. Speaker, I am not aware of that particular incident. As I tried to make clear in my speech, the problem is not removal. The problem is what we should do with the gas from that particular insulation. The best possible solution is to seal the walls. I assure the hon. member that studies are being conducted at the present time to see what is the possible solution in terms of sealing.

Mr. Skelly: I wonder whether the hon. member would accept another brief question.

The Acting Speaker (Mr. Ethier): Is that agreed?

Some hon. Members: Agreed.

Mr. Skelly: The bill is running into some question in its passage at second reading. Would the minister be prepared to give the draft regulations before second reading of the bill is completed? Also, would he be prepared to meet with home owner advisory groups before the bill leaves this place approved in principle? Third, would he agree to meeting with his provincial counterparts so that we can dispense forever with this question of whether they will co-operate or involve themselves in consultations?

Mr. Ouellet: Mr. Speaker, with the permission of the House I should like to answer these three questions.

Some hon. Members: Agreed.

Mr. Ouellet: Mr. Speaker, I repeat that at second reading stage we are discussing the principle of the bill. Of course, that is the purpose of second reading. The principle is whether or not we will directly aid home owners who have urea formaldehyde insulation in their homes. If opposition parties agree that we should aid them, then we should send the bill to committee where the methods of helping them will be studied in more detail. Indeed, I will undertake to distribute the regulations and the definition as to how aid will be given to home owners. These regulations will be distributed to members of the committee for study of the bill in committee.

The second question concerned meetings with representatives of home owners. The date has been set for mid-June when they will come to Ottawa for a meeting with officials of my department, with officials of the UFFI centre and with myself. I am looking forward to this meeting for the input of representatives of various home owner associations which have formed across Canada.

The government wants to help home owners and it wants to have the input of the various heads of these groups which

represent home owners in various provinces. We are looking forward to their input and their co-operation in finding proper solutions for home owners affected by the product.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, there is one thing in favour of the government in this regard: at least it is bringing in a bill. I should like to deal with a problem which has certainly developed in my constituency and I am sure it has developed in the constituencies of other members. It concerns the government's involvement in approving UFFI, having it approved government assistance, government supervision and licensing of contractors, and so on. However, first of all I should like to indicate that essentially the bill allows the minister to make regulations with respect to urea formaldehyde foam insulation and appropriates $55 million from the consolidated revenue fund for the period ending December 31, 1982.

The rest of the bill deals with the regulations, although the bill does provide that someone who receives money under the bill, if that in fact is the case, is not prohibited from suing the Crown. But nowhere can I find in the bill any provision for a $5,000 payment or indeed payment of any amount of money to anyone. In that respect, Mr. Clark Lowry, director of the UFFI Information Centre, was interviewed on radio by the Canadian Broadcasting Corporation on February 9, 1982. He was asked by the interviewer how one qualified for $5,000. Mr. Lowry said that first of all home owners make an application and then the centre sends out two air metres to their homes which are used to measure the formaldehyde level. If we go through Mr. Lowry's interview, we are left with no answers or suggestions that indicate that the director of the UFFI information Centre knew what was going on with respect to the real problem which affects people.

What is the problem? Let me deal with the matter in a chronological fashion. This material, despite objections by the Department of Energy, Mines and Resources and other real concerns of the Department of National Health and Welfare, was approved by CMHC for the Canadian Home Insulation Program in September, 1977. Until that time no one had given a seal of approval to the use of urea formaldehyde foam insulation in Canada. Prior to that time people may have used the foam at their own risk. They may have insulation with the material. In fact, many people did insulate with the material. But in September of 1977, this government, despite advice to the contrary, despite real concerns expressed by its own departments, approved the material under the CHIP program. In a sense, that program was a something-for-nothing program. Those who went along with the CHIP program received up to $350 for materials and $150 toward labour for installing insulation in their homes. That program still exists. The advantage of urea formaldehyde foam was that it could be pumped into the extension walls of a house without upsetting the decor, it could be done relatively quickly and, in fact, could encase the entire outside perimeter of the building. If properly installed, this type of insulation firms up and works wonders in terms of protecting people from the cold. It does reduce the heating bills, at least in some cases.

• (1730)

There has been some concern expressed that urea formaldehyde foam is not the best type of insulation. Clearly, there are other types which are better, but for a great number of home owners, this urea formaldehyde foam, approved by the government, the installation of which was partly financed by the government, represented a marvellous way to insulate their homes cheaply, quickly and cleanly.

A great number of people insulated their homes with this foam, given the effect of the grant program, the certification program, and the whole series of people who got into the business of installing this foam, going around and knocking on doors. After the spring of 1978, if one's home was constructed prior to 1961, with $500 one could carry out almost the entire job of insulating a home, involving very little of one's own money. Of course, salesmen went around. Indeed, they still go around selling insulation. But they particularly went around selling this type of insulation because it was a no-fuss, no-muss job and the government paid for it.

I point out that the government had information and advice from the Department of National Health and Welfare and the Department of Energy, Mines and Resources expressing concern prior to authorizing the use of this foam, but Canada Mortgage and Housing Corporation went ahead and approved the product. So when one asks about the government's responsibility to people, there should be no doubt. This was a product which the government approved and which it paid home owners to put in their homes. The government cannot back away from that problem. It created a situation where people relied on the foam and, indeed, it paid people to rely on it. People relied on it and have been damaged.

The first question is, what are the real health and physical damage problems? Let me read from the government's booklet produced by the National Research Council, dated April, 1981. On page three it states:

> Exposure to formaldehyde can cause eye, nose and throat irritation, coughing and asthma-like symptoms, headaches, dizziness, nausea, vomiting and nose bleeds. The severity of the reaction depends on the formaldehyde concentration, the duration of exposure and the sensitivity of the individual. Although there may be no reaction to a single exposure, repeated or long-term exposure may increase an individual's sensitivity to the gas. When sensitized, a person may suffer serious reactions at very low concentrations.

There is a health problem with the material. But there is no question about the fact that most persons in my constituency who are faced with the problem of this urea formaldehyde foam product in their homes complain of no health problem. However, in the same booklet, the government goes on to state:

> UFFI deteriorates continuously at a moderate to rapid rate so it has a short life compared with other building materials. The rate of deterioration depends on the conditions to which it is exposed.

Then the government goes on:

> Deterioration of the foam leads to breakage of the cell walls and shrinkage of the insulation decreasing the foam's ability to resist heat and air flow. Formaldehyde gas is released and may be carried into the living space by air infiltration and, at a slower rate, can diffuse through the wall materials—

Where the cavity containing the foam has not dried properly after installation, fungus may grow on the foam or on other materials in the cavity. Fungus spores can be carried into the living space by air infiltration.

That is what the government states concerning the material. What do hon. members think the public would say if the government or the National Research Council said that that is what is wrong with property which is insulated with urea formaldehyde 1770;-1 foam? Well, we know. No one here, not even the minister himself, would buy a house insulated with urea formaldehyde foam, no matter what the level of formaldehyde readings, no matter what tests are taken by those who read the meters. What we have, in effect, is a situation where a relatively small portion of the population has homes badly insulated with urea formaldehyde foam in their homes, where the foam is degenerating, where health is affected, where certain sensitive people are seriously affected by nose bleeds and the rest. But everyone else is destroyed. Why are they destroyed? It is because their homes are totally, completely and absolutely unmarketable.

The parliamentary secretary says that we have created a hype, that there is a big news hype on this matter. I ask the parliamentary secretary, who created the hype? A moment ago I read from the material issued by the National Research Council dated April, 1981. Having read that, were I to be faced with the possibility of buying a home insulated with urea formaldehyde foam, I would not buy one. Mr. Speaker, you would not buy one. Of course you would not, because you know the material will disintegrate, the fungus will grow and the formaldehyde will seep into the wood and wall building materials. If you are sensitive and you are exposed to the insulation over a period of time, you could become supersensitive and could be affected by coughing, asthma-like symptoms, headaches, dizziness, nausea, nose bleeds and gosh knows what. So the parliamentary secretary and, I suppose, the minister, say there is a hype. Of course there is a hype. The minister and his department created the hype. Instead of sensibly finding that there was a problem with some of the installations, that the insulation affected some people and some people were ultra-sensitive to the foam, the minister went ahead and completely banned the foam. He turned it over to the National Research Council. They created more hype. The minister says it is not all that bad, that it has not upset most people and that these people have saved money on heat. If they have a high enough level of formaldehyde, they will receive a couple of testing machines. If that does not work, they may be entitled to a grant of up to $5,000.

• (1740)

That is not an answer. The real problem is that between 80,000 and 100,000 people relied on this government and its grant program. They were told this was an improved material and they had it installed in their homes by approved building contractors licensed by the government to instal the material.

When these people try to sell their homes, they find they are not worth anything. I suspect all members have had people with this foam insulation problem visit their constituency offices. The first visit I received was very shortly after the temporary ban in December, 1979. Then the permanent ban came about.

A constituent, Mr. Stewart, has a century-old home on Clarkson Road. It is a beautiful two-storey brick home built about 1850. Mr. Stewart is retired. That home represents his basic asset. He did not take a nickel of government money. However, he did go to Canada Mortgage and Housing Corporation to get the details on the material. He was told how good it was and who were the licensed contractors. He is not the kind of person who takes money from the Government of Canada. He does not believe in grants. He said he did not need welfare, that he would pay it himself. How his century home is completely unsaleable.

Another constituent spoke to me last Friday. His home is on Martley Drive. I chatted with him. He told me that his home was insulated with urea formaldehyde foam. He is retired and wants to sell his home. He and his wife go to Florida in the winter, and he cannot afford to keep his home in Lorne Park. He needs to release the money from his investment for retirement. His pension is not growing. We all know what inflation is. He had a real estate agent visit his home. He was told that if the lot was vacant it would be worth $85,000, but since he had a pile of bricks with UFFI in it, it was only worth $80,000. The agent said it would cost that much to get rid of the house. What a thing to tell a retired man on pension. That home represents his life's savings. It is worth less than if it were a vacant lot.

This man does not have a home. What he has is totally unsaleable. It is a health hazard. It will cost $5,000 to get rid of that health hazard. He could get $85,000 or $80,000 for his lot the way it is and the buyer would have to get rid of the health hazard.

In the government they say it is a hype. The hype has gone across Canada. It has destroyed the savings of thousands and thousands of people. A bill setting aside $55 million and providing testing units is not a proper response. It is not the response we demand from this government. The government should bring in a program whereby all affected homes will benefit from some remedial action and then be certified as health-safe.

Mr. Ouellet: That is exactly our program.

Mr. Blenkarn: I am glad the minister interjected. If he will certify Mr. Stewart's home as safe and give him the Good Housekeeping seal of approval so that he can say to the agent from A. E. LePage that he has a Government of Canada guarantee, and if there are any effects from the urea formaldehyde, the government will look after the losses, he will be doing something. If that is what the minister will do, we will be 100 per cent for it. That is all he has to do.

Mr. Ouellet: You should read the documentation. It is all explained.

Mr. Blenkarn: I have a file full of documentation from the minister. I receive his press releases every day, his compilation

of newspaper and other clippings. My friends in the NDP nod. They receive it as well. If that is what the minister has in mind, I expect someone on the government side to say that the government will certify these properties as health-safe and give them the Good Housekeeping seal of approval. If there are any problems caused by the urea formaldehyde, the Government of Canada should look after the problems right down the line.

Mr. Ouellet: Not the second part.

Mr. Blenkarn: The minister says, "not the second part". Even a used car dealer will give a better guarantee than that which the minister is offering.

Mr. Ouellet: We do not know whether the people are allergic. It depends on the people.

Mr. Blenkarn: The minister does not know if they are allergic. The question is whether he is prepared to certify Mr. Stewart's home as safe, not only for Mr. Stewart but for anyone who may buy it. If not, then the minister has not done anything for him. This insulation does not bother Mr. Stewart, his wife or his grandchildren. It only bothers his pocketbook because it cannot be sold.

No one will buy a home with urea formaldehyde foam insulation because of what the minister has said and what his research has shown as well as what was produced by the department and the National Research Council. He must now bring in a program that certifies the home as health-safe, not only for the current occupants but for any occupant who might be in that home for at least the next 25 years. That is the kind of certification we need.

The documentation from the National Research Council says that the foam can create fungus. There is an indication that the acid in the foam will deteriorate the metal in the walls. There are some suggestions that the fungus will grow, permeate the wood and brick and seriously damage the structure itself. Where is the guarantee? I do not see that guarantee in anything that has been issued from the department. That is the kind of guarantee the department ought to give. I do not think it would cost all that much. I do not think you have to tear all these houses down, as the members of the New Democratic Party have suggested. I do not think you have to tear all the foam out of all the houses in the country and out of all the apartment buildings. But I say you have to tear up some parts of the foam that have not been installed correctly. You have to do some work on the houses and you have to leave the houses in such a state that the houses can be certified as safe, not only for the current occupants but for any other occupants, with a guarantee that the government will take the house over if it is not proven safe.

• (1750)

There could be some kind of insurance deductible provision that would make some sense, so that people would not take advantage of the government. At least that would be a guarantee to those who invested in a piece of real estate and who have been expropriated by fear or by the kind of information published by this government, a situation that has wiped out and destroyed the savings of many of our citizens.

This is a very serious problem, Mr. Speaker. We have people who rely on the government to certify the quality of a product and then find they cannot rely on the government because the government certification does not mean anything. Then we have a situation where people cease to trust their government. There was nothing that required the government to certify UFFI. The government did not have to certify it. The government could have said, "caveat emptor", let the buyer beware, and could have refrained from commenting one way or the other on this insulation. Indeed, the government could have said it would not even help to cover the cost of insulation. It could have said, "Do it on your own, do what you want." They probably would have been better off. Perhaps the government will learn something from this effort to improve, from this effort to certify and this effort to proclaim as good. Sometimes when you lead people down the garden path, it costs you money. That is where we are now. These people were misled by their government, they were misled by a program initiated by their government. These people have the right to look to their government that certified the program, that advertised the program, the government that indeed financed the program, to come good.

The government has no right to say that the provinces should bear their share. What province certified UFFI? If there was a province that did so, it should come clean, too, and pay. But the provinces did not get into the act at all. For the government to say it can only go this far because the provinces won't join in, that has got to be the worst line. Why should the provinces join in? After all, it was this government that certified the product, against the advice it had received; it was this government that promoted the product.

Mr. Ouellet: No, never.

Mr. Blenkarn: You did, you promoted the product. You certified the people who installed it in the first place.

Mr. Ouellet: No.

Mr. Blenkarn: As a matter of fact, right now your own program even says that you will not allow who ever installed the stuff before to take it out. I do not know why. There were people who were insulation contractors and got into the business of installing UFFI and who are put out of business now. Part of the application process that this minister has issued provides that if a person ever installed UFFI, anybody who is a contractor or a labourer or whatever, cannot be licensed under the minister's program under this bill. Hah! What discrimination that is! That is what you did. You certified the people who had put it in.

Mr. Ouellet: Never, that is not true.

Mr. Blenkarn: At least CMHC did. You licensed the contractors.

Mr. Ouellet: That is not true.

Mr. Blenkarn: They received their licence numbers with respect to being licensed installers under the Canada Mortgage and Housing Corporation.

Mr. Ouellet: No, that is not true.

Mr. Blenkarn: And you went ahead. The minister says it is not true. Well, I will go over those facts. I say they are true, that this government certified the contractor—

Mr. Ouellet: It is the product.

Mr. Blenkarn: —certified the material, certified who should be doing it. Mr. Stewart, whom I spoke of earlier, went back to the Canada Mortgage and Housing Corporation office and they gave him the list of approved contractors and said, "You had better have the approval number of the contractor. Do not hire anybody who is not approved." Well, that is whom he hired, a CMHC approved contractor, that is how he is in trouble, that is his claim against the Government of Canada.

Mr. Ouellet: You are misinformed.

Mr. Blenkarn: The minister says I am misinformed. Well, I must say, Sir, that the representations made by installers were that they were approved by Canada Mortgage and Housing Corporation. Indeed, the grant program was to approved installers only.

Sir, let us go further, before I finish what I want to say. This product does in fact reduce heating costs, and reduces them substantially. But this product has been declared by the government to be unsafe or not valid as insulation material. The government has a problem. In effect, the government has a damage action being brought against it. Indeed, it is being sued by all sorts of people across the country. The government has an obligation, the same as I would have if I made an error in judgment and ran into your car in an automobile accident, an obligation to make good your damages. If I were a chartered accountant and I issued a financial statement upon which you relied to buy shares in a company covered by that statement, and if that statement was in error and you were misled by it, then I would have an obligation to pay you for your loss. The government has an obligation to go in and clean up the mess. That does not necessarily mean taking the foam out, but it does mean certifying to the people who own the homes that the homes are safe from now on. It is the obligation of this government, not of the Government of Ontario or of the Government of Quebec. It is the obligation of this government. I see it is six o'clock, Mr. Speaker.

The Acting Speaker (Mr. Ethier): Order, please. It being six o'clock, I do now leave the chair until eight o'clock.

At six o'clock, the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

ROUTINE PROCEEDINGS

[*English*]

Mr. Penner: Madam Speaker, I rise on a point of order to seek the unanimous consent of the House to revert to that stage in our proceedings known as presenting reports from standing and special committees.

Madam Speaker: Does the House unanimously agree to revert to that part of the proceedings?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: The hon. member does not have unanimous consent.

Mr. Pinard: Madam Speaker, I understand we now have a House order to revert to statements, but I want it to be noticed that unanimous consent was just denied by the Tory party.

[*Translation*]

Madam Speaker: Pursuant to the order made earlier this day, the House will now revert to statements by ministers.

* * *

[*English*]

NATIONAL ENERGY PROGRAM

PRESENTATION OF "NATIONAL ENERGY PROGRAM: UPDATE 1982"

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I rise in the House tonight to present hon. members with an update report on the National Energy Program. I am pleased to report on what has already been done in just over 18 months and what we will do to maintain our full momentum toward complete success.

Initially, I would like to table, in English and French, a document entitled "The National Energy Program: Update 1982", *Mise à Jour: Programme Énergétique National, 1982.*

On October 28, 1980, my colleague, the Minister of Finance (Mr. MacEachen), rose in the House at about this time in the evening to present our ambitious and comprehensive plan to chart Canada's energy course through this decade and beyond. The energy challenges facing Canada were great, but they also fostered great opportunities. We have come a long way since then. We have made remarkable and sustained progress toward reaching the major goals of the National Energy Program.

Mr. Huntington: How many barrels have you produced?

Mr. Lalonde: This success is all the more notable because it was achieved in the face of difficulties created in Canada by the world economic recession.

Mr. Blenkarn: And by the Liberal Party.

Mr. Lalonde: The National Energy Program is not merely prices and tax. It is much more. The National Energy Program is a dynamic and comprehensive strategy of evolving responses to a changing world. The fundamental strength of the program is that it responds directly to all of Canada's major energy challenges and opportunities.

An hon. Member: Horse feathers.

Mr. Lalonde: While the goals are unchanging, the methods we employ will adapt to meet changing conditions.

Hon. members will recall that we set three major goals in the National Energy Program. The first was security of oil supply, with a specific target of oil self-sufficiency by 1990.

Mr. Huntington: Bankruptcies.

Mr. Jelinek: Higher gas prices.

Mr. Lalonde: The second goal was fairness in the distribution of energy benefits and burdens. The third was greater opportunity for Canadians to participate in the oil and gas industry.

Tonight I can report with increased confidence that Canada will achieve oil self-sufficiency by 1990.

Some hon. Members: Hear, hear!

Mr. Lalonde: At the Tokyo Economic Summit in 1979 the Clark government pledged to limit oil imports to 600,000 barrels a day in 1985. Today I expect that Canada's import requirements in 1985 will be cut to half of what the previous government anticipated under its policy.

Some hon. Members: Hear, hear!

Mr. Lalonde: We have not merely passed the test the opposition established; we have surpassed that test. This accomplishment is possible in large measure because Canadians are responding enthusiastically to the program's conservation and oil substitution elements. The results in 1981 were indeed striking.

Mr. Kilgour: We know about that in Alberta.

Mr. Lalonde: In home heating, natural gas made inroads against oil, featuring a 13.6 per cent increase in Quebec alone. Heating oil consumption was down 17 per cent across Canada. Gasoline consumption fell by 3.3 per cent. Over-all, crude oil use was down 7 per cent in one year.

Mr. Kilgour: Nothing to do with the recession, eh?

Mr. Lalonde: While imports were increasing before the National Energy Program, they did not increase in 1981 and should actually fall this year.

Mr. Huntington: Tell us about the gross national product.

Mr. Lalonde: Oil security cannot be achieved by the petroleum industry alone. It requires the commitment and involvement of every Canadian, and this is what we have seen in 1981 in our conservation and substitution efforts. The opposition says that it had to do with the recession. I remind hon. members opposite that those figures were achieved in Canada at a time when the Canadian economy was growing at a rate of 3 per cent a year in real terms. That was not the recession. Canadians have made that commitment. For example, since 1980, over one million Canadian households have been saving money and oil because they have used the $500 grants offered under the Canadian Home Insulation Program. That is over one million Canadians in only one year. In only one year, 200,000 Canadians have received grants of up to $800 under the Canada oil substitution program to switch from oil for heating to gas, electricity and alternative energy. We now know that this program will continue to make a significant contribution to energy security throughout the decade.

• (2010)

The effect of this response from the people of Canada has been immediate and drastic. At the same time, the National Energy Program offers powerful incentives to the petroleum industry to find and develop new supplies of oil for Canadians. There have been many successes in this regard in the last year and a half. We reached a comprehensive agreement with all three western producing provinces and with the province of Nova Scotia, which may soon become a major producer. Of great significance is the accord with Nova Scotia, the first comprehensive long-term agreement for joint management of offshore petroleum resources in this country's history.

These agreements establish oil and natural gas prices and allocate revenues in an equitable and fair manner. They provide a stable climate for investors and producers and certainty and moderation for consumers. In other words, these agreements are fair to all Canadians.

Equally important was the passage of the Canada Oil and Gas Act by this House last December. The bill governs the promising frontier areas where Canada's future supplies are to be found. Therefore, we took strong steps to ensure that Canadians have the opportunity to play a full and vigorous role in petroleum development in these regions. These steps will mean jobs for Canadian workers, investment opportunities for Canadian businesses and a wide array of spin-off economic opportunities for Canadians. However, recent developments in the international energy and economic front threaten to undermine Canada's strong and growing oil and gas industry. The world economic recession and the unanticipated moderation in international oil prices have decreased industry confidence and weakened the energy investment in Canada.

Since the agreement with Alberta last December, the Government of Canada has taken several steps to counteract these conditions. These include, for example, extension of the new oil reference price to most experimental projects; assistance to low productivity wells, and the provision of depletion for ongoing capital expenditures by Suncor and Syncrude.

These measures to assist the industry are valued in the hundreds of millions of dollars.

In addition, the Alberta government announced last April a $5.4 royalty reduction as part of its commitment under the September agreement. We welcome these adjustments but it is clear that additional steps are required. Tonight the Government of Canada is taking those steps to ensure the progress that I have described, is sustained in the months ahead.

Mr. Clark: You are resigning!

Mr. Lalonde: First, the government will assist in further reducing the level of shut-in oil in Canada. Second, the government will strengthen the petroleum industry to expand exploration efforts. Third, the government will accelerate the use of natural gas as a substitute for oil. Fourth, the government will freeze the natural gas and gas liquids tax at its current level for the remainder of this year. Fifth, forecasted increases to the petroleum compensation charge in 1982 are no longer required, thereby further constraining consumer prices.

This evening I have tabled a full description of these measures. However, I should like to draw your attention to the more than $2 billion offered tonight to stimulate an active and aggressive petroleum industry.

The basic petroleum and gas revenue tax rate will be reduced from 16 per cent to 14.67 per cent for the period June 1, 1982 to May 31, 1983. This will result in an effective tax rate on production revenue of 11 per cent after the resources allowance deduction, already available, is included.

In addition, the incremental oil revenue tax on conventional oil will be suspended for the period of June 1, 1982, to May 31, 1983. The wellhead price on oil discovered in the period after 1973 and qualifying for provincial royalties at the new oil rate but not in receipt of the new oil reference price, will rise on July 1, 1982, to 75 per cent of the current world price. After July 1, the price will remain at this level, subject to a ceiling of 75 per cent of world price, until the price of conventional old or pre-1974 oil reaches this level. Thereafter, all oil discovered before 1981 will again be treated in the same manner for pricing purposes.

An annual small producer's credit will be offered of up to $250,000 against the PGRT liability of corporations on their production revenue. This credit, which will be available to offset taxes on revenue earnings after May 1, 1982, will be of particular benefit to hundreds of small producers who will not pay any PGRT. We estimate that less than 100 of the largest firms will pay PGRT. The net gain to the industry will be about $900 million between now and 1986.

The new oil reference price will be extended as of January 1, 1983, to existing tertiary projects which pay royalties no higher than those applicable to new oil. The Government of Canada will be prepared to provide earned depletion to tertiary recovery projects subject to agreement with the provinces on appropriate levels of royalty relief and provision of data indicating the justification for such support. Eligibility for earned depletion of very large projects, that is, involving more than $100 million, will be considered on a case by case basis.

The new oil reference price will be extended, beginning January 1, 1983, to all experimental projects which pay a royalty no greater than 5 per cent of gross revenue. The new oil reference price will also be extended as of January 1, 1983, to oil wells that have been suspended for a period of at least three years, provided the production from those wells qualifies for new oil royalties.

The rate of PGRT on production and royalty income arising from synthetic oil production from integrated oil sands plants will be reduced from an effective rate of 12 per cent to 8 per cent between January 1, 1983, and December 1, 1984.

These are the main measures applying to the oil and gas industry. They more than restore the industry's share of the revenue pie. Between 1975 and 1980, the industry's so-called golden period, it received 45 per cent of a smaller pie. We estimate that with these measures and those that were announced by Alberta in April, the industry will get 46 per cent of a much bigger pie between now and 1986. Energy development is the engine for economic growth, and we are determined to ensure that it remains so. These measures will restore full health to the oil industry, thereby stimulating greater economic development for Canada and jobs and investment opportunities for Canadians.

• (2020)

When Premier Lougheed announced his government's royalty deductions in April, he was concerned that some of the revenues intended for the industry would flow to the Government of Canada. The measures I have announced tonight show that this is simply not the case. In fact, the Government of Canada is providing more than $2 billion in additional benefits. Approximately $300 million will go directly to the Government of Alberta. I would like in turn to urge Premier Lougheed to return at least some of this gain to the oil industry, especially to promote existing tarsands plants and their development. The Government of Saskatchewan has announced its intention to reduce provincial royalties. This is a welcome, indeed a long overdue, complement to federal action. The government of British Columbia is reviewing its take from the industry and I hope for positive results as quickly as possible.

The penetration of natural gas into oil markets is an exciting success story in Canada. To ensure that it remains a success we are announcing a series of important measures tonight. In the National Energy Program the Government of Canada committed itself to the extension of natural gas service into the maritimes. This commitment remains unqualified.

Since the introduction of the NEP two important developments have occurred. First, important progress has been made with regard to Sable Island natural gas, which may be available as early as 1987. Exploration successes suggest that sufficient reserves will soon be proved to support a pipeline to the mainland. Also, the Government of Canada and the Government of Nova Scotia reached an agreement which encourages rapid commercial development of this resource.

Second, the construction timetable of the Trans-Quebec and Maritimes pipeline has slipped and completion to Halifax is not now expected until well into 1986. The coincidence of these two dates obviously creates the need to consider whether the transmission line should be re-oriented around Sable Island gas. However, the government recognizes that this could cause some financial and operational difficulties for the sponsors of the TQ and M pipeline. Therefore, the government will meet the full cost of engineering and survey work on the pipeline between Quebec City and the Atlantic coast by advancing an interest-free loan to the sponsors to be repaid when the maritime portion is constructed. When this work is done, final pipeline design and construction can start as soon as information on Sable Island gas resources is available. Since natural gas will not be available to maritime consumers as early as anticipated, there is the possibility of pre-building markets for pipeline gas with propane from local and western Canadian refineries. Therefore, the government will make propane an eligible fuel source under the Canada Oil Substitution Program in the maritimes where a residential or commercial consumer is switching off oil.

We are also taking major steps to ensure the greatest possible penetration of natural gas into Quebec markets now served by oil. The government is establishing a fund of $500 million to assist with the construction of branch lines off the main TQ and M trunkline to provide access to important gas markets. Similar measures will be considered for the maritimes as soon as the pipeline to the maritimes is in progress. These measures relate to expanding the natural gas market in Canada. The government recognizes the importance of natural gas exports to the health of the industry. We welcome the recent decision of the National Energy Board to adopt a new formula in determining the amount of natural gas which is surplus to Canada's needs and can therefore be exported. This change will provide welcome export opportunities to the natural gas industry, while at the same time maintaining our all important commitment to ensure that Canadian needs are met before exports are allowed. Further, the government will meet 50 per cent of the cost of converting residual fuel oil boilers in industrial, commercial and private institutions to natural gas, effective June 1, 1982, or from the date that gas becomes available, and applicable for a period of time.

The most important news tonight is that these measures will not increase prices that consumers pay for petroleum products or natural gas by more than the amount forecast in the agreements with the producing provinces. It is often suggested by members opposite that the only way to achieve energy security is to expose all Canadians to the uncertain and sometimes brutal effects of international oil prices.

Mr. Baker (Nepean-Carleton): Who said that?

Mr. Lalonde: If any evidence is needed that there is a better way, the NEP has provided that evidence. Great strides towards energy security have been made while providing Canadians with energy prices substantially below world levels. Under a Liberal Government, Madam Speaker, this progress will continue.

Some hon. Members: Hear, hear!

Mr. Lalonde: Over the life of the energy agreement with the provinces, consumer energy costs in Canada will be the lowest—of any industrialized country. The made-in-Canada pricing ensures that conventional oil will not rise above 75 per cent of world levels, and limits natural gas to approximately two thirds of domestic oil prices. Consumers will remember that the Conservative budget linked gas to 85 per cent of oil. Well, we have brought that price down, Madam Speaker.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Lalonde: Compared with world prices, we estimate made-in-Canada prices will save Canadians—

Mr. Clark: Tell us about 14 cents a gallon. Tell us about your broken promises.

Mr. Lalonde: —$39 billion in oil costs, and $21 billion in natural gas costs between 1981 and 1986.

Mr. Clark: Nobody in the country believes you, Marc.

Mr. Lalonde: These are huge figures and difficult to comprehend on a personal level, but if you ask a Canadian how much that represents—

Mr. Clark: If you ask a Canadian: can you believe Marc Lalonde? They say "never".

Mr. Lalonde: Between 1981 and 1986, Madam Speaker, it represents a saving of $2,500 in energy costs for every man, woman and child in this country.

Mr. Clark: Nobody believes you, Marc.

Mr. Lalonde: These are the facts.

Some hon. Members: Hear, hear!

Mr. Lalonde: Our energy prices, Madam Speaker, compare more than favourably with those in the United States.

Some hon. Members: Oh, oh!

Mr. Lalonde: The cost of heating an average home in Canada today is about $1,025 a year, 25 per cent less than the cost of heating a similar home in the United States.

An hon. Member: Hogwash!

Mr. Lalonde: If home owners took advantage of grants under the Canadian home insulation program and the Canadian Oil Substitution Program, they would save an additional $500.

We also offer benefits to consumers of gasoline. However, provincial governments have the constitutional right to take

away the benefits of a made-in-Canada price with made-in-the-province taxes. For example, in Ontario and Quebec provincial retail sales taxes since 1978 have increased 51 per cent and 210 per cent respectively. On the other hand, motorists in Alberta and Saskatchewan, which provinces do not levy sales tax, enjoy gasoline prices below those prevailing in the United States.

• (2030)

[*Translation*]

Madam Speaker, I said earlier that Canada had made tremendous progress towards achieving the three basic goals set by the National Energy Program in 1980. Our aim was to achieve energy security for Canadians, and especially to achieve oil self-sufficiency by 1990. We have made tremendous progress in this respect, so much so, that while the Progressive Conservative government expected that we would have to import about 600,000 barrels per day by 1985, we can state today, with considerable assurance, that our import requirement will be less than 300,000 barrels a day in 1985, less than half the amount forecast by the previous government. Furthermore, Canadians have taken advantage of programs set forth in the National Energy Program, namely, home insulation and off-oil substitution by natural gas, electric power or other forms of energy. Since 1980 alone, Madam Speaker, over one million Canadians have insulated their homes, and have thus been able to reduce energy costs quite substantially, and in some cases bring them down to half of what they would have had to pay otherwise. In addition, during the last twelve months, over 200,000 Canadians have switched from oil heating to gas, electricity, wood or other forms of energy, again with considerable savings.

We have also promoted the marketing of Canadian natural gas in eastern Canada. We supported construction of the pipeline to the Maritimes, and we continue to support this project very strongly. In fact, the pipeline will reach Trois-Rivières this fall, and is expected to reach Quebec City next January. In addition, thanks to an agreement concluded recently with Nova Scotia on the development of offshore resources, we now expect it will be possible to bring into production the natural gas reserves around Sable Island off the coast of Nova Scotia. It is quite possible that by 1987, we could have a situation where a gas pipeline would be carrying natural gas, not from west to east, but from east to west, which would greatly enhance the economy of the province of Nova Scotia and of the Maritimes in general. However, we want to make sure that Canadians in Quebec and the Maritime provinces will have access to natural gas as soon as possible. That is why I announced this evening that we shall first provide complete financing for all engineering projects that will have to be carried out between Quebec City and the Maritimes in connection with the construction of the gas pipeline, to ensure that Canadians in these areas will be able to benefit from this project as soon as possible.

We have also established a special fund of $500 million, that will be used to finance the cost of branch pipelines in Quebec, to ensure that people in the areas of Lac Saint-Jean, Beauce, the Eastern Townships and elsewhere in Quebec will be able to obtain natural gas through branch lines already approved by the National Energy Board, and this without delay and at a cost that is truly reasonable. In fact, Canadians in the Maritimes and Quebec will be paying the same price for natural gas as they would in Toronto.

And this measure we are announcing this evening should ensure a rapid extension of the natural gas distribution system in Quebec.

I have also announced a series of further measures to provide assistance to the oil industry. The amounts involved are considerable, since they will exceed $2 billion between now and 1986. In fact, more than half of this amount will be transferred to the industry within the next eighteen months, and will be especially helpful to small oil industries, a great many of which are of Canadian-owned.

The question we must ask is: Who is going to pay for the benefits or concessions we are providing the industry at a time when it is facing very specific problems? I want to make it quite clear to consumers that none of these measures will involve any price increases for consumers for natural gas or oil over and above the increases provided in the agreements concluded last year with Alberta, Saskatchewan and British Columbia—

Mr. Clark: That is not true!

Mr. Lalonde: —so that these measures will not entail any increases over and above those provided in the agreements.

Madam Speaker, our goals were energy security, and we are convinced we shall attain these goals by 1990. Today, we are in a situation where we are importing far less oil than was previously expected, and less than was forecast in the 1980 National Energy Program. We have been able to maintain oil and natural gas prices at levels that are lower than those of any other industrialized country in the world, including the United States.

In some provinces, gas may be more expensive than in some American states, but we must not forget that the retail price for gas depends to a considerable extent on provincial taxes. For instance, in Quebec the retail sales tax has increased by 210 per cent since 1978.

Mr. Clark: Federal taxes—

Mr. Lalonde: It is therefore not surprising that the price of gas in Montreal is higher than it is in Plattsburg or Burlington, because they have a provincial tax of 40 per cent added to the cost of gas at the refinery gate.

It is interesting to note that in Saskatchewan or Alberta, which have no provincial tax, gas is cheaper than in the neighbouring states to the south. I would invite my colleagues to see for themselves—

Mr. Kilgour: That is a lie!

[*English*]

Madam Speaker: I ask the hon. member for Edmonton-Strathcona (Mr. Kilgour) to withdraw those words. They are unparliamentary, as he knows.

[*Translation*]

Mr. Kilgour: Madam Speaker, in my opinion, it is not true. I have the figures here to show he is wrong—

Madam Speaker: The hon. member will be able to discuss them at the proper time. It is perfectly normal for hon. members to disagree on the facts from time to time. In fact, sometimes the entire debate in Parliament consists in giving varying views of the facts. However, the hon. member knows perfectly well he may not use such unparliamentary language. I would ask the hon. member to withdraw those terms.

[*English*]

The Speaker heard them.

Mr. Kilgour: Madam Speaker, if I can make a phone call, I will return to the House and happily apologize if I am wrong. I am quite certain the minister is not telling the truth on the point he just made in the House.

Madam Speaker: That is totally irrelevant. It is for the purposes of this procedure that I am asking the hon. member to withdraw his words.

Hon. members may have different opinions as to what is true and what is not true, but they may not use the kind of language which the hon. member has just used to debate that point. I would ask the hon. member to co-operate and simply withdraw those which are unparliamentary. The hon. member knows that.

• (2040)

Some hon. Members: Withdraw!

Madam Speaker: Is the hon. member refusing to withdraw those words?

Mr. Kilgour: Madam Speaker, I am almost totally certain that I am correct. I cannot be absolutely certain unless I go and make a telephone call. Will you give me ten minutes to make that decision?

Some hon. Members: Oh, oh!

Madam Speaker: I should like to accommodate the hon. member, but I ask him to accommodate the Chair and to withdraw those words which are unparliamentary.

Mr. Kilgour: With due respect to Madam Speaker's charm, I will withdraw the term.

Madam Speaker: I will accept that, but in future I ask hon. members not to refer to my charm.

[*Translation*]

Mr. Lalonde: Madam Speaker, perhaps the following will refresh my hon. colleague's memory and help set his facts straight. I can state positively that in April 1982, the price of a litre of gas in Calgary was 34.5 cents and that in Montana, to the south, it was 37.3 cents, in other words, 2.8 cents more per litre than in Calgary. This was in April 1982. Perhaps my hon. colleague would care the check his facts. Madam Speaker, our oil pricing system is supposed to bring the price of oil up to a maximum that should not be reached until July of next year, namely, 75 per cent of the world price for conventional oil, and as far as the blended price is concerned, which includes the price we must pay for all imported oil and the price of oil from oil sands, we estimate that today's price is still less than 80 per cent of the world price. Those are the facts. If we look at the situation regarding natural gas, Canadians are even better off, since they can buy natural gas for only 65 per cent of the price of Canadian oil. The benefits are such that if we calculate the aggregate of benefits to all Canadians by 1986, the net result is that every Canadian man, woman and child will have saved $2,500 per person by 1986, as a result of our pricing system here in Canada.

[*English*]

One of the major objectives of the National Energy Program has been the opportunity for Canadians to participate. Canadians know with certainty our commitment to energy security and Canadian opportunity. Canadians know the progress we have made over the past 18 months, and Canadians know that we will reach our target by 1990.

Some hon. Members: Oh, oh!

Mr. Lalonde: Canadians should also know that the Conservative Party, which is shouting and complaining on the other side tonight, has regressed just as we are making progress. Eight years ago the Conservative Party made the following commitment:

> To maximize the benefits to Canadians the Progressive Conservative Party believes that as a cornerstone of such a policy for the 1970s and the 1980s Canadians must dedicate themselves to acquiring and holding ownership of more than 50 per cent of the non-renewable resources industries in Canada. A Progressive Conservative government would take the lead in this direction—

Some hon. Members: Hear, hear!

Mr. Clark: That is what the Crosbie budget did.

Mr. Lalonde: As a government for nine months and as an opposition party for the rest of the time, the Conservative Party has consistently opposed and obstructed our Canadianization measures while paying lip service to the concept.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, I rise on a point of order. Naturally I would not want to describe the statements of the Minister of Energy, Mines and Resources (Mr. Lalonde), because that would call for unparliamentary language. But I ask the Chair to consider whether it is appropriate for the minister of energy, under the guise of a statement on motions, to make a speech which is not only, in my submission and to use words which I believe are parliamentary, inaccurate, but also to use this opportunity to make a simply unvarnished, partisan speech which does not carry the benefit of the truth.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Madam Speaker: To answer that point of order, I am sure the Right Hon. Leader of the Opposition (Mr. Clark) recognizes that the hon. minister is making a statement and that he is free to make a statement in the manner that he wishes. Unfortunately the Chair has no power and no desire to intervene in the style of any hon. member of the House.

Mr. Lalonde: Madam Speaker, I only have a few minutes remaining.

Miss MacDonald: It is tough to back down, Marc.

Mr. Lalonde: I am sorry it is getting so close to home for the Conservative Party and its leader. In effect, the record speaks for itself.

Mr. Clark: Yes, indeed.

Some hon. Members: Hear, hear!

Mr. Lalonde: Last year we had Bill C-48, the Canada Oil and Gas Act, which provided for much more Canadian participation and control of Canada lands which belong to the people of Canada. What did we see? We stood for Canadianization at that time, and the Conservatives voted no.

An hon. Member: We saw confiscation.

Mr. Lalonde: There are a number of bills which are now before the House—Bill C-101, Bill C-102, Bill C-103, Bill C-104 and Bill C-105. They all stand for Canadianization. On every one of those bills the Conservatives voted no.

Surely this is evidence, if evidence is needed after Conservative efforts to destroy Petro-Canada, that the Tories have opposed every measure brought forward to promote Canadianization in the country.

Mr. Huntington: That is because we support the people.

Mr. Clark: Tell us about Alsands.

Mr. Ouellet: Order!

Madam Speaker: Order, please.

Mr. Lalonde: What we are doing now is what the Conservatives promised to do in 1974. This is what they oppose today on every occasion, in every forum, under the guise of any justification. Conservatives now dismiss Canadianization as being confiscation—and I heard that word being used opposite tonight—or theft and piracy. We on this side of the House believe that Canada's natural resources are owned by all Canadians and should be developed to the benefit of the Canadian community.

Mr. Clark: Is this why you chase our producers to the United States?

Mr. Lalonde: Petro-Canada today has been restored to full health—

Some hon. Members: Oh, oh!

Mr. Lalonde: We have the evidence tonight that the Conservatives have not accepted it as yet. The Conservative energy critic warned Canadians that "PetroCan is here for the moment and there's not much we can do about it. We'll see what the situation will be once we're back in power".

Finally, a radio interviewer asked the Conservative energy critic to offer a constructive alternative to the NEP. The hon. member for Calgary Centre (Mr. Andre) then replied: "Of course we have alternatives to offer to get rid of the National Energy Program. We would replace it with what you had before." That is the Conservative view of the future—a return to the past.

• (2050)

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Lalonde: For Canadians the choice is clear—

Mr. Clark: Turn and run, Marc!

Mr. Lalonde: —this government's National Energy Program or the Conservative Party's no energy program.

Mr. Clark: Turn and run!

Mr. Lalonde: The National Energy Program represents a bold initiative. Canadians, under those programs, are taking their energy future in their own hands, determined to build on their energy strengths. Much has been accomplished. Much remains to be done.

Mr. Taylor: More socialism!

Mr. Lalonde: Tonight, I have spoken of measures we have taken in the areas of production, conservation and oil substitution. There have been changes in the past. No doubt there will be changes in the future.

Mr. Clark: What's next, Marc?

Mr. Lalonde: However, our fundamental commitment—

Mr. Clark: When is your next retreat, Marc?

Mr. Lalonde: —to provide Canadians with greater opportunities for their oil and gas industry, to ensure a fair deal between producers and consumers and to achieve energy security for all Canadians is there and will remain unchanged.

Some hon. Members: Hear, hear!

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, we have just seen the most shameless defence of the worst economic disaster that this country has seen—

Some hon. Members: Oh, oh!

Mr. Wilson: —probably in our history.

Some hon. Members: Right on!

Mr. Wilson: This major reversal is probably the greatest reversal that we have seen, with one exception, that being the time on December 18 when we stood here and watched the Minister of Finance (Mr. MacEachen) step back and take in all his dirty laundry on the budget. But there is still more to come on that, and we cannot wait for the next one.

Mr. Ouellet: Which multinational do you represent when you are speaking like this?

Mr. Wilson: Madam Speaker, this National Energy Program has been the greatest disaster that we have seen. We have seen 40 per cent of the rigs leave the country. We have seen 15,000 jobs lost. We have seen the Alsands project killed and the Cold Lake project killed, and the minister has waited 18 months to do something about this disaster.

The Minister of Finance and the Minister of Energy, Mines and Resources (Mr. Lalonde) have used the Canadian economy as an experimental laboratory for their own selfish socialist policies.

Some hon. Members: Hear, hear!

Mr. Wilson: It has been a disaster and all Canadians are suffering for it, suffering through high gas prices, through high interest rates, through loss of employment and through greater reliance on unstable sources of oil in the Middle East. First the Minister of Finance and now the Minister of Energy, Mines and Resources have eaten a large plate of crow. The problems were addressed by the minister tonight. Make no mistake about that. These problems were caused, first and foremost, by the energy policy which he announced in October of 1980. This misguided, misunderstood policy, the ivory tower view that he thrust upon all Canadians on that night, has damaged the most promising industry that we have in our country. At that time it was a source of strength for our economy.

Mr. Gustafson: It was booming.

Mr. Wilson: It was the one source of strength which could have carried us through the recession that we are in today. But now this industry is struggling for survival. I repeat, the minister has finally realized, after 18 months of dithering, wondering what he could do to pull himself out of the muck, wondering how he could get this industry partly back on the rails again, recognizing that there was a disaster which had to be addressed, the rigs having left the country, the Cold Lake and Alsands projects having failed, that the exploration which was running at a rate of increase of 31 per cent per annum has now, since October, 1980, been reduced by 2 per cent per annum. That is the effect that his policy has had on the industry in this country.

Mr. Clark: Make him stay!

Mr. Wilson: But let us also look at what he has done tonight.

Miss MacDonald: He has just left the House.

Mr. Wilson: The minister has left the House, I see.

Mr. Ouellet: He will be back, do not worry, but with what you are saying, he could go away.

Mr. Wilson: The minister has put together a patchwork quilt in trying to understand the impact of this on the industry. He is only tinkering with the problems brought about in October of 1980. He must understand that he cannot put Humpty Dumpty together again just by this fragmented policy approach. The loss of confidence in the industry, the lack of trust in government and the lack of credibility of the government in the eyes of many people in the oil and gas industry will take years to regain.

I should draw Your Honour's attention to the fact that in 1974-75, the last time we had this sort of disaster in the oil and gas industry, it took three years to recover, but that was when the oil rigs which had left the country amounted to only about 10 per cent, compared with 40 per cent this time. No one believes the statistics used by the minister tonight. He is well known to be a master at twisting numbers to try to tell a story, but people who know the story never believed and never will believe it. This approach will not regain the confidence in that industry that we must have if we are to recover.

We should also recognize that the degree of intervention, regulation, big lever-pulling by the Minister of Energy, Mines and Resources stays. Nothing has changed to remedy that major problem which has caused those in the industry to back off and to move their rigs and their people south.

The third point I should like to make concerning the program announced tonight, the update, is that the minister has said that this $2 billion program will save the industry. He takes substantial credit for it, and he says that it is all his doing and that he is paying for it. He said that the consumers will not pay a nickel for it. He has never got it through his head that the consumer pays for everything. Directly, in this program, the consumer will be paying 30 per cent or $600 million of the total program of $2.1 billion. That is the sort of thing that he has laid on the consumer tonight. He has ignored the fact that gasoline prices in Canada are at 10 cents to 20

cents higher per gallon. I have the statistics here if the minister wants to quarrel with those figures. These are figures which are right up to date as of today in May of 1982, compared with the figures of January, 1982, in the document he laid before the House. The situation has changed. The lines are crossing and consumers will be paying more and more because of the program he has announced tonight.

The other point I want to raise concerns the fact that the minister said the Conservatives wanted consumers to pay the full world prices. That is absolute nonsense.

Mr. Ouellet: He said 85 per cent.

Mr. Wilson: He knows that we changed our energy program from what it had been at the time of the last Liberal government. We reduced the relationship to world price by 5 percentage points.

Some hon. Members: Hear, hear!

Mr. Wilson: That is the difference. We took that first step. If we had not taken that step, I do not believe that this government would have done anything close to what it is doing today.

The fourth point is that it is very important to recognize that in the announcement tonight there are still many "ifs" and there will be many doubts on the part of the industry. There is no assurance that imports will not be decreased to ensure change to the current shut-in of Canadian production, which is costing Canadians money and jobs. There is no assurance that the natural gas pricing formula, only with regard to the gas which has been authorized for sale to the United States market, will be changed to allow that volume of gas to be sold on the market and to save the many Canadian-owned oil and gas companies which are suffering because such a tremendous amount of natural gas is shut in.

• (2100)

Finally, and this is a key point, there is no assurance that the minister will not again change the rules of the game. There is no assurance that when things improve, as they undoubtedly will in time, he will not change the rules of the game again to the detriment of those people who have invested their hard-earned money in this industry.

Let us make it quite clear, the National Energy Program is a proven disaster. It is a major policy error on the part of that minister. When it was introduced, the energy program was recognized as being a disaster.

The minister showed himself at that time to be totally out of touch with the realities of that industry. He showed no understanding of the impact. He closed his ears. He said he would listen but would not do anything. It has taken him 18 months to do something. He sat in his ivory tower on Booth Street saying he was listening to everybody, but there was no action.

Now the minister has brought in some changes, but they are not the solution. It is too late to bring about the changes that are needed to rebuild that industry to the strong vibrant position it was in two years ago. To say tonight that he is sorry, to make this public admission that he has been an incompetent, misunderstanding minister, is no substitute for the good judgment that Canadians expect of the Minister of Energy, Mines and Resources when bringing in such a major program as this a year and a half ago.

The credibility of the Government of Canada in the eyes of the industry will not be won back by a single announcement. It will only be time, a stable policy and the positive working relationship with the industry that will allow the Government of Canada to regain the trust and confidence of the industry.

We have seen over the past 18 months and will see over the years and months ahead that Canadians will suffer through higher prices which they will be forced to pay for gasoline and heating fuels. They will have higher interest rate levels than would have been the case had we not had this energy policy. Canadians will suffer through job loss because of the lack of activity resulting from the cancellation of two major projects plus the slowdown in activity in the conventional side of the industry.

Does the announcement tonight stabilize the price to the consumer? I say no. I believe we will see an increase in price as a result. Does this provide any help to the consumer, the home owner, the farmer, the small-business man, the fishermen, who are fighting high interest rates and high costs for energy? There is no relief offered. There is no mention of the energy tax credit that we have been calling for in this House for three years.

We should also recognize that the primary objective of the National Energy Program is out the window. Self-sufficiency for the industry by 1990 is totally out the window. Any knowledgeable observer will tell you that. Anybody who has any understanding of the industry does not believe anything that the minister has been saying time and again. Starting in October, 1980, he has been saying that the goal of self-sufficiency of oil supplies in this country is easily attainable and we will attain it. Each time the minister makes these adjustments or changes to the policy, he admits in public to all Canadians that what he was saying before was not true for he did not understand what he was saying. We will not reach oil self-sufficiency by 1990. Surely that is clear to the minister by now.

The only way to achieve the goal of self-sufficiency is if the minister, together with his colleague the Minister of Finance, runs this country so far into the ground that the demand for oil and gas is reduced so greatly that there is not the need for the oil and gas that we hoped we would have with a vibrant, thriving economy. That is the nature of the problem. That is why we are not going to see oil and gas self-sufficiency in this country. The minister can talk all he wants about this goal, but he knows deep in his own black heart that it will not be reached.

The minister has said all along that the policy he brought forward has been recognized as a very positive development in the country and has been so right from the start. During the

course of this afternoon I was looking at a number of statements that had been made over the years. These go back to late 1980 and early 1981, the early days after the energy policy was announced.

This shattered industry did not just happen. It was not brought to its knees by the oil glut, high interest rates or weak international economies. These have been factors. Let us go back to 1980 just after the energy agreement was announced. Data Resources, a very well qualified organization, said that the National Energy Program will be extremely costly for this economy. Let me just quote:

—the costs of the NEP would include foregone economic growth—

We have seen that.

—lower real incomes—

We have seen that.

—lost employment—

We have seen that.

—and a delay in reaching oil self-sufficiency.

Others have commented on this as well. The president of the Toronto-Dominion Bank said, "The energy program could lead to a national economic disaster." Darcy McKeough, the former treasurer and energy minister in the Ontario government—

An hon. Member: Non-partisan.

Mr. Wilson: He is a non-partisan gentleman now. He said:

—this country is embarked on courses of action which are destructive in their impact, no matter how superficially attractive they may be in their objectives.

He was pointing out that the attractions of Canadianization are very beguiling. There is a great attraction, as the Minister of Energy, Mines and Resources said.

We recognized the importance of Canadianization and brought this forward in our policies before the Liberal Party even understood the importance of Canadianization. They were still pushing the industry into the hands of multinationals and foreign owners. We recognized the importance of it. We also recognized that it has to be done in a way that can be accepted by the marketplace, rather than have Canadian ownership forced on it. I will come back to that in a minute. Others have commented on this as well. The Canadian Institute of Real Estate Companies said there is a fear that the energy program will increase, rather than decrease, Canada's dependence on insecure sources of foreign crude. Another person who commented on this that I would like to refer to is Wayne Clendenning of Richardson Securities. He felt that the energy program ought to be changed substantially.

All of these gentlemen, very knowledgeable people in the oil and gas industry, called for these changes in late 1980 and early 1981. Why did we have to wait a full 18 months before the minister saw fit to make a change? The main reason is his inflexibility and arrogant attitude. He said to everyone who told him that he was wrong that he was right and no one would cause him to change? No one could tell him he was wrong.

It was only when the industry was literally brought to its knees, with 50 to 60 companies coming to Ottawa again and again to plead with the minister to please get some sense into his head and make the necessary changes to bring about some return of health to the industry, that he took some action.

I wish to make some brief concluding remarks. I am glad the minister has returned to the chamber to hear them. Let me say to him that the greatest contribution he could make to the energy future of this country would be to resign.

Some hon. Members: Hear, hear!

• (2110)

Mr. Clark: We give unanimous consent.

Mr. Wilson: The display by the minister tonight, practically breaking his arm patting himself on the back, with all the self congratulations that he could muster about the great things of the energy program, shows that he still does not understand the damage that he has wrought upon this industry and the changes that are still necessary to bring that industry back to health.

Mr. Baker (Neapean-Carleton): His eyes and mind are closed.

Mr. Wilson: He should resign and let someone else bring in these policies that will try to undo some of the terrible damage that he has brought upon this industry. He has alienated large parts of western Canada. He has done tremendous damage to the fabric of this country.

Mr. Clark: He doesn't care.

Mr. Wilson: There is 18 months of delay that he has let go by while the feelings of Canadians in western Canada have become more and more concerned about the impact of central Canadian policies, federal government policies, as they affect western Canada.

Mr. Clark: Lalonde doesn't care.

Mr. Wilson: Finally, he has set back self-sufficiency probably for a full decade. That is the nature of the damage that he has done to this industry.

Mr. Hnatyshyn: Shame!

Mr. Wilson: There is nothing more stupid than a brilliant person who is too arrogant, too stupid and too inflexible to understand the mistakes that he has made and to bring about the changes that are necessary to undo those mistakes. That is the nature of the minister we have today, and that is why I say to him that he should resign.

An hon. Member: Resign.

An hon. Member: Right on.

Some hon. Members: Hear, hear!

Mr. Wilson: Madam Speaker, in closing, let us look at the three elements of the National Energy Policy. The first, Canadianization. The Canadianization policy as it has been

implemented by this minister has been a disaster, because it has given false hope and encouragement to a number of Canadian companies to do something more than what they should have been doing. We have increased Canadian ownership, yes, that is correct, the numbers are there; but we have crippled a number of those Canadian companies who took in the words of the minister. They have found now that they are put in such a desperate position that they are unable to compete in this industry. By comparison, the multinationals are much stronger today, relative to the Canadian-owned companies, than they were back in 1980. The minister would have been much better off doing nothing, letting the market forces move their own way.

The minister commented on the fact that we have voted against some of these bills that are implementing Canadianization. He is absolutely right, and I am proud of the fact that we have.

Some hon. Members: Hear, hear!

Mr. Ouellet: He is a true Canadian.

Mr. Wilson: He said he is going to bring the industry back to full health. If he brings the industry back to full health in anything like the methods that he has used in putting the industry in the position it is in today, God help the industry.

Mr. Taylor: It will be in the coffin.

Mr. Wilson: When was the last time the minister walked the streets of Calgary talking to the people who have been affected—

Mr. Clark: Without a guard!

Mr. Wilson: —by the industry that he has damaged so severely? That is the question that the minister should ask: when should he go back to Calgary?

The second element of the energy program was fairness in pricing, fairness in revenue sharing. I look at this program tonight, Madam Speaker, and I see no fairness whatsoever to the consumer. I see high prices, and high taxes to the Government of Canada, continuing as before, some cut-back in the government take but very, very high levels of taxation, and certainly no change in prices. As I said a minute ago, the consumer will be paying 30 per cent of this program.

Let us just look at the fairness to the industry. When we started off on this charade of an energy program in 1980, the minister was concerned because the energy industry had 45 per cent of the revenues. He knocked it down to 36 per cent and said: "That is what we should be doing to bring in a certain degree of fairness." Well, Madam Speaker, you may not have noticed the number in the presentation the minister made tonight. The number that he has brought the industry back to is 46 per cent. What have we been doing for the last year and a half? We went back to where we started as far as it relates to the share of the revenues that the industry has.

Look at what has happened to the industry. It has been decimated by the damage that was done in that intervening period. They will have to use a large part of those revenues to rebuild their financial strength. They will not be able to reinvest those in the development of our energy reserves. The minister should have stayed in bed; he should not have brought in that energy policy a year and a half ago.

An hon. Member: He should not have got out of it.

Mr. Wilson: The final objective of that national energy program of October 1980 was self-sufficiency by 1990. That, as I said earlier, Madam Speaker, is totally a lost cause. It has gone out the window, that objective. The only way, as I said, is if we continue in recession the way we are now and the demand for energy products goes down so severely that we just will no longer need it. But that is not the way that we on this side of the House want to achieve self-sufficiency.

Some hon. Members: Hear, hear!

Mr. Wilson: The minister has pointed to Hibernia and the Beaufort Sea as the main promising parts of our energy future that will bring about oil self-sufficiency.

Mr. Blenkarn: Alsands.

Mr. Wilson: He never mentioned, not that I heard in his whole speech tonight, he never mentioned the impact of the loss of Alsands and Cold Lake. I refer him back—I do not think he likes to remember this—to the numbers in the energy program itself. It had production of about 1.4 million barrels a day. Of that, 715,000 was from the Alsands and Cold Lake and other synthetic crude projects. Those are gone. He just totally ignored the fact that they are gone. They have disappeared into thin air, and he does not acknowledge the fact that they have had a major impact on the ability of this country to reach self-sufficiency.

Mr. Hnatyshyn: More business for Mexico.

Mr. Wilson: Now, Madam Speaker, the minister has supervised the most damaging national policy that we have seen in our history.

Mr. Blenkarn: Right on!

Mr. Wilson: He has bled the oil and gas industry dry. He has bled the country of well qualified technical people. He has bled the country of valuable capital dollars. From the date that he came into office, we have watched the level of the Canadian dollar go from 87 cents to 80 cents. He has also used this energy policy to bleed consumers through the high taxes that have been used to bring in money to that voracious spender, the Minister of Finance.

That is why this minister must resign, Madam Speaker; and I plead with you, and I plead through you to the minister, not to stop now. This energy policy is still a disaster. It still needs major surgery. Either the minister can face up to this or he should move over and let someone else take over his job.

Some hon. Members: Hear, hear!

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, the member who last spoke, the hon. member from Etobicoke Centre (Mr. Wilson), said "God help the industry", meaning the oil industry. I do not know if he read the same material as I read tonight. I understand that the small producer and other producers got a PGRT credit worth $900 million. The PGRT as a tax was reduced from 12 per cent to 11 per cent, giving the industry $200 million. The PGRT was reduced on the integrated oil sands projects, another $125 million. The IORT, another tax, was suspended for one year, that is $250 million. A new category was created called the old-new oil, meaning $75 million to the industry. The NORP price to existing tertiary recovery meant $300 million to the industry. NORP to experimental projects meant $100 million to the industry, and NORP for suspended wells, meant $100 million to the industry. That is a total of $2,050 million, or $2 billion to the industry. Well, God has helped the oil industry. God has just helped the oil industry, Madam Speaker; the oil industry have drilled for oil, and they have found it here in Ottawa.

• (2120)

Tonight the minister must feel like a Glace Bay coal miner; he has just been through a cave-in. He calls this new program the National Energy Program update. That is doublespeak if I ever have heard it. This is not an update. It is an upper for the oil companies, but it is a tragic downer for the Canadian consumer.

It is true that some small Canadian oil companies were hurting as a result of the National Energy Program and its taxes. They were hurting and needed some help, but under the program tonight Imperial Oil will enjoy—and I have counted them—six changes which will help. There will be changes in the PGRT. Imperial Oil will get help proportional to its production. It will get help with respect to Syncrude, tertiary recovery, enhanced recovery, experimental recovery and the IORT. When we ask for money for medicare in this country, the government cannot find it. When we ask for money for pensioners, the government cannot find it. When we ask for money to help the unemployed get jobs, the government cannot find it. But, boy, it finds $2 billion for Imperial Oil and the others. That is just incredible.

Mr. Nystrom: Shame. And the Tories want more.

Mr. Waddell: Not only does the government find the money, but what this money can be used for is also positively dangerous. If we read this program carefully, we find that there is nothing in it like a performance guarantee which would say what this $2 billion has to be used for. The money can be spent by companies abroad. It can be invested abroad. It can be used to pay debts. It can be used to take over Canadian companies. It can be used to pay dividends to American shareholders. This is an industry that is 70 per cent foreign owned, mainly American. There is nothing to protect the consumer. There is nothing to protect the taxpayer.

Last year there was a 30 per cent increase in the cost of energy to the Canadian consumer, and in the package tonight there is nothing to help the Canadian consumer.

Last September Premier Lougheed and the Prime Minister (Mr. Trudeau) made a deal. They split up the pie. The energy industry lobbied for a year and a half. Every day in the House members of the Conservative Party supported big oil. They constantly stood and asked for a better break for big oil. Tonight they got that break. Tonight they got $2 billion, but who was there to represent the consumer? How was the interest of the consumer protected? There is nothing tonight.

The minister says we are lucky to be paying less than world prices. Since 1980 the price of a barrel of oil in Canada has gone up from $14.75 a barrel to over $30 a barrel. Much of that oil was found when the price of oil was low and it was cheap to explore for oil. Companies used to tell us they could develop tar sands for $6 a barrel. Now oil costs $30 a barrel in Canada. Some of that oil which was found between 1973 and 1980 was what was called old oil. Under the old agreement it was called old oil. Under the package tonight—and this is what really hits the Canadian consumer—there is a new category called "old new" oil. What does "old new" oil mean? "Old new" oil means the companies will get higher prices for it. There will be higher prices for oil as a result of this retreat tonight. Where will the money come from?

Mr. Taylor: Alberta.

Mr. Waddell: There will be an oil price increase of $2.25 a barrel in July. There will be another increase of, I think, 25 cents in August. I think there will be another $4 increase in January of 1983 and another $4 per barrel increase in July. The government has been collecting a petroleum compensation charge, and that charge has been to make up for buying expensive offshore oil. We buy offshore oil because in the early 1970s we exported all our cheap oil. Now we have to buy offshore oil. The government was in fact making money on the petroleum compensation charge because the price of offshore oil has gone down. Prices in the world market have gone down. Instead of the Canadian government's saying to the consumer that since there is extra money, the consumer will not have to pay increases at the pumps, what does the government do tonight? It recycles the money into the "old new" category and pays the oil companies more money. The consumer is affected directly as well as indirectly. The government is forgoing $2 billion in revenue. The minister says we are not taxing; we are just forgoing revenue. Where is the government going to get the $2 billion? There are two ways by which the minister could get it. He could get it by increasing personal taxes, or he could get it by eliminating government programs. So, the consumer and the taxpayer suffer again tonight.

In 1980-81 the cost of heating an average home with oil in Canada was $770, but last winter that cost rose to $1,170. The annual cost of gasoline for the average motorist in 1980 was $730, and in 1981 it was $945. I do not have the statistics, but I am sure my colleagues from farm areas could tell me about the increased prices farmers have to pay to operate their

vehicles and to supply energy to their operations. There is nothing in the package tonight to help the Canadian consumer.

I just returned from my riding today. I had an open house in my office in the east end of Vancouver. People came to see me. They came with their hydro bills and told me they are going up. They came in with their heating bills and told me that they were going up. Some told me that their pensions are increased by 8 per cent or so but that their energy costs have gone up 30 per cent. There is nothing in this package to help.

What does the government do? Does it give some money to old people? Does it give some money to people on fixed incomes? No, it gives money to Imperial Oil and the rest of the industry. It gives the industry $2 billion. This is an industry which was one of the richest in Canada.

Mr. Benjamin: Still is.

Mr. Nystrom: Joe Clark's friends.

Mr. Waddell: My friends to the right ask for free enterprise. Is free enterprise giving $6.5 billion in PIP grants to this industry? Is free enterprise bailing out Dome Petroleum? Is free enterprise giving super-depletion allowances and further grants? Is that free enterprise? If it is, I would like a little bit of that free enterprise to be given to some of the people who come into my office.

Some hon. Members: Hear, hear!

Mr. Waddell: In 1979, the Canadian taxpayers put up 61.7 cents of every dollar of oil company profits. The oil companies in this country have $4.3 billion in deferred taxation revenue. Under PIP some companies will get 93 cents of every dollar spent from the taxpayers of Canada.

My party is not against the small Canadian oil industry. Part of the problem of the National Energy Program is that it has backfired. What has happened is that companies like Imperial Oil, Gulf and Shell, because they have downstream refinery operations and marketing operations, could weather the heavier taxes. Smaller Canadian companies, in the upstream were suffering, so it is partly right that the minister should change the PGRT with respect to small companies. However, the $250,000 minimum amount and which companies will not have to pay the PGRT are not defined. This applies to all companies. It should be better directed and there should be a performance test as to what is done with the money.

I noticed the minister's style and tone tonight. I know when you are in retreat you have to make a defence. The minister is a good lawyer, and he knows that the best defence is a good offence, so he projects a confident style. However, let us look at the National Energy Program and leave aside all the rhetoric about how it is socialist, which it is not. Let us look at it from a practical point of view.

• (2130)

One of the bases of the National Energy Program was that world energy prices were going up. This is hindsight. The Department of Energy, Mines and Resources should have known last September, as most other competent analysts in the world knew, that there was going to be a glut of oil. I see the minister laugh but I think his department should have known that. This program was based on oil prices continuing to go up, but instead prices have fallen. There has been conservation in Canada and that is a good thing, but I would remind the minister that he is cutting out $23 million for municipalities for energy conservation and, on the other hand, is giving $2 billion to the oil companies. We could have a lot more conservation if we put some of that money into the effort.

The real problem is that there is a recession in this country. That is why energy conservation will come about. I hate to say that that is part of the reason, but we have had a recession. The problem with the National Energy Program is that the planners in the department looked at the oil industry and thought that it was making tremendous profits. It is different from our manufacturing industries which had to go to the banks to borrow money when they wanted to expand. The oil industry just had to take the money out of cash flow. Any time they were challenged, as the government challenged them in the early 1970s, they just lobbied and had the program changed. History is repeating itself tonight. They had a big cash flow so they explored and found mainly natural gas and some oil. There was tremendous pressure to export that natural gas.

The minister and his department came along with the National Energy Program and started taxing the industry—until the minister retreated tonight. Then the industry found that, like other industries, it had to go to the banks. It spent a lot of money for borrowing and taking over private Canadian companies as the minister encouraged it to do, but suddenly we had recession and high interest rates, and it found it was hung out to dry. That is why the industry is in trouble now.

If the minister really wanted to help the industry he would not go back and give it $2 billion. He would look over to his colleague, the Minister of Finance (Mr. MacEachen), and ask him to lower interest rates. That would help the industry, and that is the way to do it.

[*Translation*]

I wonder why the Government of Canada, at a time like this, has decided to hand $2 billion over to the big oil companies in Canada. The government does not have the money to spend on health services or education or unemployed workers in this country, so I fail to understand, Madam Speaker, how the Government of Canada is able to find $2 billion to help these big companies which are very, very well off, and why—

Mr. Baker (Nepean-Carleton): Shame!

Mr. Waddell: —the Government of Canada does not have the money to help the poor people in this country.

[*English*]

I wanted to mention that the announcement tonight encourages further gas exports. I just returned from Calgary, and I would point out to the minister that there are other ways of doing this. We do not have to export all our cheap natural gas

because if we do, we will have the same problem that we have with oil. When the minister was in opposition he said that it was necessary to work with Alberta to get a pro-rationing system, and that it was necessary to clean up the marketing system. Madam Speaker, the marketing system is in a terrible mess in Alberta.

There is nothing in this announcement about a gas bank, Madam Speaker. The minister spoke about a program of switching from oil to gas, and that is a good program which should be expanded. The pipeline to the Maritimes and other places should be proceeded with. We cannot encourage Canadians to switch to natural gas and then not be able to supply it at a reasonable price in the years ahead. That would be a complete disaster.

The hon. member for Etobicoke Centre (Mr. Wilson) estimated that this package would cost consumers about $600 million. My estimate is that it would cost consumers $1.2 billion. I would remind my friend to my right that both they and the Liberals have, not misled the Canadian people, but have given people the idea that there would be cheaper energy in Canada.

I see an hon. member pointing to the minister. His party, when in government brought down an 18-cent excise tax, but it was projected to go up and up and up. The Conservatives would have brought in a huge increase in the price of energy, and they cannot say otherwise. All they have to do is to read their own budget. Now the minister, in a Liberal government, had a chance to lower the petroleum compensation charge to make energy a little cheaper for the average Canadian, but he opted for aiding the industry. I guess he wants to be Minister of Finance because he certainly aided the industry tonight.

I think I have made the points I have wanted to make, Madam Speaker, and tomorrow I hope to suggest some alternative ways to aid the Canadian consumer. Tonight we have seen a sell-out and a retreat. We have seen a rich industry, with some companies that need some help, given general help of $30 billion at a time when there is no money for health, education, employment, job creation, pensions and so on. That money has to come from somewhere, Madam Speaker, so it will come from forgone revenue and from the consumer. it means further cutbacks in government programs.

These are our oil resources, Madam Speaker. We do not have to get on our knees and be grateful to the oil companies. These are Canadian resources, so we should not have to pay OPEC prices. We should be giving the Canadian consumer a break. Of course, we should encourage conservation in all the ways we can. We have to recycle that money.

Judging by some of the public opinion polls, some people in this country think that our attitude toward energy is too conservative and we should Canadianize more quickly and by 1990 have a 75 per cent Canadian-owned industry. Some people think we should make Petro-Canada the leading oil company in Canada. That is not what we get from this announcement, nor do we get a limited amount of help for small companies, but rather this broad brush stroke that will help Imperial Oil and Dome. My colleagues and I sit and cry every night. We are losing sleep over poor Imperial and poor Dome which have taken so much money from Canadian taxpayers in the past.

The sad thing about this announcement tonight is that not only is the minister in retreat but that a program which could have been good has been messed up by a tax regime that is getting worse because we are backtracking.

Mr. Baker (Nepean-Carleton): You put them there.

Mr. Waddell: We did not put them there. We voted against an incompetent government with high oil prices. The people put them there.

As Frank Scott the poet said, this country is silent, waiting to be developed and to be born. We have all the resources known to mankind. We have the heavy oil deposits in Wainwright, Lethbridge and Lloydminster. The oil is out there. We do not have to do what the minister has done. No oil has been produced from the Beaufort Sea, so how is that to bring us self-sufficiency? This energy policy, in spite of the face the minister puts on it, is in tatters. Tonight we are witnessing a retreat which would do Napoleon proud. When there is so much to be done, when there are so many people who call for help to pay for heating oil or gasoline, who is speaking for them? Basically what this program tonight comes down to is more money for oil companies. It is NEP-2.

• (2140)

Mr. Wilson: Madam Speaker, the minister made reference to the fact that the petroleum compensation charge would be the same or possibly lower. In view of the fact that inflation is such a terrible problem for the country, and many people on fixed incomes are suffering terribly from the increasing prices of energy, why did the minister not make some commitment to reduce the petroleum compensation charge so that Canadians could have some assurance that we will see a levelling off in the escalation of energy prices?

Mr. Lalonde: Madam Speaker, the petroleum compensation charge is set at a level to pay for the cost of imported oil, the cost of new oil and oil coming from the tarsands. Under the agreement with Alberta the federal government is not going to make money from that charge. Over the period 1981 to 1986 the moneys received under that charge should balance out. We are working to try to keep it reasonably in balance every year, but there will be years of a relatively small surplus or a small deficit. I can tell my hon. friend that, barring unforeseen developments in the price of oil, towards the end of 1982 I expect to be able to recommend a reduction in the petroleum compensation charge on January 1, 1983.

Mr. Wilson: Madam Speaker, it would have been very helpful and reassuring if Canadians could feel that this policy was designed not just for one part of the economy, but to recognize some of the problems consumers are facing. My second question relates to rumours about government assistance to certain Canadian-owned elements of the oil and gas industry which are in some heavy financial difficulties. I wonder if the minister regards his announcement tonight as

being a response to those problems, or whether there is a possibility of some further action by the government to respond to the situation?

Mr. Lalonde: Madam Speaker, the measures announced tonight are of a general nature to help all the industry. As a matter of fact, as I indicated before, the weight of those measures is directed towards the smaller companies, most of which are Canadian owned. The greater benefits of this program are going to go to the small companies which have proven to be the most dynamic and positive elements in the industry, ones with the highest re-investment rate and ones that work in Canada to create jobs for Canadians. Those measures have to be seen in that respect, but they are of a general nature. Some elements in the program I have announced will be of benefit to some of the larger companies, some of which are in the situation referred to by my hon. friend. As far as individual Canadian companies which may have special difficulties at the present time are concerned, that is another issue and I have no comment to make on it.

Mr. Rod Murphy (Churchill): Madam Speaker, my question to the minister has basically to do with what I think is the misleading nature of this document, and I do not mean that in an unparliamentary sense. The title indicates that it is a National Energy Program update. Yet when we look through it, we find that basically it is another statement on the oil and gas industries alone. If I look at page 67, I find only one paragraph on the western power grid. That is a megaproject which will provide hydro from northern Manitoba to Saskatchewan, and even to Alberta, to provide low cost energy. One paragraph out of this huge report is on the western power grid. The paragraph says that the government will give serious consideration to a request for financial support on that project. For a government which said it had ironclad guarantees on the Alaska pipeline, a government which said it was committed to reducing unemployment and interest rates and strengthening FIRA, if those are the hard words they have used for things they have not done, what the hell does "serious consideration" mean?

Mr. Lalonde: Madam Speaker, as my hon. friend may know, there is a new government in Manitoba, and we wish it well. However, there have been some very preliminary discussions between that government and the federal government. There have been telephone conversations between the Premier of Manitoba and the Prime Minister (Mr. Trudeau), discussions between myself and the Manitoba minister of energy, mainly over the telephone, and approaches made to the federal government as to whether it would be ready to consider some form of support to the western grid, particularly through some financial technique, the details of which I would not want to get into at this time. These approaches were of a very general and preliminary nature. The federal government has indicated to Manitoba that it is willing to sit down with them and examine in a very positive way their proposal which, at present, is still very much of a general nature. Therefore, we are not in a position at the present time to come up with a firm statement on exactly what we could do. Such a statement would be premature for the good reason that we have not yet sat down with the Government of Manitoba in that regard. We have indicated our general positive approach to their request, and this will be pursued over the next little while. I do not know whether it is a matter of weeks or months but we have had discussions in this regard.

My colleague, the Minister of Employment and Immigration (Mr. Axworthy), had discussions with some ministers of the Government of Manitoba as recently as last week, and he is following this file very closely indeed, and with great interest.

• (2150)

Mr. Murphy: Madam Speaker, I have a very short supplementary question. I welcome the good news from the minister. However, there is one thing I would like to check. He has given the impression that this is just a new proposal that has come with the New Democratic Party government in Manitoba. Is it not true that this is something which has been under discussion between the previous Conservative Government of Manitoba and the federal government for a number of years? If that is the case, why are we still at the stage of serious consideration?

Mr. Lalonde: For a very simple and good reason, Madam Speaker. Until quite recently there was no agreement between the two prairie governments—

Mr. Murphy: Three prairie governments.

Mr. Lalonde: Sorry, the three prairie governments, as to whether this particular project would go ahead. There has been nothing precise and formal to consider because the three governments were at odds, and sometimes rather severely at odds, on that particular project. It may have been that some approaches were made over the years of a very general nature, but there was really no project about which people could say it will cost so much and that this will be done this year or next year, etc.

It was not until we had an indication that the three governments were now ready to back the project and go ahead with it that we could start seriously considering the proposal or getting down to the specific points of it. We are quite ready to sit down with the Manitoba government with regard to this.

Mr. John Thomson (Calgary South): Mr. Speaker, I have a few short questions. The minister took great pains this evening, both in his documentation and in his speech, to describe to us what a great success the National Energy Program had been. If it is that successful, why did the minister feel it necessary to offer tax relief to the extent of $2 billion to the industry?

Mr. Lalonde: Madam Speaker, the success of the program has to be judged on the basis of several elements to which I have referred, namely, security of supply, opportunity for Canadians, and fairness in terms of cost to the consumer.

There is little doubt for any objective observer that the National Energy Program has proved to be a great success in that regard. As I have indicated, we have, through conservation and substitution in particular, reduced substantially our projected reliance on imports in this decade. We have increased significantly Canadian participation in the industry. We have a price regime that is fair and advantageous compared to any other industrialized country in the world. These are major achievements in themselves. But this particular industry is facing some difficult problems in terms of cash flow. We believe these problems will remain through 1983. We want this industry to be dynamic and we believe it is the engine of economic development for many areas of this country.

Mr. Wilson: It was.

Mr. Lalonde: It will create jobs. Benefits will accrue all across the country. This is why we have decided to bring additional benefits at this time, bearing in mind and taking into account problems relating to lower sales than had been expected and higher interest rates than had been expected. That industry is facing serious cash flow problems. This is particularly evident in the smaller firms. This is why we have concentrated our efforts to help the small firms, most of which are Canadian.

Mr. Thomson: Madam Speaker, the minister appears very confident that the alterations he has made this evening will restore investor confidence in the industry. In June, 1980, before the National Energy Program was introduced, 461 rigs were operating in the western Canadian sedimentary basin. This morning only 121 rigs were operating in the western Canadian sedimentary basin. I think the minister may remember that I asked him a question immediately following the introduction of the National Energy Program. At that time the Toronto stock exchange index on oil stood at some 5100 odd points. Today it stands at 2600 points. That is a 50 per cent reduction.

Would the minister, being as confident as he is that these changes will restore confidence to the industry, be prepared to offer his resignation in the event that during the next six months only 50 per cent of the 340 rigs, that is 170 rigs will go back to work? I ask for only 50 per cent of them. If he is so confident that what he has put forward this evening will add perhaps 1,000 points to the oil and gas index on the Toronto stock exchange, which is proof of the pudding, does he have enough confidence to stand up and offer his resignation if we do not achieve those two things?

Mr. Murphy: What about an ironclad guarantee?

Mr. Lalonde: Madam Speaker, my friend is concentrating on drilling rigs. I remind him first that the Canadian Association of Oilwell Drilling Contractors before the introduction of the National Energy Program in 1980 said that because there was a surplus of natural gas they were unable to sell gas. That association expected a 40 per cent decline in the number of active drilling rigs in Alberta. That was before the National Energy Program was introduced and before the recession in North America which has led to further declines in demand for drilling rig activity.

My hon. friend often refers to drilling rigs that have left Canada for the United States. I remind him that many of these operators have not found the Eldorado they were expecting in the United States. A good friend of my colleague and a good friend of mine moved six rigs to the United States in protest against the National Energy Program. Out of his six rigs, he has five rigs inactive in the United States. They are doing nothing. He has one rig working in the United States.

Mr. Clark: What does that prove?

Mr. Lalonde: That is the state of affairs in the United States where there is no National Energy Program. I would urge my hon. friend to bear in mind the general environment and general context of the oil and gas industry at the present time, not only in Canada but around the world.

Mr. Clark: Where is your courage, Marc? Put your seat on the line.

Mr. Lalonde: One has to see the situation with that kind of perspective. We expect a large degree of activity in the oil and gas industry. As I have indicated, that industry finds itself now with roughly the same percentage of the total pie it had between 1975 and 1980. The percentage is 46 per cent versus 45 per cent during that period. But it is a much larger pie, a pie with $163 billion in it, while the previous pie had about $60 billion in it. The pie is larger but the percentage is about the same. If the industry cannot make it within that kind of environment, I am afraid even my hon. friend could not make it go.

Mr. Peter Lang (Kitchener): Madam Speaker, I have a couple of questions for the minister. First, can the minister tell us whether he has taken any measures to alleviate the problem of potential shut-in volumes of oil and gas?

Second, on page 17, there is a table showing a comparison of projected revenues now with those anticipated in September, 1981. In that table, we see a projected decrease in the revenue of $25 billion. Can the minister tell us how much of this had been set aside for government expenditures, and what effect this reduction in revenues will have on the government's fiscal position and current account deficit?

Mr. Lalonde: Madam Speaker, as far as shut-in oil is concerned, I have indicated that the government would immediately ask the companies to limit themselves to the minimum required under their term contracts with suppliers from abroad. This means in effect that there should be no purchase of oil on the spot-market outside of Canada. The program also indicates a number of other measures, such as financial support for swaps between Canada and the United States in the west in exchange for swaps in the east. We would want to discuss with the industry the possibility of setting up storage of shut-in oil in the west to take into account the fact that in certain periods there appear to be large shut-ins, while in other periods there is practically no shut-in oil.

• (2200)

As to the last point referred to by my hon. friend, it is clear that the Government of Alberta, the producing provinces generally, and the Government of Canada see their revenues considerably reduced between 1982 and 1986 compared with the forecasts which were made at the time of the Alberta agreement last September because of increases which are less than was anticipated. Obviously this has an impact on fiscal arrangements, and the Minister of Finance will have to bear these facts in mind when he presents a review of the budget estimates over the next few years.

[*Translation*]

Madam Speaker: At this point, a motion to adjourn the House under Standing Order 40 is deemed to have been moved and seconded—

[*English*]

The Right Hon. Leader of the Opposition is rising on a point of order?

Mr. Clark: Madam Speaker, I rise on a point of order. I understand that there was unanimous agreement to give the Minister of Energy, Mines and Resources (Mr. Lalonde) the opportunity to make a statement on motions tonight. There are two points which I want to raise. One is that, to my knowledge, there was no indication at that time that there would be a limitation upon the right of Members of Parliament to put questions to the minister in relation to his unusually long statement. Indeed, there was no indication that the normal hour of ten o'clock would be invoked in these circumstances. Second, I think there is an open question as to whether or not the House is still at the stage of motions.

The House will recall that at an ealier stage this evening, without any notice to the deputy House leader of the Official Opposition, there was a request made for an opportunity to revert to motions to present a report of the Standing Committee on Indian Affairs and Northern Development. Since the deputy House leader of the Official Opposition had not been advised—and the House knows that the normal practice is to advise the deputy House leader or his representative in such a circumstance—consent was not given.

There has now been, as I understand it, some conversation with regard to the opportunity to have that motion presented again by a member now in the House, with the right under our rules to present that standing committee report. I know the House would not want, perhaps inadvertently, to act in a way which would prevent the will of a standing committee of the House from being heard.

For both those reasons, I beg Madam Speaker's indulgence to allow the House of Commons to continue its work past the normal hour of ten o'clock, first to allow us to question the minister on an unusually important and unusually long statement on motions and, second, to provide the House with an opportunity to consider again, now that all parties have been advised, the wisdom and the possibility of allowing the whole House to receive a report of a standing committee of the House which, if not received today, would not become effective.

Mr. Pinard: Madam Speaker, the Right Hon. Leader of the Opposition (Mr. Clark) raised two points which are well covered by the Standing Orders. I am sorry to say that he is absolutely wrong on both of them. In the first point he raised he said that he did not expect, since we gave unanimous consent to allow the minister to make a statement in the House as opposed to outside the House, questions to be limited. He should know that in Standing Order 15(3) it is spelled out very clearly that after the statement of the minister Madam Speaker has the discretion to allow a few brief questions on the matter and that the length of time is left to her discretion. I think that after two hours ample time has been given, but in any case it is at your discretion. I am sure the minister will be here tomorrow during question period to answer further questions on the matter.

For the benefit of the Leader of the Opposition, I should like to quote Standing Order 15(3), which reads:

> On Statements by Ministers, as listed in section (2) of this Standing Order, a Minister of the Crown may make a short factual announcement or statement of government policy. A spokesman for each of the parties in opposition to the government may comment briefly thereon and Members may be permitted—

It reads, "may be permitted", not must be permitted. It continues:

> —to address questions thereon to the Minister. Mr. Speaker shall limit the time for such proceedings as he deems fit.

• (2205)

The standing orders are very clear. It is at Your Honour's discretion. It is not because we agreed to allow the minister to make his statement at eight o'clock tonight in the House of Commons as opposed to outside the House that we should automatically agree to long questions and agree to go beyond Standing Order 15(3). May I add Beauchesne's Citation 263—

[*Translation*]

—page 87, fifth edition, and I quote:

> 263. A brief question and answer period may follow the Minister's statement and Opposition comments. The length of this period is left to the discretion of the Speaker by the Standing Order.

Madam Speaker, I think it is quite clear you have been extremely generous and patient. Tomorrow, the minister will be in the House during question period, and at that time he will be able to provide even more appropriate answers to questions which, I hope, will be more sensible than those demanding his resignation, as was the case during the last comments made by hon. members.

[*English*]

The second point raised by the Leader of the Opposition (Mr. Clark) was that consent was denied to allow the chairman of the committee to table the report earlier this day. The chairman told me that there was an understanding among members of that committee that each of them would speak to

their own House leader about the requirement for unanimous consent allowing him to table the report at this time. In so far as I am concerned, even if the Tories had played a trick in committee this morning, I was nice and said, "Fine, no problem. We will agree that the report be tabled". But tonight at eight o'clock they denied that consent. We presume that their members on the committee who played the trick were able to put their act together and tell their own House leader that they wanted to give consent so that the report would be presented on time tonight. But they themselves denied that consent. They cannot get their act together, and they must suffer the consequences.

Let me point out also that the Standing Orders are very clear. Under the Standing Orders, when ten o'clock is called, all reports are deemed to have been made. Even if we were to consent now, it would be too late. So for all those reasons, we want Your Honour to call it ten o'clock.

Mr. Deans: Madam Speaker, I just wanted to add that, from our point of view, we would be happy both to have the hour extended to allow for continued discussion and to have the motion from the standing committee reintroduced. We gave approval for it earlier in the evening. We would be happy to give approval again if the government House leader felt the urge to present once again the standing committee report.

Madam Speaker: Well, it is past ten o'clock. It is true that I do have the discretion under Standing Order 15(3) to allow hon. members to ask questions when the minister makes a statement in the House, and I have done just that. But that discretion given to me under Standing Order 15(3) is limited by Standing Order 40 which tells me that at ten o'clock I must call the adjournment debate, and that is what I was prepared to do. I received no indication from anyone in the House that we were to go beyond ten o'clock. Therefore, in conformity with Standing Order 40—the Right Hon. Leader of the Opposition.

Mr. Clark: I rise on a point of order, Madam Speaker. First of all, I regret that the government House leader referred to any party suffering the consequences of its actions in the House. That indicates a state of mind in his part which could bode ill for the future conduct in the House of Commons.

Mr. Pinard: Oh, you blackmailer.

Mr. Clark: Let me simply rise at this point, since there has been the expression by the New Democratic Party of its interest in having the committee report of the Standing Committee on Indian Affairs and Northern Development presented. That was moved by an hon. member of the Liberal Party, the hon. member for Cochrane (Mr. Penner), and I believe it was supported by other hon. members of that party. Since the inadvertence, in terms of informing our deputy House leader, was on this side of the House, which I accept, and since our party, now that our deputy House leader has been informed of the circumstances, would certainly be prepared to allow the House to accept a report of a committee of the House, as Leader of the Opposition I would therefore like to ask the unanimous consent of the House of Commons to revert to motions to allow the most recent report of the Standing Committee on Indian Affairs and Northern Development to be received by the House as a matter of courtesy to hon. members of the House.

• (2210)

Mr. Pinard: Madam Speaker, there are two points. First, the Leader of the Opposition seems to recognize that it was the error of the Conservative Party that they did not give the appropriate consent earlier this evening. Considering that admission of error, and the fact that they cannot get their act together, I am willing to take their request under consideration and tomorrow see whether we can agree that the motion be moved by the chairman of the committee. I am not in a position tonight to give that consent.

Madam Speaker: It is quite clear that the House does not give unanimous consent to have the report presented to the House.

Mr. Clark: Madam Speaker, I am sure it was entirely by inadvertence that the government House leader, in offering to consider this matter, has overlooked the consequences of the committee report being considered tomorrow. That report, because of rules with which the Chair is familiar and with which the government House leader on reflection is familiar, if it is not received by midnight tonight, May 31, the end of our sitting for May 31, will be null and void. It will have no effect.

The minister, who spoke earlier of tricks, has, I am sure inadvertently, put himself in a position where he might be practising that sort of thing himself. I know he would not want to do that. I know he would want to give the House of Commons the opportunity to accept the report of the committee of this House. According to the rules of the House, we can only do that before the end of this parliamentary day.

If there is a delay until tomorrow, the Parliament of Canada will have acted deliberately to deny a report of a standing committee of the House of Commons to be considered by the House of Commons. I am sure that is a matter the House of Commons would not want to have occur.

Since the government House leader has indicated his willingness to look at my request in a positive way, now that I have brought to his attention the fatal implications for that report of the standing committee of his not agreeing to have that motion accepted now, in the interest of having some reasonable conduct and courtesy prevail in the House of Commons, he would be prepared now to give me the unanimous consent that I, in my capacity as Leader of the Opposition, request.

I am sure that other hon. members would be quite prepared, as I have been in the past, to extend the courtesy of accepting the request. I am sure they would return that courtesy tonight to allow Parliament to function.

After all, we are but a week away from the introduction of rules to reform the Parliament of Canada. If this is a demonstration of the spirit of a reference to a committee—

Mr. Pinard: That was done today.

Mr. Clark: Indeed it was done today. If on the very day the reference is made to a committee to allow Parliament to consider a reform of the rules the government acts in a spirit which denies Parliament the capacity to act, I am sure that matter would be deeply regretted by all members of the House. It could cast a long shadow over our subsequent ability to work productively together in this chamber.

Madam Speaker: Before we go any further, I want to tell the House that there are two difficulties. The first is with regard to obtaining unanimous consent. Second, I have to inform the House that I do not have a signed copy of the report by the chairman. That is irrelevant if the House wants to give its unanimous consent. I am in the hands of the House. I can do all of these things if the House consents.

Mr. Pinard: Madam Speaker, the Leader of the Opposition (Mr. Clark) with honey voice talks about spirit. He must know what happened this morning. Committees do not usually meet on Monday mornings. The Standing Committee on Indian Affairs agreed to meet at the request of some members of his party who said they wanted to deal with substantive matters, not to vote on the estimates as such. The Tory party members played a trick this morning when they voted on one of the items, surprising the members on the government side because, once again, committees usually do not meet on Monday mornings. The trick was played then. The spirit must be considered in the light of what happened this morning in that committee. The trick was played by the Tories. Having that in mind, we must understand that it is not very easy for us who, knowing that we have been tricked, were willing tonight at eight o'clock, when the chairman of that committee rose to seek unanimous consent to table the report—including the trick of the Tories—to agree to that. The Tories said no. I rose on a point of order, asking it to be noted that the Tories said no. Now they want to play a trick, but they could not put their act together. It is as simple as that. Tonight the Leader of the Opposition talks about good spirit and he says we had better agree to the talking because the spirit might change. Just because of blackmail, the answer is no. We do not agree. We do not consent.

• (2215)

Some hon. Members: Shame, shame!

Mr. Pinard: We do not like to be blackmailed, Madam Speaker, nevertheless—

Some hon. Members: Oh, oh!

Mr. Pinard: Nevertheless, he should know that under the rules, by unanimous consent anything can be done. When I said to him that, despite all this, I was willing to consider his request and come back tomorrow, after having talked to the chairman of that committee—who is not here at this time—he should have known that, by unanimous consent, we can go beyond the rule which says that by midnight a report is deemed to have been made. So I will not give in to his blackmailing tonight. We will give consent only after I have had the opportunity to speak—

An hon. Member: Order, order.

Some hon. Members: Hear, hear!

Madam Speaker: It is obvious to the Chair that there is no unanimous consent for the request to table that report tonight.

Mr. Oberle: Madam Speaker—

Madam Speaker: Is it a question of privilege or a point of order?

Mr. Oberle: A point of order, Madam Speaker. I must bring to your attention and to the attention of the President of Privy Council, the government House leader (Mr. Pinard) that I and several other of my colleagues in the House tonight are members of this committee. I fail to see that there were any tricks played. I do not know what was reported to the House leader, but there were no tricks.

Madam Speaker: Order. I do not think I can entertain any more discussion about this particular problem. There is no unanimous consent. This was the request that was made by an hon. member. There is no unanimous consent. In my view, the question is final for the time being and it being ten o'clock—

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

AUTOMOTIVE INDUSTRY—APPLICATION OF NON-PROFIT BARRIERS TO JAPANESE IMPORTS. (B) CUSTOMS INSPECTION OF SHIPS CARRYING JAPANESE IMPORTS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, it is clear that we have a problem in this country, and it is not only a problem of procedure in this House. Right now I am considering the problem that we face on the west coast, where customs officers have been directed by one of the ministers, or maybe by several of the ministries, to use banana republic tactics to abuse the Japanese auto importers in the port of New Westminster, the Fraser Harbour Commission and the Annacis Island. Mr. Speaker, that problem is symptomatic of a much deeper problem. The minister has resorted to that particular tactic of dragooning those importers and chastising them and the workers on the west coast, because of his abject failure in negotiating with the Japanese car manufacturers.

I think all of us will concede that it is not easy to negotiate with the Japanese manufacturers. They are very shrewd businessmen. They are very hard nosed and they are going to get as much as they can for their country. We understand that, we respect it, but we do not have to accept the failure of these ministers, and then to have that failure compounded by heaping abuse on the workers on the Pacific coast. Why should the workers out there suffer because of the bungling of the Minister of State for International Trade (Mr. Lumley) and the Minister of Industry, Trade and Commerce (Mr. Gray) and then make the Minister of National Revenue (Mr. Rompkey) the lackey to cover up their failures? That is the problem.

• (2220)

Today I asked the Minister of Industry, Trade and Commerce about the fact that bludgeoning tactics are being used on the west coast for a self-serving purpose of his ministry. The minister said he intends to preserve and maintain the jobs of several hundred thousand Canadians in all parts of this country whose lives are linked with the production, distribution and sale of automobiles and parts. Putting that into language all of us can understand, the minister is willing to sacrifice several hundred jobs in British Columbia to save several thousand jobs in Windsor. In terms of mathematics, I can understand that. In terms of morality, it makes no sense at all.

The problem lies deeper than that. There is an inability and an unwillingness on the part of this government to look at the sickness which exists in the car industry in Canada today. The problem is not that the Japanese are making good automobiles. The problem is that the Canadian industry is making automobiles Canadians would like to buy but cannot afford to buy. It is not a matter of price tags; it is a matter of value.

The same edition of the newspaper which reported problems on Annacis Island also reported that Chrysler and Ford have recalled 127,000 cars. Incidentally, that number is about two thirds the total number of Japanese automobiles imported into Canada annually. In one fell swoop the Canadian car industry has to recall 127,000 cars. The Canadian car buyer cannot afford that kind of value! If the Canadian car was one which Canadians wanted to buy because of value, there would be no international problem.

For the benefit of the minister I want to read just two short paragraphs from an editorial in yesterday's Vancouver *Province* entitled "An obnoxious campaign".

> Barry Melchin, whose trucks move imported cars landed in the Lower Mainland to dealers throughout B.C. and Alberta, summed it up: "I don't see why my drivers should have to sit around and my cash flow dry up because they can't build decent cars in Ontario."

The editorial is summarized at the end, where it says:

> Smarter people would be devoting their energies to making sure that North American cars are better-designed, better-built and more competitively priced.

That is the problem, and instead of looking at the problem, the minister wants to chastise workers in British Columbia. I know the Canadian car market is in trouble, and I suggest to the minister that we take an honest, unjaundiced look at the problem and not resort to a cure which is worse than the disease.

The minister keeps saying it is time to impose quotas. Surely elementary economics would tell him that as soon you institute quotas, you drive up the price of cars, and low-income families in Canada particularly could ill afford to purchase them. It would be better to increase Canadian content in those Japanese cars and make the Japanese auto manufacturers use Canadian parts so that the Canadian parts industry in Ontario would prosper, and therefore the automobile industry in Canada as a whole would prosper because it could compete with Japanese imports, which are now inundating the Canadian market.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member, but the time allotted to him has expired.

Mr. Friesen: I need more time, Sir.

Hon. Ed Lumley (Minister of State (International Trade)): Mr. Speaker, I appreciate this opportunity to participate—even if it is only for three minutes—and to respond to the questions of the hon. member for Surrey-White Rock-North Delta (Mr. Friesen).

Unfortunately, because of other matters, I was not able to get to the House on time today to answer the hon. member's questions in question period. However, it is obvious that the hon. member has not been listening to his colleagues in the Conservative Party for the last three or four months. The hon. member for Ontario (Mr. Fennell) and the hon. member for Halton (Mr. Jelinek) in particular have been screaming day after day, week after week and month after month for the government to take tough action to restrict the imports of automobiles from Japan.

If I remember correctly what the hon. member said a few minutes ago, he said it would be ridiculous to impose quotas at this time. He should tell that to his Conservative colleagues who have been saying for the last three or four months that we should impose quotas of 15 per cent on the import of automobiles into the Canadian market and 8 per cent on the import of trucks.

• (2225)

The hon. member knows that I went to Japan in March and met my counterpart, the minister of industry and trade for Japan. I put before him specific proposals to voluntarily restrict the sale of automobiles to Canada during the next 12 months, to place a ceiling on the sale of commercial vehicles, and to agree to a commitment to negotiate content in some form or other in a long-term arrangement between the two countries. He rejected all three requests.

We are not asking for something that the Japanese did not give to somebody else. In 1980 the Japanese government agreed to give the U.S. industry a one-year period of restraint at a level resulting in a 7.7 decrease from 1980 sales. At the

same time, Canada's agreement with Japan resulted in 1980 sales plus 10 per cent. This year all we asked the Japanese authorities for was the same agreement they gave to the United States in 1980.

Consultations presently are going on at the official level between Japan and Canada. As the hon. member knows, the automobile industry is in a serious state in Canada. Thousands of employees have been laid off as a result of the decline in our market plus the import penetration. This is not just in Ontario or Quebec but about 300 dealers have also closed down across Canada.

Until such time as we arrive at a satisfactory settlement we feel there is no alternative, and therefore we have asked Canadian Customs to strengthen customs procedures at the point of entry. That is not something we want to do, as we had hoped to arrive at a mutually satisfactory decision. Unfortunately, that has not happened to date.

I am very hopeful that before long we will reach a decision beneficial to Japan and to Canada and that we will continue, in the long-term interests of both countries, to expand our bilateral trade of over $8 billion.

CUSTOMS AND EXCISE—QUERY RESPECTING POSSIBLE EXTENSION OF CUSTOMS AREA TO INCLUDE CONTINENTAL SHELF

Mr. Maurice Foster (Algoma): Mr. Speaker, on May 4 this year I put the following question to the Minister of Finance (Mr. MacEachen):

> In view of the advantages it would give to Canadian manufacturing industry, and especially the steel industry, of an extension of the Canadian Customs area offshore, to extend it from the 12-mile limit to the continental shelf, as Norway, the United States and the United Kingdom have already done, and the massive drilling and exploration program planned on the east coast offshore, is the government planning to extend our Customs regulations to include the east coast offshore to the continental shelf?

The Minister of State for Finance (Mr. Bussières) replied that my question was an interesting one—I was glad to hear that—and that it could help certain Canadian companies to gain a competitive edge. He went on to say that the question would require careful study. I hope that the parliamentary secretary who responds tonight will indicate that the study is complete and that we will be able to make decisions in this regard.

The Canadian steel industry which has been operating at a very high level of production for many years, has dropped in recent months to as low as 50 per cent of capacity. There have been extensive lay-offs and some companies such as Algoma Steel have been required to lay-off pretty well all the work force for one week in June.

I think it is important that the government should take every possible action to increase the amount of steel utilized within our borders. This proposal to extend the Customs area to the continental shelf would increase the use of Canadian seamless tube and other metal products.

The oil and gas bill that we worked so hard on in committee last year contains a provision that requires companies going into oil and gas production in the Canada lands to submit a plan to utilize the maximum Canadian content. In the North Sea development in the United Kingdom in the early '70s, there was only 25 per cent content required. In the course of a decade, that has been increased to 75 or 80 per cent United Kingdom content. That was achieved by having a team work with the oil and gas exploration, production and development companies and another team of about 100 people working with the actual British suppliers. It is a good model, one which Canada will be able to utilize as Hibernia and other similar areas beyond the 12 mile limit come into production.

• (2230)

If we look at our own situation, 85 per cent of the goods and services used in offshore exploration are imported. The rigs come from the U.S., so they naturally deal with their own suppliers. In fact, all this equipment is coming into Canada duty free because it is beyond the 12-mile limit.

So I think it is important that the government act immediately, and I am sure the parliamentary secretary will want to announce something just as soon as possible in this regard. The U.S., the U.K. and Norway have all extended their customs regulations to include the continental shelf, and it just seems to be common sense that Canada do the same in order to assist the steel industry.

We do not actually have production in those areas yet, but we will during the course of the decade, and while we are exploring in areas such as Hibernia we should extend the regulations so that the equipment will have a much higher Canadian content. I am hoping the government will move on this. I do not have an actual estimate on the economic benefits in terms of dollars and jobs, but I am sure that we are talking about literally millions, perhaps hundreds of millions, in goods and services which could be Canadian. We are certainly talking about literally hundreds of jobs in a steel industry which requires them right now in Canada.

Mr. Douglas Fisher (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I would like to compliment the hon. member for Algoma (Mr. Foster) for raising this issue in such a thorough and very practical fashion. The Minister of State (Finance) (Mr. Bussières) advised the hon. member that the extension of Customs jurisdiction is under very careful study by the government at this time. The study is well advanced and a full policy statement on the matter should be issued soon. At that time we will also be able to announce what we have decided to propose by way of changes in our coastal trade policy and measures of assistance for the shipbuilding industry. Much of this will have a direct bearing on the steel industry and the concerns raised by the hon. member.

Extending Customs jurisdiction beyond the 12-mile limit involves not only the application of regular duty rates from the Customs tariff, but also the provisions for anti-dumping and countervailing duties which can be applied when dumped or subsidized foreign goods cause or threaten to cause injury to Canadian manufacturers. The use of subsidized interest rates to finance the sale to Canada of various kinds of capital

equipment is one of the problems we are looking at in this connection. The government has received representations on this issue, not only from the hon. member for Algoma, who has done it so well tonight, but also from the steel and shipbuilding industries, urging Canada to extend its tariff and other protective measures to the outer limits of the continental shelf so that Canadian producers can take full advantage of the economic opportunities presented by offshore resource-related activities. We shall have to decide the scope of activities covered by any extended customs regime. Canadian legislation relating to the fishery already extends beyond the 12-mile limit. I am sure the hon. member for Algoma would agree that foreign fishing vessels operating in our economic zone in compliance with Canadian fishery laws should not be subject to Canada Customs laws. Under international law we also permit innocent passage through the waters over the Canadian continental shelf.

The hon. member is quite right that a number of other countries have already extended their Customs regimes to their offshore economic zones, and it would certainly be within Canada's rights to take parallel action. This has important ramifications for his riding and the voters and workers who live there, and I congratulate him for raising this matter.

Mr. Deputy Speaker: Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock.

At 10.36 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, June 1, 1982

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

STATUS OF WOMEN

PROVISION OF SHELTER FOR VICTIMS OF FAMILY VIOLENCE—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): Madam Speaker, the Standing Committee on Health, Welfare and Social Affairs tabled in this House on May 6, 1982, its third report—an inquiry into violence in the family. Among its many recommendations the committee calls on this government "to appropriate initial capital costs of new emergency shelters and funds for second stage housing" to offer protection and security to the thousands of Canadian women who are victims of domestic brutality. In light of financial obstacles facing emergency shelters, including Anselma House, a shelter for battered wives in the Waterloo riding, arising from CMHC's refusal to allocate funds for their second stage housing project, I move, seconded by the hon. member for Calgary West (Mr. Hawkes):

That this House urge the government to adopt the committee recommendation regarding second stage housing without delay and thereby demonstrate concern for victims of family violence.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HAZARDOUS SUBSTANCES

DEMAND FOR BAN ON FUNGICIDE CAPTAN—MOTION UNDER S.O. 43

Mr. Simon de Jong (Regina East): Madam Speaker, I also rise under the provisions of Standing Order 43. Whereas the Health and Welfare Department still demands the banning of the fungicide Captan because it is a cancer-causing agent and a danger to health; whereas the Department of Agriculture proposals will not effectively reduce public exposure to Captan; whereas a study by the Department of the Environment called for the transfer of registration of pesticides from the Department of Agriculture to a less biased agency, I move, seconded by the hon. member for Mission-Port Moody (Mr. Rose):

That this House instruct the government to institute an immediate ban on the domestic use of Captan, significantly reduce acceptable residue levels of Captan on fruit and vegetables, and convene a parliamentary inquiry into the registration process of pesticides and other chemical products.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL DEFENCE

FUTURE USE OF CANADIAN FORCES BASE CHATHAM, N.B.—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, since February of this year I have put five questions to the Minister of National Defence (Mr. Lamontagne), and introduced three motions on behalf of the people of the Chatham-Newcastle area, with reference to the government's decision to neuter CFB Chatham and destroy approximately 3,500 jobs in the process—all to no avail. After mammoth representations, including a delegation from the provincial Liberal Party, the government has made a colossal statement that the base will retain "some" military functions. I move, seconded by the hon. member for York-Sunbury (Mr. Howie):

That the government indicate if it is their intention to set up a retirement home for outdated tanks and leaky cruisers, a military museum where most of the Armed Forces gear could now go, or a memorial to those brave souls of the region who did not want to go down with the ship.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

[*Translation*]

BILINGUALISM

REQUEST THAT LEADER OF THE OPPOSITION DISBAND CERTAIN PARTY ELEMENTS—MOTION UNDER S.O. 43

Mr. Marcel Dionne (Chicoutimi): Madam Speaker, I rise on a matter of urgent and pressing necessity, under the provisions of Standing Order 43. Whereas the Leader of the Progressive Conservative Party (Mr. Clark) publicly restated his support for the policy on bilingualism during his visit to Chicoutimi yesterday, and whereas the same day, the hon. member for Peterborough (Mr. Domm) objected to the hiring of francophone staff for shops at Toronto Airport, and whereas the hon. members for Winnipeg-Assiniboine (Mr. McKenzie) and York North (Mr. Gamble) both object to the special francophone recruitment program in the public service, I move, seconded by the member for Gatineau (Mr. Cousineau):

That the Tory leader get rid of the elements in his party which refuse to consider French Canadians as one of the two founding peoples of Canada, and that he order those party elements to stop objecting to every measure aimed at improving the status of francophones in this country and making the insulting allegation that this would increase the burden on the taxpayer.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*English*]

AIRPORTS

DISMISSAL OF PARKING LOT ATTENDANTS AT VANCOUVER—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, in view of a recent decision taken by the Ministry of Transport to reject the lowest and all bidders for the provision of parking lot attendant services at Vancouver International Airport, a decision which led to the heartless termination yesterday of employment for 20 persons, including a number of new Canadians and middle-aged women supporting unemployed or handicapped husbands and their children, I move, seconded by the hon. member for Surrey-White Rock-North Delta (Mr. Friesen):

• (1410)

That the Minister of Transport be urged by this House to give the parking lot employees at Vancouver International Airport a six-month minimum extension of work at the airport or that he arrange alternative employment for them so that they may continue to support their dependent families.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

EXTERNAL AFFAIRS

ARGENTINA—OBSERVANCE OF BAN ON EXPORT OF CANADIAN PRODUCTS—MOTION UNDER S.O. 43

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, on April 12 the cabinet announced its decision to ban the import of all goods of Argentine origin as well as the export to Argentina of those goods and components which could be used as instruments of war. In contradiction of this policy, however, Canada has imported wood products into British Columbia from Argentina by way of a vessel of Argentine registry, the *Entre Rio*, with the shipper on Canadian customs control showing as Nassau, Bahamas, and, further, Canada has exported to Argentina in one shipment alone 400 tons of ammonium nitrate of 90 per cent strength which can be remanufactured as explosives which could be used against the British forces in the south Atlantic. In view of this contradiction of Canada's stated policy, I move, seconded by the hon. member for Pembina (Mr. Elzinga):

That this House call upon the government to enforce its so-called policy of banning Argentine imports and the export of those products of a war capability, including nuclear fuel bundles, because the strength of Canadian support for the British operations in the Falklands is being seriously undermined.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

HUMAN RIGHTS

ACKNOWLEDGMENT OF COURAGE OF EZEKIEL AND BENJAMIN HART—MOTION UNDER S.O. 43

Mr. David Berger (Laurier): Madam Speaker, I rise on a matter of urgent and pressing necessity, under the provisions of Standing Order 43. Whereas June 5, 1982, will be the 150th anniversary of an act passed in the Legislative Assembly of Lower Canada, granting persons of the Jewish religion all the rights and privileges of other subjects, and particularly the right to hold public office, and whereas the granting of full political rights to Jews did not take place until 1850 in the United States and until 1857 in Great Britain, I move, seconded by the hon. member for Joliette (Mr. La Salle):

That this House recognize the courage of Ezekiel and Benjamin Hart and others who fought for Jewish emancipation and honour the members of the Legislative Assembly of Lower Canada and its Speaker, Louis-Joseph Papineau.

Madam Speaker: Is there unanimous consent for presenting this motion?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*English*]

NUCLEAR ENERGY

CONDEMNATION OF SUPPORT FOR CANDU REACTOR PROGRAM—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I rise under the provisions of Standing Order 43. Last night the Minister of Energy, Mines and Resources (Mr. Lalonde) finally admitted that nobody outside Canada wants to buy a Candu reactor and that there is no further demand for nuclear electricity in Canada at the present time. However, after finally arriving at these two earth-shattering conclusions, the minister proposed a new nuclear energy export plan by saying:

> The Government of Canada believes that the Candu option should be preserved, if only to keep Canada's nuclear option open.

Therefore, in order to accommodate the irrational affection for the Candu demonstrated by the minister and his obsession with "preserving" this, the penultimate dodo of the great Canadian megaprojects, I move, seconded by the hon. member for Beaches (Mr. Young):

> That the government scrap its latest Candu bail-out scheme of building reactors in Canada to sell nuclear electricity risk-free to the United States and, rather, that it satisfy the minister's nuclear obsession by pickling one last Candu and presenting it to the radiant minister for his own personal use and enjoyment.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

NATIONAL ENERGY PROGRAM

PRICES OF OIL PRODUCTS

Mr. Jim Hawkes (Calgary West): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. I would like to congratulate him for finally having the courage to admit in public that his program was a disaster which needed changing. We are very pleased to see the changes.

Some hon. Members: Hear, hear!

• (1415)

Mr. Hawkes: In the document on the energy update, the minister does not make it clear that oil prices will be going up. By January 1, 10 per cent of the oil used in this country will be subjected to a new, higher price. I should like to ask the minister why he did not make that clear in the document. Can he tell us today, in terms that Canadians can understand, how much per gallon the price of oil and oil products will go up as a consequence of the new prices contained in his latest document?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I am glad to receive the congratulations of the hon. member although I would argue that they are certainly ill-founded, but one has to take small graces from Tory members.

I want to tell my hon. friend that the text of the document is quite clear. I am surprised that it took him that long to find out that an additional price would be paid for oil discovered between 1974 and 1981. That is spelled out quite clearly in this particular document, and every single journalist that I read got that point quite clearly. I fail to see why my friend had such difficulty finding it out.

As far as the question he asked is concerned, I am pleased to advise him that not only do we not expect any increase in the petroleum compensation charge in January to cover the cost of these particular changes, but in effect we expect a decrease in the petroleum compensation charge.

PRICE OF IMPORTED OIL

Mr. Jim Hawkes (Calgary West): Madam Speaker, the minister is saying that maybe by January taxes will go down, but I would point out to him that the price of oil will go up. If he had told Canadians last night that the price of oil was to be increased five cents per gallon, that would be the kind of clarity they could understand.

May I move on to suggest that the program would not have been changed if there had not been a perceived need for change, so it is an admission of mistake.

May I ask the minister why he did not deal with the following situation. In Canada today, tax dollars are used to provide a subsidy on oil imported from Mexico of $18 per barrel, which makes that oil $9 per barrel cheaper than the Canadian produced product. We need the jobs in Canada, and we need the money in Canada, so why did the minister not take the opportunity last evening to make sure that Canadian oil would be sold at a price comparable to imported oil? Why did he leave a policy in place which provides that imported oil will become cheaper than Canadian oil, while jobs and money are chased out of the country? Why did he leave that system in place?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, it was for the good reason that my hon. friend is as wrong on the second question as he was on the first. On the first point I want to remind him again that, because the price of international oil has not increased as much as had been anticipated, we will be able to finance the changes announced yesterday within and at prices which will

be below those forecast in the agreement with the province of Alberta that my friend was cheering last September. We are going to end up with prices lower than those anticipated under the agreement. That is clear.

The hon. member referred to Mexican imported oil, but I would remind him that we import oil from many countries such as Venezuela, Saudi Arabia, and others. As a matter of fact Mexico is only a small contributor to our total imports.

We have indicated that we took steps last month to reduce the quantity of shut-in oil in western Canada. In May and in June the level of shut-in oil will be as low as it has ever been in the past. In addition, yesterday we announced some measures whereby the companies are prohibited from buying on the spot market and will have to limit themselves to the minimum levels covered under the term agreement, in order to ensure that Canada will find itself able to get its supplies in the future if we ever run short of oil again. That is reasonable management of our energy policy and not, I am afraid, the kind of rhetoric in which my friend tries to indulge.

• (1420)

Mr. Hawkes: Madam Speaker, Mexican oil is the only oil bought by this minister, and that is why it is of special interest.

* * *

FINANCE

QUERY RESPECTING LEVEL OF INTEREST RATES

Mr. Jim Hawkes (Calgary West): My supplementary is directed to the Minister of Finance. Last night the Minister of Energy told us that the Minister of Finance is going to be short $25 billion—that is twenty-five thousand million—in the next five years. It can be recovered by cutting expenses, increasing taxes, or borrowing more and driving up interest rates. Can the Minister of Finance assure this party and the Canadian people that he will not raise interest rates in an attempt to cover up the mistakes made by the Minister of Energy? Can we have your assurance that—

Madam Speaker: Order. Order.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do not believe the Minister of Energy, Mines and Resources has made any mistakes. Quite the contrary.

Some hon. Members: Oh, oh!

Mr. MacEachen: But I assure the hon. member that I propose to do everything possible to bring down interest rates.

NATIONAL ENERGY PROGRAM

REASONS FOR DECLINE IN OIL CONSUMPTION

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is directed to the Minister of Energy. World demand for oil has dropped 15 per cent in the last two years. The minister repeatedly tries to make the case that the 7 per cent reduction in oil consumption in Canada is due to his substitution and conservation efforts, when really this is only a fraction of the decline. The major factor in the decline is the loss of GNP due to high interest rates, farm failures, resource industry decline, and a lack of new homes being built.

Last night the minister admitted that he did not understand the needs of the oil industry. Will he admit today to this House that, in co-operation with the Minister of Finance, the major success of his National Energy Program in reducing oil consumption has been accomplished by forcing Canadians into the poorhouse?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, frankly we have another example of the amazing rhetoric of the Tories. The decline in crude oil consumption last year in Canada was 6.7 per cent. That took place at a time when the Canadian economy was growing in real terms by 3 per cent. That was not a time of recession, it was a time of economic growth in the economy in 1981. The record is there; the GNP grew by 3 per cent last year. Last August we had the lowest unemployment rate in five years.

In spite of that record of economic growth we managed, through conservation and substitution, and with the help of the program set up by this government and the co-operation of the Canadian people, to reduce our oil consumption by almost 7 per cent. That is a good record.

Mr. Gurbin: Madam Speaker, if the minister will stop his rhetoric and take a look at the GNP for the last two quarters of 1981, and then try to repeat the same statement in the House, I will apologize. Otherwise, I think he should, because it was minus .9 per cent.

PROJECTED OIL DISCOVERIES—REQUEST FOR MINISTER'S RESIGNATION

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my supplementary is to the same minister. Consumers and businesses across Canada have been asked to pay for energy products at prices which are often higher than their American counterparts, in spite of the fact we were promised energy prices no higher than 75 per cent of world levels. This was supposed to be part of the program to achieve self-sufficiency.

In light of the fact that, according to the minister's own projection, there would be no new oil discovered in Canada in 1982; in light of his failures with Alsands, Cold Lake and the Alaska gas pipeline, will he promise to give this House his resignation if his projections for 1983 are not realized? If by 1983 we have not discovered 177,000 barrels of new oil per

day, I think he should offer his resignation to this House, Madam Speaker.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, again I find it rather strange that when I answered the previous question by saying that the Canadian economy grew by 3 per cent in real terms in 1981, the retort of my hon. friend was to say that it did not grow as much in the first two quarters. My friend has to look at the whole year. For the whole of last year we had a real growth of 3 per cent, and the hon. member should at least be honest enough to recognize that fact, a fact which everyone has recognized.

• (1425)

As far as oil discoveries are concerned, I remind the hon. member that for the first time since 1970 there has been an establishment of oil reserves in the last two years of 1.3 billion barrels of oil. That is in addition to the reserves of oil in this country found by the discovery and the establishment of the commercial viability of Hibernia. For the first time since 1970 we have been able to add to the reserves of oil in Canada. I am confident that in the next few months and, as a matter of fact, in the next few weeks, my friend may have good news about additional reserves, and I hope he will stand up and congratulate us at that time.

SCHEDULED JULY INCREASE IN PRICE OF OIL

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources. Since the fall the government has done a complete about face on its energy program. Between the federal government in Ottawa and the government of Alberta an additional $7 billion has now been given to the oil companies. When is the government going to do something for the Canadian consumer? Specifically, will the minister approach the energy ministers in the producing provinces with a view to negotiating the elimination of the 7 cents per gallon increase that is scheduled to come about on July 1?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the objectives of the energy program have been maintained. Not only have they been maintained, but they have been strengthened. We are determined to achieve self-sufficiency in this country. We are determined to enlarge Canadian participation in the industry, and we are determined to maintain fair prices for Canadian consumers. Under the program it has been established that Canadians will have the lowest energy prices of any industrialized country in the world. That is the record, and that record will be maintained for the Canadian people.

As far as the question raised by the hon. member is concerned, rather than going to the ministers of energy of the producing provinces I would rather go to the energy ministers of the consuming provinces. For instance, the province of Quebec has raised its taxes by 210 per cent in the last four years at the expense of the consumer.

Mr. Siddon: You have done it too.

Mr. Lalonde: It is in that sphere where some of the largest increases have taken place.

REQUEST THAT MINISTER MEET PROVINCIAL COUNTERPARTS

Hon. Edward Broadbent (Oshawa): Madam Speaker, the Minister of Energy knows full well it is the trend in energy prices that counts. In the United States the price is downward in terms of energy cost, and so is the rate of inflation. In Canada the price of energy has gone up, and so will inflation. The minister should understand that. Considering that the 7-cent per gallon increase on July 1 will cause an increase in the Canadian cost of living by a full percentage point, together with a loss of 25,000 jobs to the Canadian economy, why does the minister not tell the House of Commons today that he will approach the ministers of the producing provinces with a view to bringing a break in financial terms at long last to the Canadian consumer?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, my hon. friend refers to the experience in the United States. I remind him that even with the increases we have known, the blended price for a barrel of oil in this country which comes from the refinery is less than 80 per cent of the international price, and less than 80 per cent of the price in the United States.

If there are additional increases taking place at the pump, much of that is due to provincial retail sales taxes. Saskatchewan and Alberta have no retail sales tax on gasoline. Quebec's retail sales tax on gasoline is 40 per cent, and Ontario's retail sales tax on gasoline is 20 per cent. The percentage varies from province to province. Even with the increases forecast, not for July 1, because they will only come into effect in September, Canada's price for a barrel of oil will still be well below international prices and well below prices in the United States.

On the other hand, the federal government does not control provincial tax, and it is up to each provincial government to decide what is appropriate in that regard. This is where the difference may show up between certain states in the United States and as well in some provinces in Canada, for instance. But, as a whole, when it comes to the price of oil from the refinery, Canadians now get the lowest prices in the industrialized world, and they will continue to get the lowest prices in the industrialized world.

• (1430)

Mr. Broadbent: Madam Speaker, the minister knows full well that the economy is in a terrible tailspin and that the increases which are coming in July, when they go into effect in September, will cost us thousands of jobs and result in an increase in the cost of living. Also the minister knows that the Government of Canada and the government of Alberta have given $7 billion more to multinational oil companies.

Oral Questions

REQUEST FOR ACTION ON BEHALF OF CONSUMERS

Hon. Edward Broadbent (Oshawa): Madam Speaker, I want to ask the minister again why he does not do something to stimulate the economy and to help Canadian consumers by negotiating a price downward movement instead of an upward one? Will he tell the House that the real reason he is not willing to act for consumers but is willing to act for oil companies is that the oil companies have literally given hundreds of thousands of dollars in the past decade to the Liberal Party?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, my hon. friend must be scraping the barrel and really running short of arguments. First of all I should like to tell him that getting that industry going will create jobs in the country, not only in Alberta but all over the country. It is not by running any particular industry into the ground that my hon. friend will create jobs, despite all his rhetoric and despite what the CLC may say. the money which has been given, or the concessions which have been made by the government of Alberta are quite significant, as he indicated. We, the Government of Canada, have made some adjustments yesterday to the tune of over $2 billion. Most of that money will not go to the multinationals; it will go to small Canadian companies. Most of them are Canadian companies. These are the companies which will be helped.

Some hon. Members: Hear, hear!

Mr. Lalonde: Most of that money will go to those companies in the next 18 months when the Canadian economy needs stimulation. That is what we have to do to help job creation in the country, and not do as the NDP would do and scrape the barrel.

* * *

THE ECONOMY

DECLINE IN EXCHANGE VALUE OF DOLLAR

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is directed to the Minister of Finance. Today the Canadian dollar dropped to the lowest level in recorded history in reference to the American dollar. This drop in the dollar represents a total lack of confidence in the Canadian economy. Despite the minister's efforts last week at increasing our interest rates while American rates went down, despite his massive influencing of the market, with the Bank of Canada today at noon bidding heavily against the drop, where are we going in the country with confidence? Will the minister tonight, or this afternoon, request the unanimous consent of the House to speak on motions to outline to the people of Canada where we might be going?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has made some reference to the Canadian dollar. I think it is worth pointing out to him that what is happening is basically not a general weakening of the Canadian currency in international currency markets. The Canadian currency is rather strong in comparison with other currencies, apart from the United States dollar. I should point out to him, so that he will keep the matter in perspective, that at the present time the American dollar is at a five-year high in relation to the Japanese yen and the German mark which are regarded as rather strong currencies. The Canadian dollar against the American dollar is performing better than most other currencies on international markets.

Mr. Blenkarn: Madam Speaker, the minister knows that at noon today the Bank of Canada was using massive amounts of our foreign exchange to prop up the Canadian dollar.

REQUEST THAT MINISTER MAKE STATEMENT ON MOTIONS

Mr. Don Blenkarn (Mississauga South): Madam Speaker, will the minister confirm that he has or has not drawn on our credits with American banks to support the dollar? In other words, will he come clean with the people of Canada and tell us where we are going? Will he do that on motions tonight, after the markets have closed, to give the country some sense of confidence?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I believe the hon. member is doing his utmost to create a lack of confidence in the Canadian currency and its performance.

Mr. Crosbie: You do not need any help, Allan.

Mr. MacEachen: If there is any source of uncertainty, it is coming from the lachrymose comments of the hon. member at the present time. I have confidence in the Canadian dollar. It is not the intention of the Government of Canada to encourage a devaluation of the Canadian currency. He ought to look at what is happening in international currency markets at the present time. He ought to realize that the American dollar is strengthening against all currencies, including the Canadian dollar. When he puts that in its proper prespective, I hope he will withdraw the rather fearsome comments he has made in his last two questions.

MINISTER'S STATEMENT IN COMMITTEE

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is also directed to the Minister of Finance. He may have confidence in the Canadian dollar, but Canadians do not have any confidence in him. One of the reasons is his own track record. Yesterday in the Standing Committee on Finance, Trade and Economic Affairs the minister announced that he would be borrowing billions of dollars more to cover the deficit. I asked him specifically whether that news would depress the Canadian dollar, and he said that it would not. Given the fact that the dollar is dropping like a stone, how could the minister be so wrong?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Well, Madam Speaker, I think that I was totally right because I do not believe either the hon. member's question or my answer saw the light of day in any place except the report of the committee, which will come out in several weeks.

Miss Carney: The Minister of Finance has more confidence in committee reports than I do. I was talking about the judgment of the Minister, and obviously his judgment was wrong.

CAPITAL COST ALLOWANCES

Miss Pat Carney (Vancouver Centre): Madam Speaker, my supplementary question deals with the changes which the minister announced yesterday in his continuing budget striptease. I understand that the changes he announced yesterday bring to about 28 the number of changes that have been made. He is offering tax relief to people buying small tools, metric scales, uniforms, bed linen, and even encouraging the purchase of art by dead Canadians as well as living Canadians. In view of the terrible economic conditions, when will the minister replace these small change items with some big ticket changes to capital cost allowances to encourage the construction of new plant and equipment and to revive job opportunities in the Canadian economy?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member belittles the changes which were made in the capital cost allowance. I advise her that these changes are regarded as important by those who have requested that they be made, including a large number of members of the House of Commons and representatives of private industry. Perhaps the hon. member ought to inform herself more clearly on this matter, as well as the fact that her question and my answer yesterday were not reported anywhere that I could see and, therefore, had absolutely no effect upon international currency exchange markets.

* * *

DISASTERS

NEW BRUNSWICK FORESTRY FIRE—MILITARY ASSISTANCE

Mr. Maurice Harquail (Restigouche): Madam Speaker, my question is directed to the Minister of National Defence. It concerns the raging forest fire in New Brunswick. I wonder whether the minister could inform the House what type of assistance the military might be prepared to give, and whether indeed it is providing any assistance—

Mr. Fraser: Send the navy.

Mr. Harquail: This is a serious question. The hon. member for Vancouver South should appreciate that forest matters and forest products are very important to the economy.

Some hon. Members: Hear, hear!

Mr. Harquail: Madam Speaker, while I am on my feet, and without further interruptions, I wonder whether I could learn from the Minister of National Defence just what assistance the military might be able to provide, with manpower and equipment, to contain this fire and protect that important natural resource.

• (1440)

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, the Armed Forces are in the service of all Canadians. We were notified of the forest fire on Sunday evening and as soon as we were requested by the civil authorities, we supplied all the resources we could. At the moment we have 312 troops there, 56 vehicles, and four helicopters helping the people in the region of Beaverbrook Lake and the Miramichi. We are very glad to do it.

* * *

NATIONAL ENERGY PROGRAM

FEDERAL EXCISE TAX—REQUEST FOR ASSISTANCE FOR CONSUMERS

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. The Government of Alberta has given $5 billion to the oil companies, and the minister's government gave them $2 billion last night. Is the minister prepared to do something for the consumer? That is all that we are asking him to do, to give a quid pro quo to the consumer. More specifically, is he prepared to review the federal excise tax? He cannot blame Quebec or any other province for the federal excise tax. Second, is he prepared to renegotiate a pause in the increases in oil price that are to happen—approximately 7 cents a gallon in July? Those are two concrete suggestions to help the consumer. Why does he not do something for the consumer, because the National Energy Program is no longer working for the consumer?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, frankly, my hon. friend must not have read the National Energy Program, the agreement of last September, or the document that we released yesterday. The document which was released yesterday indicates that, thanks to the price schedule that is in the National Energy Program, in the agreement with Alberta I should say, and which is in effect at the present time, as an average, between 1981 and 1986, Canadian consumers—every man, woman and child in Canada—are going to save $2,500 in energy savings because they do not have to pay international prices. This is what this government has achieved. This is what the Canadian consumers will benefit from.

I am afraid that my hon. friend must be wearing blinders day and night if he cannot see that. I must tell him that we will indeed continue to benefit in this country from the lowest

prices of any industrialized country in the world. That is the situation, and I am sorry if my hon. friend cannot see it.

Mr. Waddell: I have a supplementary for the arrogant Minister of Energy, Mines and Resources. I invite him to go to my riding where the average person is paying from $700 to $1,100 for heating oil, an increase in the last year, and has paid from $600 to $900 this year to drive a car, and where the price of energy has gone up 30 per cent for people, including those on fixed incomes. He should get out of his ivory tower and go down among the people to ask them what they think of the program.

SOURCE OF FUNDING ASSISTANCE FOR OIL INDUSTRY

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my supplementary question is for the Prime Minister. Every day we ask the Prime Minister in the House whether he is prepared to find some money to aid in health care or education—money for the provinces—and to find money for jobs. How is the Prime Minister's government able to find $2 billion to help the oil industry—mostly the large oil industry in this country—when it cannot find money to help the unemployed and the people who need health care?

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I may remind the hon. member that as a result of the National Energy Program and the agreements concluded with Alberta, every Canadian will benefit from a net savings of $2,500 between 1981 and 1986. The hon. member referred to the home heating bill for someone living in Vancouver. Now, if that same person were living south of the border, in the United States, it would cost him 25 per cent more to heat his home today, and I do not know how much if he were living in a country other than the United States. That is the situation. We are not saying that energy is cheap in Canada. We are not saying that prices are not going up, but we must live with the realities of the world we are in today. At the present time, Canadians are paying the lowest prices of any industrialized country in the world, and this will continue to be the case during the next four years, thanks to the measures taken by this government. I wish my hon. colleague would acknowledge these facts. As far as assistance to—

Madam Speaker: Order, please. The hon. member for York-Sunbury.

[*English*]

STATUS OF WOMEN

COMMITTEE REPORT ON FAMILY VIOLENCE—GOVERNMENT POSITION

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, my question is for the Prime Minister. Has he had an opportunity to consider the recommendations made in the report on wife battering which was recently tabled in the House? If so, what is the intention of his government with respect to the implementation of these important recommendations?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, indeed, the government has seized itself with this report which reveals a very distressing situation in Canada, and one which is something of a blot on our society. I have had occasion to verify the actions taken by various departments. It would seem that in just about every area contained in the recommendations, the ministers have taken action or are at the point of taking action.

The hon. member was courteous enough to send me notice of his question. I have a short list of areas where ministers are taking action. The Solicitor General has been looking into ways of establishing training programs, particularly in sensitizing the forces to the special problems—

Mr. Clark: Table it. Order. He should table it.

Mr. Trudeau: Madam Speaker, I am not sure what is worrying the Leader of the Opposition at this time.

Mr. Clark: Table the answer. He has got a long list; let him table it.

Madam Speaker: Order.

Mr. Trudeau: Madam Speaker, if the Leader of the Opposition wants his members to ask written questions, we will give written answers. But if they are allowed the courtesy of giving verbal questions, we will give verbal answers. That is the rule of the House.

Mr. Clark: You are reading a list.

Mr. Trudeau: I think that many of the debates in the House, and question period itself, would be much more serious if we did proceed by way of written questions and written answers, and with notices of questions. I am prepared to discuss that situation.

Mr. Clark: You will abuse it like you are abusing this.

Madam Speaker: Order. I believe the question was on a different matter.

Mr. Howie: Madam Speaker, I would like to thank the Prime Minister for the encouraging answer.

IMPLEMENTATION OF RECOMMENDATIONS

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, I would like to ask the Prime Minister a supplementary question which might elicit, in abbreviated form, the information he was attempting to give us. Is it the intention of the government to treat its response to the recommendations in the report as a high priority?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, yes. As I say, the ministers are already engaged in ways of following up on that report. The Minister of National Health and Welfare, for instance, has been encouraging the use of CAP funds to establish shelters for battered wives, and the minister has already established a family violence clearing house which can have as its mandate, resource information, research, where to turn for help, and such other matters.

In other areas like the recommendation on federal-provincial consultation, this has not begun yet, of course, but the Minister of Justice meets annually with his counterparts and it is his intention to raise this matter with them and to look at the report on this subject with the attorneys general of the provinces. There are many other areas which are under examination and we would be happy to discuss them with the hon. member at another time.

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AIRPORTS

FUTURE OF DORVAL AND MIRABEL

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, my question is directed to the President of the Treasury Board. It is interesting to see the antagonism and the disagreement on such an issue as are apparent on the government side with respect to the future of Dorval and Mirabel airports. Since the President of the Treasury Board has a direct interest in the financial viability of Mirabel and also jurisdiction over many of the public servants connected with it, as well as being a Montreal member, will he attempt to resolve the problem and bring some rationale into the continuing operation of both these airports? What is his solution?

• (1450)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, as this is one of my responsibilities I want to assure the House that I received representations from the President of the Treasury Board as I have from many other hon. members, if not all hon. members, from the Montreal area.

QUERY RESPECTING POSSIBLE SOLUTION

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I will go right to the top. I am going to the Prime Minister. I know he has a logical solution as he has a solution for most of the problems which beset this country.

An hon. Member: Don't say you are going to the bottom!

Some hon. Members: Oh, oh!

Mr. MacKay: The Prime Minister knows that Mirabel airport has been a financial, agricultural and commercial disaster, and that it is a problem which cries out for a quick and rational solution. He also is aware, for example, that a delegation of several concerned and angry municipal politicians from his area met again on Monday. Therefore I want to ask the Prime Minister whether he can finally bring an orderly and rational end to this continuing controversy which is doing no one any good, not the industry, nor the area, nor even his own caucus.

Right Hon. P. E. Trudeau (Prime Minister): Yes, Madam Speaker, I must say that the hon. member is fortunate in that his own Quebec caucus does not seem to be divided on this subject.

Some hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): In unity there is strength.

Mr. Broadbent: Like your western caucus.

Mr. Trudeau: But certainly on this side there are very vigorous hon. members from different areas of the province who are presenting conflicting points of view, and it is the job of the caucus, under the leadership of the excellent minister, to find, as the hon. member hopes, a rational solution to the subject.

Some hon. Members: Hear, hear!

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BILINGUALISM

ENFORCEMENT AT TORONTO AIRPORT

Mr. Ron Stewart (Simcoe South): Madam Speaker, my question, too, will be directed to the Minister of Transport, if I can get his attention. Private concession operators at Toronto airport, but not at Mirabel, are being coerced to implement an involuntary, forced bilingual personnel policy.

Some hon. Members: Oh, oh!

Mr. Stewart: This directive will lead to the dismissal of present employees who are unilingual. It is an affront to the merit system, and reduces unilingual Canadians in an overwhelmingly English province to the status of second-class citizens. It will mean, also, that our shop operators will have increased overhead costs. In places—

Madam Speaker: Order. Does the hon. member really think that that is a question? This is question period.

Mr. Stewart: Madam Speaker, it is very important to Italian Torontonians. I would ask the minister, what is the nature of the legal action which will be taken against concession operators who fail to comply, and will this language policy be

extended to other airports such as Vancouver, Calgary and Winnipeg, under federal jurisdiction? Will it be extended to other free entreprise operators within Canadian federal institutions?

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there is in Canada an Official Languages Act.

[*English*]

There is an Official Languages Act in Canada—

[*Translation*]

—and in my department, as in other departments, we are trying to implement this legislation as it applies to aviation, and that includes the particular case we have here of concession operators in airports. We are trying to do this as realistically and as responsibly as possible, and that is why, as far as airport concessions are concerned, we have established three categories: (a), (b) and (c), according to the demand for use of the other official language. We are applying the legislation by diplomatic and responsible means, through agreements signed with the concession operators. The agreements contain requirements the concession operators must meet.

Therefore, when these measures are implemented, we are, in fact, applying the terms of the contract. There are problems, and we are trying to solve these, but in most cases we have been remarkably successful by using persuasion instead of simply enforcing the regulations.

[*English*]

Mr. Stewart: Madam Speaker, the Liberal Party is the party that champions human rights, but obviously not language rights. I would like to ask the minister if he considers that that will happen with the CNR, too.

EFFECT ON UNILINGUAL ENGLISH-SPEAKING CITIZENS

Mr. Ron Stewart (Simcoe South): Madam Speaker, I would like to ask the minister one further question. Is this not a divisive policy, in view of Quebec's bill 101 which denies language rights for Canadians? By 1984 or 1985, will it mean the young people of nine out of ten provinces will be precluded from jobs because they are not bilingual—as an example, in these buildings?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I feel you will find many examples. Not too long ago I had the occasion to serve on a commission that gave me that opportunity. The hon. member will find that in many parts—all parts of Canada—

Mr. Clark: What happened to its recommendations?

Mr. Pepin: —there are a great number of people who are certainly fundamentally devoted to the implementation of bilingualism in this country.

An hon. Member: Like Jack Horner.

Mr. Pepin: We think that what we are doing in the Department of Transport is right, given that objective which is shared by the people of Canada.

Some hon. Members: Hear, hear!

* * *

NATIONAL ENERGY PROGRAM

DEVELOPMENT OF HEAVY-OIL UPGRADER IN SASKATCHEWAN

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. The minister is no doubt aware that a consortium in Saskatchewan, which includes Saskoil and Petro-Canada, is proposing to build a heavy-oil upgrader near Moose Jaw. In light of all the announced tax changes last night, such as earned depletion and others, I wonder if the minister could tell us whether any of these tax changes can be applied against the development of a heavy-oil upgrader in the province of Saskatchewan.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, in the National Energy Program published in 1980 we provided some funds to support the development of upgraders in Montreal and Saskatchewan. Those funds are still part of the energy envelope and are still available. In addition, the changes we announced last night will mean that there will be more money in the hands of the corporations. This will improve that cash flow of corporations. This way they will be in a better position to proceed with that particular project.

Finally, I understand that the new government of Saskatchewan, which I am also wishing well, is considering substantial changes to the royalty level in Saskatchewan. I remind my hon. friend that the royalty level in Saskatchewan is the highest in Canada. As a matter of fact it is one of the highest in the world.

Some hon. Members: Hear, hear!

Mr. Lalonde: I think it is high time that the royalty level be changed if we want to see progress and action in the oil and gas field in Saskatchewan.

PARTICIPATION BY GOVERNMENT CORPORATIONS

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, in other words there is nothing in the tax changes which could be applied toward the building of the heavy-oil upgrader itself in the province of Saskatchewan. It is like building a road to the river but building no bridge to cross the river. In light of that I would like to ask the minister whether or not he has had a chance to speak to the new minister of energy in Saskatchewan. Has the minister received a commitment from the minister of energy in Saskatchewan that Saskoil must still put up 25 per cent of the cost of the heavy-oil upgrader? While he is on his feet, can the minister make a commitment to increase

Petro-Canada's share from 15 per cent to at least 25 per cent so that Saskoil and Petro-Canada will hold a majority of shares in that upgrader in Saskatchewan?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I would like to remind my hon. friend again that I have indicated there is substantial support provided under the National Energy Program for the construction of an upgrader, in the form of a straight grant. Today that is still part of the energy program. Second, the cash flow which will be increased to the industry through the changes we announced last night will help the private sector and Petro-Canada to proceed, if they so desire, with the construction of that particular upgrader. I have not discussed the particular issue to which my hon. friend referred with the Saskatchewan minister. I am not considering making representations for particular changes with regard to actual participation. I would rather leave that to the corporations concerned, that is, Saskatchewan Power and Petro-Canada, to decide the best arrangements.

ASSISTANCE FOR WESTERN SERVICING INDUSTRY

Mr. Bert Hargrave (Medicine Hat): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. I am sure that the minister is aware of the very serious situation in the oil and natural gas servicing industry in western Canada, particularly with the near-total collapse of the natural gas servicing industry at Brooks, Alberta, almost totally involving small, independent Canadian operators. Would the minister indicate what specific help is now available for this sector as a direct result of his statement last night, quite apart from the recent Alberta announcement? Would the minister also indicate whether he sees any significant increase in the short-term possibility of natural gas exports to the United States?

• (1500)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the announcement last night included $2 billion. I indicated that over half of that amount would go to the industry in the next 18 months and that a large share of that amount would go to small Canadian companies which have proven to be the most active reinvestors. It is fair to assume that those companies would show the same dynamism in the next few months as they have shown historically in the past. This should have a positive effect on the service industries in Alberta. As a matter of fact, some contact that we had with some representatives of that industry this morning indicated that they were very supportive indeed of the steps that we took yesterday.

As far as the export of natural gas is concerned, I cannot promise my hon. friend that there will be substantial increases very shortly. As my hon. friend knows, the National Energy Board has approved new ways of determining the surplus and it will consider applications for additional exports. I think we will have to wait until the latter part of this year to know whether the Board will approve the further exports or not.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, following last night's discussion on the report of the Standing Committee on Indian Affairs and Northern Development, there has been a discussion with party representatives and we have come to a compromise. If the following motion is accepted by unanimous consent, as seems to be the case, then a member of the committee will table the fifth report of the committee, and not the sixth. I move:

That, notwithstanding any Standing Order, the Standing Committee on Indian Affairs and Northern Development be permitted to table its proposed fifth report after this date, provided that the said report is limited to observations on the main estimates, 1982-83 and does not deal directly with the said estimates, which pursuant to Standing Order 58 were deemed to have been reported without amendment on May 31, 1982.

If we have unanimous consent for this motion, Madam Speaker, the hon. member for Abitibi (Mr. Gingras) will be tabling the fifth report only.

Madam Speaker: Does the House give its consent to this motion?

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have no reason to believe that members of this party would withhold the unanimous consent that is necessary, but I do want to express my disappointment that the entire proceedings of the committee are not to be reported back to the House in the way in which the committee handled them.

Motion (Mr. Pinard) agreed to.

[*Translation*]

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—PRESENTATION OF FIFTH REPORT OF STANDING COMMITTEE

Mr. René Gingras (Abitibi): Madam Speaker, as Vice-Chairman of the Standing Committee on Indian Affairs and Northern Development, I have the honour of tabling, in both official languages, the fifth report of the Standing Committee on Indian Affairs and Northern Development.

ENERGY LEGISLATION—PRESENTATION OF SEVENTH REPORT OF STANDING COMMITTEE

Mr. D. M. Collenette (York East): Madam Speaker, I have the honour of tabling, in both official languages, the seventh report of the Standing Committee on Energy Legislation.

Petitions

[*Editor's Note: For above reports, see today's Votes and Proceedings.*]

* * *

[*English*]

SUPPLEMENTARY ESTIMATES (A), 1982-1983

A message from His Excellency the Governor General transmitting supplementary estimates (A) of sums required for the service of Canada for the fiscal year ending March 31, 1983 and, in accordance with the provisions of The Constitution Act, 1867, was presented by Hon. Donald J. Johnston (President of the Treasury Board) and read by Madam Speaker to the House.

* * *

PETITIONS

MR. PATTERSON—RECONSIDERATION OF GUN CONTROL LEGISLATION

Mr. Alex Patterson (Fraser Valley East): Madam Speaker, I have the duty to present a petition on behalf of a number of my constituents in the riding of Fraser Valley East. The purpose of the petition, signed by more than 130 members and friends of the Chilliwack Fish and Game Club, is to register their protest against the private member's Bill C-451, regarding gun control legislation, which deals with the number of firearms in circulation in this country and the control of the number of firearms in Canada.

Wherefore, the undersigned, your petitioners, humbly pray and call upon Parliament to oppose this legislation and deal directly with the present gun laws which are cumbersome, expensive to administer and ineffective except to harass law-abiding people.

MR. IRWIN—SALE OF HYDROELECTRIC POWER BY ONTARIO HYDRO

Mr. Ron Irwin (Sault Ste. Marie): Madam Speaker, I have the privilege of presenting a petition of 3,000 names of citizens of Ottawa, collected by Mr. Richard Delaney, requesting the Cabinet not to approve an Ontario Hydro scheme to sell power to General Public Utilities of New Jersey unless proper emission control devices are included. If Canada is to have any credibility in this environmental field, Madam Speaker, then this petition should be considered as seriously as the all-party petition of 139 Members of Parliament and the other place requesting basically the same disposition.

In addition, as well as the petition, the Ottawa Board of Education approved a resolution requesting that the students in science classes be exposed to the petition, discuss the matter and vote. The results of the vote are enclosed with the petition. Seventeen Ottawa schools have responded. One hundred and seventy three are in favour of the present Ontario Hydro proposal, while 4,568 are in favour of imposition of environmental controls as a pre-condition of approval.

* * *

[*Translation*]

SUPPLEMENTARY ESTIMATES (A), 1982-1983

REFERENCE TO STANDING COMMITTEE

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I move, in accordance with the provisions of Standing Order 59:

That the supplementary estimates (A) 1982-83, laid upon the Table earlier today, be referred to the Standing Committee on Miscellaneous Estimates.

Madam Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,960 and 4,177.

[*Text*]

NATIONAL FILM BOARD—UNINSURED LOSSES

Question No. 2,960—**Mr. Clarke:**

With reference to the uninsured losses of more than $1,000 of equipment recorded by the Department of the Secretary of State for the National Film Board in footnote No. 17 at page 13.4, volume 1 of the 1979-80 Public Accounts of Canada, under what circumstances was the film projector lost and (a) who was culpable (b) were any convictions made and, if so, what sentences were imposed (c) are any trials or appeals pending (d) was the equipment replaced (e) did the department undertake steps to ensure that such losses did not recur and, if so, what were they?

Mr. Jack Masters (Parliamentary Secretary to Minister of Communications): I am informed by the National Film Board as follows:

1. The projector was loaned to Manitou College, a private Indian corporation occupying premises administered by the Department of Indian Affairs and Northern Development, as part of the National Film Board's commitment to community development under the government's Challenge for Change program. The college was closed and the premises are now under the administration of the Department of the Solicitor General, which established a penitentiary institution there. The matter of the missing projector was referred to the Department of Justice, which was acting for the above-mentioned two departments to solve problems caused by the closing of the institution. The Department of Justice reported

that the projector was not among the assets located on the premises after closing and no trace of the projector was found; their report stated that NFB could consider that it had disappeared, and that it would be impossible to recover the equipment and/or its market value.

(a) See above. (b) Not applicable. (c) Not applicable. (d) No. (e) Yes; more frequent follow-up on equipment on loan.

NATIONAL ADVISORY COUNCIL ON PETROLEUM

Question No. 4,177—**Mr. Andre:**

1. How many times did the National Advisory Council on Petroleum (NACOP) meet during (a) 1981 (b) 1980?

2. How many times did the Business Advisory Council to the Department of Industry, Trade and Commerce meet during (a) 1981 (b) 1980?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Energy, Mines and Resources and Industry, Trade and Commerce as follows:

1. (a) and (b) The National Advisory Council on Petroleum has not existed since 1978.

2. Number of meetings in (a) 1981 None. (b) 1980 None. However, meetings were held with many business groups including the Canadian Manufacturers' Association, Canadian Chamber of Commerce, Air Industries Association and the Business Council on National Issues during this period.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 3,557, standing in the name of the hon. member for Surrey-White Rock-North Delta (Mr. Friesen), could be made an order for return, this return would be tabled immediately.

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Is it the pleasure of the House that question No. 3,557 be deemed to have been made an order for return?

Some hon. Members: Agreed.

[*Text*]

ESCAPES FROM PENITENTIARIES

Question No. 3,557—**Mr. Friesen:**

1. From 1975 to the present, by year, what were the number of escapes and attempted escapes in the (a) British Columbia region at the (i) Regional Psychiatric Centre, Abbotsford (ii) Kent Institution, Agassiz (iii) Matsqui Institution, Abbotsford (iv) Mountain Institution, Agassiz (v) William Head Institution, Victoria (vi) Mission Institution, Mission (vii) Matsqui Trailer Unit (viii) Ferndale Institution, Mission (ix) Elbow Lake, Harrison Mills (x) Pandora Centre, Victoria (xi) Robson Centre, Vancouver (b) Alberta region at the (i) Edmonton Institution, Edmonton (ii) Drumheller Institution, Drumheller (iii) Bowden Institution, Innisfail (iv) Drumheller Trailer Unit (v) Grierson Centre, Edmonton (vi) Portal House, Calgary (vii) Altadore Centre, Calgary (c) Saskatchewan region at the (i) Regional Psychiatric Centre, Saskatoon (ii) Saskatchewan Penitentiary, Prince Albert (iii) Saskatchewan Institution, Prince Albert (iv) Oskana Centre, Regina (d) Manitoba region at the (i) Stony Mountain Institution, Stony Mountain (ii) Rockwood Institution, Stony Mountain (iii) Osborne Centre, Winnipeg (e) Ontario region at the (i) Regional Reception Centre, Kingston (ii) Regional Psychiatric Centre, Kingston (iii) Prison for Women, Kingston (iv) Millhaven Institution, Bath (v) Collins Bay Institution, Kingston (vi) Joyceville Institution, Joyceville (vii) Warkworth Institution, Campbellford (viii) Frontenac Institution, Kingston (ix) Pittsburg Institution, Joyceville (x) Bath Institution, Bath (xi) Beaver Creek, Gravenhurst (xii) Montgomery Centre, Toronto (xiii) Keele Street Centre, Toronto (xiv) Portsmouth Centre, Kingston (f) Quebec region at the (i) Regional Reception Centre, Ste-Anne-des-Plaines (ii) Correctional Development Centre, Laval (iii) Laval Institution, Laval (iv) Archambault Institution, Ste-Anne-des-Plaines (v) Leclerc Institution, Laval (vi) Federal Training Centre, Laval (vii) Cowansville Institution, Cowansville (viii) La Macaza Institution, L'Annonciation (ix) Montée St-François Institution, Laval (x) Ste-Anne-des-Plaines Institution, Ste-Anne-des-Plaines (xi) Ogilvie Centre, Montreal (xii) Martineau Centre, Montreal (xiii) Sherbrooke Centre, Montreal (xiv) Benoit XV Centre, Quebec City (xv) Pie IX Centre, Montreal (g) New Brunswick region at the (i) Dorchester Penitentiary, Dorchester (ii) Westmorland Institution, Dorchester (iii) Parrtown Centre, Saint John (h) Nova Scotia region at the (i) Springhill Institution, Springhill (ii) Shulie Lake, Parrsboro (iii) Carlton Centre, Halifax?

2. For the years 1976 to 1980, how many inmates of federal institutions were unlawfully at large?

3. For the same period, for each institution in part 1 (a) what were the number of (i) attempted suicides (ii) suicides (iii) self-mutilations (b) how many prisoners were (i) murdered (ii) killed in accidents (c) how many prisoners were (i) killed (ii) injured by correctional service personnel acting in the course of their duty (d) how many staff members were (i) killed (ii) injured by prisoners?

Return tabled.

[*English*]

Mr. Hnatyshyn: Madam Speaker, I rise at this time with respect to question No. 4,120 and to draw it to the attention of the parliamentary secretary. The question which is in three parts, Madam Speaker, is not a difficult one for the government to answer. It asks, for each cabinet minister, the names of the executive assistants and other members of exempt staff who are receiving income, from sources other than funds allotted to ministerial budgets, the names of those who receive income, favours, loans or other benefits of value from sources other than those permitted by the conflict of interest guidelines of cabinet ministers and former cabinet ministers. It also questions whether the Prime Minister has supplied every cabinet minister and each executive assistant and all members of the exempt staff with copies of the code of ethics produced by the late Prime Minister Pearson, and with a copy of the conflict of interest guidelines for cabinet ministers and former cabinet ministers.

• (1510)

The parliamentary secretary will understand that the reason for that question is to ensure that the exempt staff of cabinet ministers are receiving payments under ministerial allotments and to determine whether there are any special favours or benefits such as interest-free loans of payments of income from Crown corporations or other government agencies in an indirect way by way of subterfuge which otherwise would not be concealed from public view. I know the matter would be of some embarrassment to the government if it gave a reply. I know that because of the information we now have before us. I

ask the parliamentary secretary to do his job and to get these questions, which are straightforward, answered as soon as possible.

Mr. Smith: Madam Speaker, I am not familiar with the exact progress which has been made in answering this question, but I will be happy to look in on behalf of the hon. member.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—EXTERNAL RELATIONSHIPS

Hon. John C. Crosbie (St. John's West) moved:

That this House deplores the failure of the Government to represent Canada properly or adequately in our external relationships or in accordance with the views and principles of the Canadian people specifically by its failure to oppose in any convincing and meaningful way the violation of human rights within Poland and the imposition of martial law therein, by the failure to support the United Kingdom and the rule of law in international affairs by opposing in a meaningful and convincing way the armed aggression of Argentina in its invasion of the Falkland Islands and, this House deplores the failure of the government to strengthen the Department of External Affairs as recommended by the McDougall commission as well as its failure to eliminate all aspects of patronage in the operation of that department.

He said: Madam Speaker, it is more in sorrow than in anger that I rise to speak on this motion. This is an occasion for sorrow among Canadians because of the level to which our external relations have fallen. The motion mentions four particular areas of our foreign policy or our external policy which are the cause of great sorrow and, in fact, can certainly inspire anger as well.

Canada is not a nation which wants to subjugate others through military or economic power. We are a middle-ranking nation which wants stable world order. We want a world order in which we can trade and increase our own wealth and prosper. We want to assist others for humanitarian purposes as well as for our own enlightened self-interest. However, it has become very obvious that we are not any longer a nation which is trusted as an honest broker or even a truth teller or as a nation which could be a trusted go-between. We are a nation which no longer can even defend our own national interests against other small or medium-sized powers. We suffer from impotence with respect to defence. We are unable to defend ourselves even from small or middle level powers, should that become necessary.

The white paper on defence in 1971 was the last such paper, and it said that there were four major areas of activity Canada should involve itself in in defence. The first was surveillance of our own territory and coastlines to protect our own sovereignty. We are no longer in a position even to do that. It would not be a question of Canada's seizing, for example, St. Pierre and Miquelon, if we did desire to do that. It is more a question of whether St. Pierre and Miquelon might seize Newfoundland from Canada. That is the posture into which our military defences have put us, and the state of our navy is not due to any fault of those who serve on those forces but to the fault of a government which is uncaring about that aspect of our national being.

The second priority was said to be the defence of North America in co-operation with U.S. forces. As all hon. members of the House know, we are completely dependent upon the United States of America for our defence, yet we have a government which, having put us into that position, is forever carping and criticizing our defender and making snide comments, feeling itself to be morally superior to the United States of America. We depend on the United States to defend us with their nuclear arms, their military spending and their defence activities, but our government seems to think it puts us in a morally superior position to be defenceless and to depend on the United States of America and then to cavil and criticize them and feel superior to them.

Last night I came across a quotation from Fisher Ames, who said in 1800—and it is certainly true: "Nations that want protectors will have masters." This nation has wanted a protector, and it has a protector—or protectors—but it also has masters, and it is just as well for us to recognize that fact.

Going back to those defence objectives, our third defence objective was to fulfil NATO commitments. All hon. members of the House know we are not fulfilling our NATO commitments in any way, shape or form. We are seriously deficient in that respect.

The fourth objective was supposed to be international peacekeeping. We are attending to our international peacekeeping role to some extent.

Our foreign policy in the last number of years has largely been the creation of the Prime Minister (Mr. Trudeau), who claims to have a special expertise and a special interest in that area. He paints himself as a world leader in that area. However, he has failed to provide any leadership in the foreign policy field. Under his direction the government has taken a very narrow view of our interests in foreign affairs.

Most importantly, in our view this government has failed to express the desire of the Canadian public for moral content and spirit in our foreign policy. Canadians want a foreign policy and they want a government that will take foreign policy stands which project abroad those values that govern us internally, by which we define Canada to ourselves and by which we want to define Canada to the world. We do not believe we can stand for freedom at home while we condone repression abroad. We do not think it is a great accomplishment to have a Charter of Rights and Freedoms for Canada, but our government demonstrates hardly any sympathy at all for the loss of those same human rights and freedoms which

were being established so painfully in Poland last year under Solidarity.

As a result of the Prime Minister's deficiencies in this respect the government has failed either to lead or to educate Canadians on foreign policy matters. Foreign policy is any little matter the Prime Minister is interested in at the moment. For example, the Prime Minister whined to the United States of America and to the other six powers that comprised the economic summit some years ago because Canada was not to be included. Because Canada pleaded to be included and because the United States took pity on us and our Prime Minister, we were included in the economic summits. We are attending the one which starts this week because the United States of America listened to the pleas of the Prime Minister, who wanted to be included and who will go there this week not to put forward some far-reaching design of Canada's but to whine about United States interest rates and to try to pretend that it is the American economy and American policy which have Canada where it is today economically and which have devastated Canada from one end to the other. He will go there and use that opportunity to try to find a scapegoat in the United States, the very country which made it possible for Canada to attend. That is what foreign policy is in the Trudeau era.

The Prime Minister also does not think much, apparently, of his Secretary of State for External Affairs (Mr. MacGuigan). He does not appear to think he is up to being the spokesman for our foreign policy or external affairs generally. When that minister has taken that occasional stand, he has inevitably been contradicted by the Prime Minister, with the result that our foreign policy is and appears to be contradictory and confused.

What are some examples? One was the response to the Polish imposition of martial law in Poland in December when the Prime Minister took a very easy going approach to that, almost approving—really approving—while the Secretary of State for External Affairs seemed to take his line from Mr. Haig in the United States to take a tougher line. Further confirmation was the supposed reorganization of the Department of External Affairs on January 12 of this year when this minister was cluttered up with two other ministers hung around his neck like albatrosses. One was the Minister of State for International Trade (Mr. Lumley). Some people believe that there is an argument to be made for putting those people into the Department of External Affairs. But a third minister, one designated the Minister of State for External Relations (Mr. De Bané), the former minister for DREE, has been added. This only causes confusion in the Department of External Affairs. It shows how little the Prime Minister trusts the Secretary of State for External Affairs. Why was it necessary to appoint a Minister of State for External Relations? It must be because he has relatives living overseas! One cannot see any other purpose for the appointment.

• (1520)

To top off the insult to the Secretary of State for External Affairs from the Prime Minister, who should be supporting him at all times, in announcing the role of the Minister of State for External Relations the Prime Minister said that the purpose of the appointment was to develop a strategy of our relations with foreign countries and the role of Canada in francophonie, Africa in particular, and so on. Surely to heavens the role of Canada in francophonie and our relations with foreign countries must be decided and defined by the Secretary of State for External Affairs, not by some third minister hung around his neck.

Where is the Minister of State for External Relations? When it was necessary to send someone to Cameroon it was not the minister of state in charge of francophonie who was sent but the Minister of State (Mr. Joyal). The Minister of State in charge of nothing from Quebec represented Canada for a week in the Cameroons. We are to have a fourth minister to assist in foreign affairs. The matter would be laughable if it were not so serious. What is left for the Secretary of State for External Affairs to do once our relations with foreign countries and the role of Canada in francophonie and international, social, cultural and humanitarian affairs are removed? What kind of trash is this, Mr. Speaker? The Secretary of State for External Affairs has been cut off from the neck down, if not from the knees up.

The Prime Minister's foreign policy is plagued by contradictions between what he says and what he actually does. In a press conference on May 14 he said that we are 100 per cent behind the British in the Falkland Islands crisis. If Britain had to depend on friends like that, God help the United Kingdom! If we are 100 per cent behind the United Kingdom while we are shipping 3,000 nuclear fuel bundles to Argentina this month—if we are carrying on business as usual, as the cabinet paper stated—is that 100 per cent support for the United Kingdom or is that hypocrisy pure and simple on a gigantic scale?

Some hon. Members: Hear, hear!

Mr. Crosbie: The government claims that it is bound by a contract with Argentina. I have requested that the contract be tabled but the government refuses. We are told that it is such a strong contract that it cannot be breached. We may forget about war, forget about civil commotion, forget about riots, acts of the Queen's enemies and all the other exceptions that are put in every contract. This is apparently the strongest contract ever entered into on this earth between two sovereign nations. Apparently we cannot break it by stopping the supply of nuclear fuel bundles for a nation that is already proven to be an aggressor and which has used armed force to invade the Falkland Islands. We are to supply that nation with nuclear fuel bundles while at the same time supporting the United Kingdom 100 per cent. If that is 100 per cent support, it is the same kind of support we see the Prime Minister giving the Secretary of State for External Affairs—100 per cent in the back!

In the Korean war days, if we had had a contract with North Korea when it invaded South Korea, would we have carried on with business as usual? It is not likely. If this government had been in power, we might have; but we did not do it when we had men in power. When Germany invaded Poland, for example, would we have continued with our contracts with Germany no matter what it had done on the international scene? I suppose if the Prime Minister had been in power the answer would be yes, but we would not have done that under any other Canadian representing the feelings of the people.

The government has condemned Argentina for violating international law but it is "business as usual" with that government whose own leaked document says that it is going to continue to build a nuclear bomb.

The Secretary of State for External Affairs who is supposed to support the United Kingdom said in response to a question that I put to him that the Canadian government took no position on the question whether Britain had sovereignty over the Falkland Islands. Mr. Speaker, the U.S. Senate passed a resolution to the effect that the Falkland Islands were a British colony. It was not afraid to say that Britain has sovereignty over the Falklands, but this government, giving Britain 100 per cent support, will not even say that Britain has sovereignty over the Falkland Islands. That is the kind of support it gives. That is standing against aggression. But then, that is this government all over—hypocrisy of a gigantic dimension.

Have we offered any assistance to Great Britain to help repel armed aggression in the Falkland Islands? No, we have not. Have we offered a ship, as New Zealand has done? No, we have not. Have we offered anything to Britain except pious platitudes? No, we have not. That is disgraceful, Mr. Speaker. Of course, we have the Prime Minister's statement and I will elaborate on that.

What about the question of Poland? On February 23, 1982, a feeble list of sanctions against Poland and the Soviet Union was announced. The minister admitted that these were only symbolic and were designed to encourage the martial law regime to live up to its intention to re-establish civil liberties. We called upon Soviet authorities to end martial law, to release those who had been arrested, to restore immediately a dialogue with the church and Solidarity. That is what the minister's press release of February 23 said that Poland should do. The sanctions were designed to strike such fear into the hearts of the Polish government that all this would happen. But has it happened, Mr. Speaker?

I have here a dispatch from Peter Kent, who was jailed several weeks ago in Poland, in which he said that he saw the Polish guards beating Solidarity demonstrators with rubber truncheons in front of his very eyes. Martial law has not been lifted and civil liberties have not been re-established. Martial law still exists and there is no dialogue between the church and Solidarity.

Those sanctions were imposed three months ago. On March 24 we outlined the kind of sanctions that we would have imposed were we in power and these received the full support of the Polish community and the Canadian Solidarity groups. But the government says that it does not want to impose harsher restrictions and that it is going to continue to sell grain to Poland with credit for three-year terms, the most generous credit arrangements we have with anyone. It is going to continue to allow the Polish government to send trawlers into our 200-mile economic zone to take 12,000 tons of fish per year without receiving any return. It claims it is doing that because it wants to help the ordinary Polish people and it does not want to interfere with the supply of food for them. These measures do not hurt the Polish government, Mr. Speaker, but, rather, help it.

If it is necessary for us to assist the Polish people, if they need food, if they need aid, it should go through international agencies of assistance which will see that it is distributed and gets to the people it was meant for. It should not be done in a way that props up the despotism that now rules Poland.

Some hon. Members: Hear, hear!

Mr. Crosbie: I have in my hand a letter dated May 12, 1982, from Zygmunt Przetakiewicz.

Mr. Flis: Shame on you. You cannot even pronounce it!

Mr. Crosbie: The hon. member for Parkdale-High Park (Mr. Flis) has turned his back on the Polish community so I do not want to hear from him. Shame on him, sitting over there without protesting while this is happening to the Polish people.

In this letter of May 12 the head of "Solidarity" Information Office in Canada, referring to our proposals of March 24, writes as follows:

> I fervently hope that your proposals will be implemented by the Canadian government as soon as possible.
>
> I believe that sanctions precisely directed at the Polish and Soviet authorities are the best peaceful means by which we may aid the Polish people's struggle for their rights.

• (1530)

> In this manner our actions would parallel the peaceful resistance of the people in Poland by which they hope to apply sufficient pressure on the Polish authorities to force them to end the state of war, to release all of those arrested and to resume the dialogue between Solidarity and the government—

This has the backing of the Solidarity movement in Canada. The first Pan-Canadian conference of Solidarity had a meeting on April 24 and 25 in Toronto. They made resolution that the Canadian government is obliged to defend human rights now suspended in Poland; that the issues be raised at the UN by Canada; that the Canadian government use moneys put away for Poland to finance the delegation of accountability to verify whether Canadian food exports to Poland are reaching the people. They asked that the Canadian government replace what they call the present symbolic and ineffective sanctions with more meaningful ones, and implement a full range of trade, diplomatic and cultural sanctions against Poland and the Soviet bloc until the state of war is lifted in Poland and human, citizen and trade union rights are reinstated. That is

what they have asked for. And if I cannot pronounce that gentleman's name properly, he knows that my heart and support is with him!

Some hon. Members: Hear, hear!

Mr. Crosbie: On May 17, Mr. Speaker, I presented those Solidarity resolutions to Parliament exactly as they had been given to me by way of a motion under Standing Order 43. The members on the Liberal side of this House said no and did not permit that resolution to be passed by this House.

Some hon. Members: Shame, shame!

Mr. Crosbie: The party that sits with and supports—

Mr. Cullen: Mr. Speaker, I rise on a point of order. I understand, and you can correct me if I am wrong, that it is inappropriate and improper to comment on the result of a vote because the hon. member does not know from which side the "no" on those motions comes from. In any event, he is not supposed to comment on them and that is a rule of this House.

Mr. Crosbie: Mr. Speaker, I am—

Mr. Flis: Mr. Speaker, I know the hon. gentleman wants the record set straight in *Hansard*. When martial law broke out on Sunday, December 13—

Mr. Crosbie: That is not a point of order.

Mr. Flis: Yes, it is. On Monday there was an all-party agreement to a motion which was to be presented in the House on that day. When the motion was brought into the House the Conservatives refused to give it unanimous consent—

Mr. Deputy Speaker: The hon. member will have an opportunity to be recognized in the course of debate. The hon. member for St. John's West has the floor.

Mr. Crosbie: the Polish Scarlet Pimpernel has spoken. Mr. Speaker, I have limited time or I would deal with that Polish Pimpernel pretty quickly. However, I want to move on and my next—

Mr. Flis: I have a question of privilege, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Parkdale-High Park is rising on a question of privilege.

Mr. Flis: Mr. Speaker, I wonder if you could check whether that was parliamentary language or not. As a Canadian, I resent being called names like this.

Mr. Crosbie: I retract, Mr. Speaker. Let me leave Poland for a few minutes, Mr. Speaker. By the way, the Prime Minister has never retracted his initial statement of December 18 when he said:

> Hopefully the military régime will be able to keep Solidarity from excessive demands.

He was very hopeful about that. What were the excessive demands of Solidarity? Free speech; freedom of movement; freedom to have a free-trade union. Those were the "excessive demands", and our Prime Minister hoped that the military régime would be able to keep Solidarity from those excessive demands. What do they say in Poland? *The Globe and Mail* reported that one Pole said:

> Your Trudeau, he really did us in.

This illustrates the false hypocrisy of our position in the world, the pirouetting and posturing which goes on under this government.

The Prime Minister made a speech on May 2 at the convocation of St. Francis Xavier University where he warned of a moral void. He spoke of the—

> —need for a new code of international morality, a new global ethic to guide the conduct of peoples and of nations, in this new age in which we live.

The person who spoke those noble words is the same person who is selling nuclear fuel bundles to Argentina, no matter what happens in the realm of armed aggression. That is the "new global ethic" of this Prime Minister who speaks in these terms to university graduates and then proceeds to sell nuclear fuel bundles to the military régime of Argentina which is guilty of the most heinous human rights violations, apart from anything else. Do his actions in support of martial law in Poland reflect his new code of "international morality?" If that is the new code, then we have no difficulty in finding out who the architect of that new code is.

There has been an erosion in the moral vigour and direction of our foreign policy which is paralleled by a decline in the status and efficacy of its chief instrument, our foreign service. The Prime Minister cares not a whit about the condition of the Canadian foreign service. The Secretary of State for External Affairs cares not a whit. A royal commission was appointed by the Prime Minister in the person of Pamela McDougall when he himself said that dissatisfaction was prevalent in the foreign service. She reported to the government on October 18, 1981, and what action did the government take? It has taken no action. There was a major reorganization of the department on January 12 about which she was not consulted by the Prime Minister who appointed her. She was not consulted by the Secretary of State for External Affairs. She was not consulted by the deputy minister of that department until some time in February or March, I have forgotten the exact date. The minister was satisfied to tell us here in this House that he had nothing to do with the commission, that it was reporting to the Prime Minister. Well, God help Canada if we have ministers in charge of departments who are proud to proclaim that they are doorsteps and footmats for the Prime Minister, and that they do not control or administer their own departments. If that was my department I would have had Miss McDougall in within a week after she gave me that report, and would read it and discuss it with her. Maybe I will never be in that department, but I would not want to be if I had to function as the Secretary of State for External Affairs now functions, like an India-rubber man.

This royal commission report was ignored, Mr. Speaker. What are some of its findings? Tremendously alarming findings were made, and then the minister came into the House and tried to pretend that Miss McDougall did not mean

what she said. He was repudiated by Miss McDougall in the committee. I read to her the minister's statements in this House and Miss McDougall said it was a false impression. She stood by, she said, every recommendation and conclusion she came to in the report. On December 17 in this House the minister said:

—that she herself stated that the report puts things out of focus, that on balance it is a good foreign service with good morale. By singling out the various problems . . . this gives an over-all false impression—

That was the answer of the minister to a question by the hon. member for Esquimalt-Saanich (Mr. Munro) on December 17, 1981. Then the author of the report came to committee and said that was entirely false, and she stood by all her conclusions. Some of her conclusions were that the morale of this department is shot. There is a huge gap in communications between agencies in the field and the head office. There is a sorry state of communications between Ottawa and missions abroad. There is mistrust, confusion and misunderstanding about the partial consolidation of 1981. There is a crisis of identity and confidence in the foreign service which requires positive counteraction. There is a profound malaise in the foreign service.

This is the commissioner appointed by the Prime Minister, one who is experienced in the service, speaking about the implement through which our foreign policy is carried out. She says there is a failure of management in the foreign service.

The Prime Minister did not care, because the Prime Minister does not care about that department. The Prime Minister makes up his own foreign policy as he goes along, and he has nothing but contempt for the people who work in the Department of External Affairs, and nothing but contempt for the three ministers he put there to play ring-around-the-rosy when there should be one secretary of state in control of Canada's external relations. That is why there is an erosion in the quality of our foreign service and that is why it is in its present condition. So our foreign policy is transformed from an enterprise which should be dedicated to achieving our interests, securing our friendships and preserving peace and the values of the west, into a vehicle for the personal glory of the Prime Minister. Here is what he said at St. Francis Xavier:

Heads of state and of governments ought to work together to forge existing international bodies into an authentic network whose lines of communication will be kept warm by a human current—summitry.

The Prime Minister thinks the answer is for heads of state to meet at the summit. Summitry is the answer to all the world's problems. It is the personalized approach to foreign policy. Canadians wonder whether we have any role to play or if it is all to be done by this magical Prime Minister at the summit.

• (1540)

I want to spend a few moments on patronage in the foreign service, which has been exemplified by the recent appointment of Mr. Erickson to be the architect to design our embassy in Washington. After practising an elaborate deception on the whole Canadian architectural profession in a shameful manner, Mr. Erickson, not recommended as one of the four best by the committee, was appointed by the Prime Minister because he was a pal, a friend of the Prime Minister.

Mr. Smith: That is nonsense.

Mr. Crosbie: Let me say this. If that gentleman had any courage or was the architect he is supposed to be, he would revoke that commission and send it back so that the people who were recommended, the Zeidler firm in Toronto, who were found to be the best by the committee, would get it. What happened is absolutely shameful.

At the very font of our system is the Prime Minister who is supposed to be the leader of this country. But what do we see? We see the kind of action that Louis XIV might have taken as the "Sun King" at Versailles, and that is where the Prime Minister is going on Friday. The procedure followed is what an absolute monarch would do but not a parliamentary government.

The questions posed by the *Edmonton Journal* on May 12 are the questions we have to ask now. How ethical is it to establish a selection committee which has no real role? How ethical is it to ask for costly submissions by architects for a project they cannot win? How ethical is it for Mr. Erickson to accept the project when a panel has decided that he is not the best qualified to design the embassy?

Mr. Speaker, I believe you are indicating that my time is running out. That is the difficulty when we are on such a vast subject. I speak now of Argentina. There is an old proverb; "He that sups with the devil must have a long spoon." We are supping with the devil by sending nuclear fuel bundles to Argentina. I have another proverb written by Erasmus in 1508: "It is easier to raise the devil than to lay him." The devil that we are raising in Argentina today and with whom we are supping is one with which we will have the greatest difficulty ever laying.

In conclusion, I have to say that we have the weakest foreign policy we have ever had, administered by a Prime Minister and a Secretary of State for External Affairs who are letting this country down badly, who can do nothing of substance, who posture plaintively and humiliate us on the world scene by letting down our friends, comforting our enemies and by inflicting shame on the Canadian people who feel we can do very much better by assisting where we are needed in international affairs.

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I thought possibly the Secretary of State for External Affairs (Mr. MacGuigan) would like to respond to some of the hyperbole we have just heard. If he would like to respond now, I would be willing that he do so.

Mr. MacGuigan: The hon. member for New Westminster-Coquitlam (Miss Jewett) may have the floor.

Miss Jewett: Mr. Speaker, it strikes me passing strange that the party to my right should be talking about international morality and the absence of it on the part of the government. Mind you, they are quite right. There is no great spirit on the

part of the government. But for the Conservative Party to be placing itself in the position of morality in international matters is almost unbelievable. Where was the Conservative Party when many years ago we were talking about the importance of not providing Argentina with a nuclear reactor? Where was the Conservative Party then?

An hon. Member: We were not at war then.

Miss Jewett: We said at that time that Argentina would be on the threshold of developing nuclear weaponry and that if we provided a reactor we might well assist them in developing nuclear weapons. But now hon. members to my right are saying yes, and now they are protesting the sending of nuclear fuel bundles to Argentina. But there was never a word from the Tories about that a year and a half ago. There was never a word about the oppressive, dictatorial, militaristic regime of Argentina a year or so ago. Not a word. Have you ever heard a Tory worry about the people who have disappeared in Argentina?

Mr. Taylor: Do you have a monopoly on it?

Miss Jewett: One or two, perhaps, the hon. member for Waterloo (Mr. McLean) being a case in point. But only one or two in that whole party have ever worried or concerned themselves about the dictatorial regime in Argentina.

Mr. Munro (Esquimalt-Saanich): You are the epitome of words, I suppose.

Miss Jewett: But now the Tories are talking as if they had somehow all along been in support of criticizing that regime.

Mr. Wenman: What about human rights in Poland?

Miss Jewett: All right. The only country which the Conservative Party has been looking at seriously from a human rights point of view in the last several months has been Poland. All of us have been concerned about the imposition of martial law and the deprivation of rights of the Polish people.

Mr. Munro (Esquimalt-Saanich): What about the Soviet Union?

Miss Jewett: It has been said earlier in this debate that we were prepared to have a unanimous motion in this House deploring the situation there. Where was the Conservative Party when we were talking about martial law in Turkey? Have you ever heard a single Conservative protest martial law in Turkey, Mr. Speaker?

Mr. Munro (Esquimalt-Saanich): What about human rights in the U.S.S.R.?

Miss Jewett: Have you ever heard the Conservative Party as a whole protesting the 30,000 murdered people in El Salvador? Never. The Tories have never said a word about the denial of human rights in Guatemala, El Salvador—

Mr. Munro (Esquimalt-Saanich): Nicaragua and the U.S.S.R.?

Miss Jewett: As a party they have never taken this position on any country. The hon. member for St. John's West (Mr. Crosbie) above all has never taken a position in the defence of human rights anywhere in the world. When he says that we want to project fundamental values that we all share in the world, we could not help but agree. But we would like to see it done in practice, not done highly selectively.

Mr. Taylor: We don't support communists.

Miss Jewett: We have supported the arguments made time and time again in this party and in Socialist International in opposition to martial law in Poland. It is all on the record. We have supported the opposition to martial law in Turkey. We have supported the need to refer the human rights question in countries in Latin America and above all in El Salvador to the United Nations. But not the Tories. Don't tell me they are concerned about values concerning human rights.

Mr. Taylor: You know everything.

Miss Jewett: The Tories are not at all concerned about these questions.

The hon. member for St. John's West also spent some time in South Africa. Never have we heard a word from him or from the Tory party as a whole on the question of apartheid in South Africa.

Mr. Crosbie: I was also in Japan and China.

Miss Jewett: Nor have the Tories been very concerned about Namibia. I could go on and on in this vein, Mr. Speaker.

Mr. Munro (Esquimalt-Saanich): I have been concerned about Namibia and SWAPO.

Miss Jewett: We sit here and listen to the utmost hyprocrisy, but we are obliged to take this dog's breakfast of a motion and see what we can pull out of it which might be useful and valuable.

There is no question in the minds of anyone in this party that what the government did in the matter of assigning the design of the new embassy in Washington to a crony of the Prime Minister's was reprehensible. There is no question in our minds about that. Whether or not if the Tories had been in power they would have done the same thing is hypothetical, because they were not in power long enough. But I remember one occasion in the last election campaign when the hon. member for St. John's West complained that when the Tories were in power they had not used the power of political patronage sufficiently.

Mr. Wenman: What about the NDP in Saskatchewan?

Miss Jewett: The hon. member complained that in politics there are times when one should be rewarding one's friends. That was the hon. member for St. John's West in the last

election campaign. I am not at all sure that if the Tories were in power they would have done very much differently on that matter.

Mr. Wenman: And the NDP in Manitoba.

Miss Jewett: I am not at all sure either whether the Tories would have listened to Miss McDougall. If the hon. member for St. John's West had been Secretary of State for External Affairs, I am not at all sure that he would have even known that his Prime Minister had appointed a royal commissioner to look into conditions in the foreign service. There is such division and lack of communication in the Conservative Party that he may not even have known.

• (1550)

He did not mention in his motion one of the most serious criticisms made in the McDougall report concerning the conditions faced by spouses abroad and the absence of any adequate female representation and promotion in the Department of External Affairs. When the minister is considering the report, I hope he addresses himself to that matter.

What is most alarming about the motion before us today is that is does not touch upon the most important matter to all humanity today, that is, the arms race. Not a word does it say about what Canada's position might be or should be at the special session on disarmament which will begin next week. Not a word of criticism does it offer about the absence of any follow-up by the Government of Canada on its 1978 strategy of suffocation. There was not a word in this motion about a matter which is on our doorstep and will be the subject matter, as we all know, of a seven-week session of the United Nations. Do we in fact have a policy for the government to follow? There is a good deal of talk that the Prime Minister (Mr. Trudeau) would be available, would return from his travels on June 14, which is the day allotted for the Canadian speech. Will he go there to speak? Is he likely to speak there when we know that apart from a small glimmer in his speech at Notre Dame University—a speech which was quite at variance with the recent addresses of both the Secretary of State for External Affairs and the Minister of National Defence (Mr. Lamontagne)—he has no new initiatives for Canada to take to the United Nations and therefore probably will not attend? It would hardly be satisfying to the Prime Minister to announce at the United Nations special session that we would make our major contribution the testing of airborne Cruise missiles.

The government has agreed to postpone the final decision on that testing until after UNSSOD II. However, it seems to me that the government is still very deeply committed, because it is so intimately tied up with American strategic planning, to go ahead with the testing of Cruise missiles. There was not a word of criticism of the government for its lack of ideas, hopes and even dreams in the field of international affairs which is so vital to us all. I suggest the reason for this lack is that in fact, for all the hyperbole of the hon. member on other matters about the great differences between the two parties, there are no great differences between the two parties on these matters.

When the Conservatives were in power in December, 1979 they went along with the NATO decision, without a murmur, to have ground-based Cruise and Pershing IIs in Europe. The Conservative government of the day did not raise a murmur, as did the governments of Belgium, The Netherlands and other countries. In fact, if anything, the Conservatives might even be worse in this intimate tie-in in the nuclear arms field than the Liberals.

Having no real difference, and being Tweedledum and Tweedledee on these matters, the motion before us today did not even raise the matters of arms control and disarmament. It was as if the entire area of arms control and disarmament, about which all Canadians are now talking, is something that the Conservatives have not even heard of, with the exception of two hon. members. If some of the Conservatives here had been at the walk for peace in Vancouver on April 24 and had seen the 35,000 people who were there, if some Liberal Members of Parliament had been there as well, I think they would take a very, very different view on this matter today than they do.

The fact is that the Liberal government has been extremely remiss in almost all aspects of foreign policy. It has allowed Canada's whole orientation to be changed. Ever since 1968 it has abhorred the enormous advances made by the late Right Hon. Lester B. Pearson. It has as much as said—and in fact did say on one occasion in the words of the Prime Minister—that it did not want to be a helpful fixer, a mediator or a power in the world scene which was working for peace, understanding and reconciliation. It has not taken that course but rather has allowed Canada to become absolutely and totally enmeshed in a military strategy and doctrine over which it has no influence or control. As a result of taking that course, it has put itself on the fringes as far as the world scene is concerned.

I wonder what the government knows about the newest document which was leaked in Washington concerning the Pentagon strategy for fighting a long nuclear war. I wonder whether the minister read it. It appeared in the *New York Times* the day before yesterday. I wonder whether our officials and the minister had any role to play in the development of that document. In case some hon. members have not yet seen it, the document is the new five-year over-all plan of the United States defence department for "fighting and winning" a nuclear war, even though President Reagan a few months ago said that in a nuclear exchange there are no winners. Did our Department of National Defence have any input into this? Perhaps the Secretary of State for External Affairs does not know, perhaps the Minister of National Defence does not know; in fact they probably do not know.

Since we are so intimately linked with American strategic planning, I ask whether we in fact had any input into the development of this document. I am quite sure the answer is no. Canada has given up the kind of influence it in fact exercised in the 1950s and 1960s. Also it has given up the role, to use James M. Minifie's phrase, of peacemaker and has almost become totally and solely a powder monkey. This is what Canada has done in the last decade.

There are glimmers that the government might yet have Canada play a more independent, more responsible and more useful role in the world. I hope that in the course of the minister's remarks today we may hear something positive and creative, particularly in light of the fact that we will be speaking at the United Nations Special Session on Disarmament on June 14.

• (1600)

Hon. Mark MacGuigan (Secretary of State for External Affairs): Mr. Speaker, at no time in our history has Canada's national principles and interests been so deeply engaged with the world around us. We often sense, with a terrible immediacy, events in the farthest corners of the globe. The international system developed in the post-war world needs constant repair and renovation if it is not to unravel. The interplay of political, economic, military and social changes is dizzying in its speed and dangerous in its potential consequences.

What do Canadians expect of their foreign policy in such a time? Foreign policy constantly embodies the views and principles of Canadians. It is the expression abroad of the nature of our country, of our deeply held values and of our national policies. This government believes that there are a number of principles which Canadians cherish and expect to see pursued at home and abroad. These principles were first laid out in the paper at the beginning of the 1970s and include the fostering of economic growth, the safeguarding of Canada's sovereignty and independence, working for global peace and security, promoting social justice, enhancing the quality of life and ensuring a harmonious natural environment. These are six values to which Canadians are deeply committed as a people in their life abroad as well as their life at home.

In the current period, economic growth and social justice are the priority goals of this government abroad as they are at home. Attention to peace and security and to the rule of international law is surely a fundamental pre-condition to prosperity and justice. The international environment at the present juncture is by no means congenial or conducive to the pursuit of peace and international co-operation. Perhaps the most troubling is the tendency toward persistent crises, toward a failure of mediation and the emergence of problems which spring up beyond the reach of national institutions; problems which slip through the international safety net and threaten violence and injustice.

Canadians expect their foreign policy to work for the good of this country but they also insist that it work for the good of the global community. They realize that Canada cannot pursue its goals in a world of instability. They demand of their foreign policy that Canada make a contribution to world order and harmony.

Canadians expect their foreign policy to address the perplexing issues of the day openly, directly and peacefully. They expect Canada to pull its weight in the world, for example by promoting the independence of Namibia, supporting the Association of Southeast Asian Nations, accepting refugees from oppression, countering the Soviet threat in alliance with traditional partners, working for economic progress in the Caribbean and Central America or deepening our ties with francophone states.

It is against that background of priorities and principles that I now turn to the motion before us. I believe I am speaking on behalf of a middle power, a modest people, but a people with a strong sense of idealism not only for themselves but also for their world. Canadian foreign policy articulates and demonstrates the long-standing Canadian characteristics of moderation, reason and co-operation quickened by concern for our fellow man.

This party is in the mainstream of Canadian opinion with respect to international affairs. It is in the mainstream of western opinion. That cannot be said for either of the parties opposite.

Let us look at their position. Let us take Her Majesty's loyal opposition. Let me cite this incident which occurred at the Standing Committee on External Affairs and National Defence on May 4. The mover of the motion for today's debate, the hon. member for St. John's West (Mr. Crosbie) and the official critic for his party in that field, attacked the government for not providing military assistance to Britain in the conflict over the Falkland Islands. In the same meeting his Conservative colleague, the hon. member for Fraser Valley West (Mr. Wenman), told the committee, "I want some compromise. I want you"—speaking to me—"identifying the nature of the compromise and getting on to that."

One could speak volumes about the confusion that exists in the ranks of the official opposition with respect to foreign policy. One wonders where the members of that party are today. For instance, I had hoped to hear the hon. member for York-Peel (Mr. Stevens) speak of the views of the hon. member for Kingston and the Islands (Miss MacDonald) on the election in El Salvador. It would have been most enlightening for the country to find out where the Conservative Party stands. It would have been interesting to hear the hon. member for York North (Mr. Gamble)—and perhaps we will—speak of the views on social justice of the hon. member for Edmonton South (Mr. Roche), who knows that I agree with his position but also knows that he unfortunately does not have the support of his own party. It would be interesting to hear the views of the hon. member for Waterloo (Mr. McLean) on the disarmament theories of the hon. member for Victoria (Mr. McKinnon). That would be a treat.

Let me give another case in point relating to the hon. member for St. John's West who is, for the moment, the official critic for his party. When asked about the actions of the brief Tory government over the invasion of Afghanistan, this hon. member—obviously stretched to the limits of his understanding of foreign policy—told startled journalists that the Soviet Union had been invited into Afghanistan. Not only is that hon. member not in the mainstream of Canadian public opinion, not in the mainstream of western public opinion, but he is not even in the mainstream of world public opinion, because 105 nations at the United Nations voted against the Soviet invasion of—not invitation to—Afghanistan. It would

have been interesting to have the hon. Leader of the Opposition (Mr. Clark) here to see this cavalier treatment of the policies of his government when they were in office as expressed by the hon. member for St. John's West.

As I have said, this government speaks for the mainstream. There are a few brave souls in the party opposite, risking the wrath of their fellows, who swim along with the government, but there are others who are off paddling on the sides by themselves, and there are some who are floundering. The hon. member for Kingston and the Islands is swimming in the wrong direction, upstream, and the hon. member for St. John's West has indicated by his views on Afghanistan and other issues that he is not even in the water yet. Perhaps I might change my metaphor somewhat to say that he is actually a beached whale who has been thrown up on the shores by his own leader.

With respect to the New Democratic Party, it is all too well known that their attitudes to the world are vitiated by the anti-western, anti-NATO position which they have taken on all issues of the day but which come out most dramatically on issues of East-West confrontation and issues of disarmament. It is well known that the hon. member for Oshawa (Mr. Broadbent), the leader of that party, is a closet supporter of NATO but is not allowed out of the closet by his own party who, at their last meeting, voted against the continuance of Canada in NATO.

• (1610)

Having seen that the opposition parties are not in the mainstream, let us look at the position the government has adopted with respect to the crisis in Poland and Canada's response. Following the imposition of martial law in Poland on December 13 of last year—

Mr. Crosbie: They sent Flis over!

Mr. MacGuigan: —Canadian policy in respect to this tragic event has been twofold. We have continued to manifest our humanitarian concern for the welfare of the Polish people, particularly for their human rights and freedoms. We have also sought to demonstrate clearly to the Polish and Soviet authorities our firm belief that the imposition of martial law on the united people struggling to build a better future for themselves and their country was a reprehensible act. I need not list again for hon. members the humanitarian assistance that the government has provided for the Polish people.

Mr. Crosbie: Helping the government.

Mr. MacGuigan: Our efforts have been considerable and have served to supplement, in no small way, those of thousands of Canadians across this country. I notice the interruptions by the hon. member for St. John's West. I think the House should once again take notice of his interruptions. I do not know whether he was speaking for his party on this occasion or not. How is one to know? On this occasion he said that he was opposed to the continuance of the food supply of wheat which Canada allows to go to Poland so that the people will not starve. That is the policy of that hon. member, at least, and perhaps of his party. I leave that to them to fight out among themselves in their usual happy fashion.

Mr. Crosbie: That, I never said.

Mr. Siddon: Happy as you are. As long as you tell the truth, Mark.

Mr. Crosbie: Try the truth, like the Minister of Justice.

Mr. MacGuigan: We have also frequently and consistently expressed our serious concerns about the human rights situation in Poland. I attended the fifth session of the Madrid follow-up meeting of the Conference on Security and Co-operation in Europe—

Mr. Crosbie: You are good at attending meetings.

Mr. MacGuigan: —and spoke out in detail on that occasion, February 9. Let me recall a portion of my Madrid statement.

Mr. Crosbie: All talk and no do.

Mr. MacGuigan: I stated:

> The commitment of the Polish government to fulfil its obligations under Principle VII has clearly been abandoned in the events that have transpired in Poland since December 13, 1981. Thousands of people have been interned, simply for having been active in an organization duly recognized by the Polish courts. They have been charged with no criminal offences. They are simply being held, being allowed minimal contacts with their families and friends, at the pleasure of the government—
>
> At the time of the imposition of martial law in Poland, nearly ten million of the country's work force of some 14 million belonged to "Solidarity". They were supported in their efforts to improve the economic and social conditions prevailing in Poland by their families and friends, by the million-strong membership of rural Solidarity and by millions of sympathizers and admirers around the world.
>
> Their valiant efforts to exercise their right to self-determination gave us all hope in the power of the individual to take his life in his own hands, to join together with other like-minded individuals, and together to build a better future. These hopes were quashed on December 13, 1981. The present Polish authorities have not, despite all their efforts, been able to explain to our satisfaction why they acted as they did, where the threats of civil war and anarchy came from.
>
> Canada has stated on numerous occasions that Poland must be left to resolve its political and social difficulties without outside intervention. We believe firmly that only the Poles themselves have the right to determine their national destiny—but it must be all Poles, not just a small ruling class.

Surely this statement fully demonstrates the Canadian government's concern for the human rights of the Polish people. I can tell hon. members that the Soviet and Polish representatives in Madrid were left in no doubt about our position.

In implementing the second aspect of the response to the imposition of martial law in Poland, the Canadian government has stood firmly with our NATO allies. At our ministerial meeting in Brussels on January 11, and again in Luxembourg on May 17 and 18, we called for the lifting of martial law, the release of those detained and the restoration of the dialogue among the government, Solidarity and the church. Canada and its NATO allies also agreed to suspend the provision of future commercial credits for goods other than food, and to hold in abeyance consideration of holding negotiations on the payments due in 1982 on Poland's official debt.

The measures the government later announced on February 23, 1982, were designed to demonstrate our concerns over developments in Poland to the Polish and the Soviet authorities. These measures are well in keeping with those adopted by our NATO allies, and we remain fully committed to them.

This again illustrates the fact that we are in the mainstream, not only in the mainstream of the Canadian people, which is our most important responsibility, but also in the mainstream of the west because our sanctions and measures taken against the Soviet Union are parallel to those taken by other members of the alliance.

I would like now to say a few words about the Falklands crisis. I referred earlier to the instability of the world in which we live; I should also have added the unpredictability. The Falklands crisis illustrates the volatility of events. It also underlines the need to give more than lip service to the norms of international law, and that stability will only come when international principles are achieved in practice by all states.

The text of this motion, in so far as it concerns the situation in the Falkland Islands, suggests to me that Rip Van Winkle must have been one of the drafters because they have obviously forgotten, if they ever took the time to learn, what the Canadian position is. The resolution criticizes the government for its alleged "failure to support the United Kingdom and the rule of law in international affairs."

Let us look at the record. On the same day that Argentina began its occupation of South Georgia and the Falkland Islands on April 2, we called in the Argentine charge d'affaires to express our consternation and concern that in this day and age Argentina would resort to force to settle a territorial dispute with another country, in clear violation of Article 2—

Mr. Crosbie: Nuclear bundles.

Mr. MacGuigan: —of the Charter, which states that "all members shall settle their international disputes by peaceful means in such a manner that international peace, security and justice are not endangered." It is on this clear point of principle that Canada opposed Argentina's action and fully supported the Security Council Resolution 502.

Mr. Gamble: The strongest words you can muster.

Mr. MacGuigan: During the Security Council debate on Resolution 502, our ambassador clearly expressed Canada's position in this regard. He said:

> My delegation has requested participation in the debate in order to express its shock and deep concern at the precipitous action of Argentina in resorting to force in its attack and armed occupation of the Falkland Islands.

This was followed by our decision on April 4 to recall the Canadian ambassador to Argentina for consultations, a traditional diplomatic device to demonstrate formally disapproval of another country's action.

Mr. Taylor: And left the technicians there.

Mr. MacGuigan: At the same time, the government placed an immediate embargo on the export to Argentina of all military equipment and, on April 12, followed these measures by a ban on all imports from Argentina and on export credits for any new commercial transactions with that country.

Mr. Taylor: Still sending nuclear bundles.

Mr. MacGuigan: Our sanctions, of course, were parallel to those taken by the European Economic Community, by Australia and New Zealand and, of course, went beyond those of the United States. I might say that they were adopted without terminal date, unlike those of the European Community which had to be renewed twice and only now are like ours, without terminal date.

Both sides are obviously convinced that their claims to the Falkland Islands are just, but Britain has always been prepared to seek a peaceful solution to the dispute. Argentina, unfortunately, chose to use force in violation of the United Nations Charter, an illegal act which was so recognized by the Security Council at its emergency session on April 3 which demanded by a vote of ten to one Argentina's withdrawal and the immediate cessation of hostilities, and the beginning of negotiations between the two governments. Regrettably, not only did Argentina ignore the Security Council resolution but actually flouted it, because it proceeded to strengthen its garrisons on the Falkland Islands.

In the face of this action, as I have said, Canada joined the European Community, Australia and New Zealand to impose economic sanctions. As was explained at the time of this action, the government's principal concern was to contribute to ensuring the respect for the United Nations Charter and for the rule of international law consistent with our conviction that force must never be used to settle territorial disputes.

• (1620)

Canada has maintained this position consistently since that time in the same manner as the European Community, Australia, New Zealand and the United States. I have received on numerous occasions expressions of appreciation from the British Foreign Secretary and the British High Commissioner for Canada's forthright and robust position with respect to support for Britain.

Mr. Crosbie: A diplomatic nicety.

Mr. MacGuigan: I can assure the House that no British request for co-operation has gone unanswered.

Mr. Crosbie: Shameful. You have not offered any.

Mr. MacGuigan: Mr. Speaker, Security Council Resolution 502 calls on the governments of Argentina and the United Kingdom to seek a diplomatic solution for their differences. As the world well knows, over the past several weeks there have been intensive efforts by the two parties, by the United States Secretary of State Haig, by President Belaunde of Peru, and finally by the Secretary General of the United Nations, to bring about such a negotiated solution. Canada was asked by Peru to be associated with one such initiative and we agreed to

do so provided that our role was acceptable to the parties concerned. However, this initiative was soon overtaken by events and was superseded by the efforts of the Secretary General of the United Nations.

I have indicated to the British Foreign Secretary, to the Foreign Minister of Argentina, to the United States Secretary of State Haig, to the Foreign Minister of Peru, and to the Secretary General of the United Nations, that Canada would be willing to facilitate any negotiations, or to participate in any agreed settlement arrangement, if the parties concerned felt that Canada could play a useful role. That offer still stands; but no useful purpose would be served by seeking to involve ourselves in the current negotiating processes so long as they offer some hope of success, as they are presently being conducted.

Some hon. Members: Oh, oh!

Mr. MacGuigan: Mr. Speaker, I want also to say a word about our bilateral relations with Argentina. As part of our policy to enhance our relations with the countries of Latin America and the Caribbean which I announced in March 1980, we have been endeavouring to develop a better degree of correct and cordial relations with Argentina. We have made it clear that although we do differ profoundly with Argentina in respect of its unilateral and aggressive action in trying to resolve this territorial dispute with Britain, we would hope nevertheless that when the present crisis has been resolved we can continue the process of developing these relations to our mutual advantage.

We have no quarrel with Argentina per se, but we do respect, and we insist upon the respect of others for, the rule of law. We profoundly hope that reason will prevail within the government of Argentina. We hope that they will accept the will of the international coummunity and will abide by the Charter of the United Nations and with the specific requests of the Security Council Resolution 502 which calls for an immediate withdrawal of Argentinian forces from the Islands and a resumption of negotiations between Britain and Argentina to resolve the matter peacefully through negotiations in accordance with the United Nations Charter.

Mr. Crosbie: What about the contract? Will you table it?

Mr. MacGuigan: Mr. Speaker, the war in the Falkland Islands has raised among other issues the red herring, I might almost say the red flag, of nuclear politics. This flag has been waved ferociously and piously by members of both the opposition parties.

The considerations are twofold. First there is the question of the reliability of Argentina as a nuclear partner. Second, there is the question with respect to the war. Let me take the question of the war first. The opposition has attempted to capitalize on the natural concern of people about both of those issues. With respect to the war, this is not a matter which has any relationship to the hostilities. The nuclear bundles will not even be delivered to Argentina during the likely currency of hostilities. The nuclear reactor will not be in operation for quite some time after that. All of this, of course, is according to a contract which Canada entered into many years ago with the government of Argentina.

Mr. Taylor: Do you believe that?

Mr. MacGuigan: The hon. member for St. John's West, as I understand him—and again I do not know whether it is the party's view or not, but it seems to be his view—suggests that we should add this sanction to our sanctions. Let me point out, Mr. Speaker, that no other country has done this. Germany has not done it. The European Community has not done it. I mention Germany in particular because they are a supplier of nuclear material and technology to Argentina.

Mr. Crosbie: Lead the way.

Mr. MacGuigan: Indeed, the BBC program, which was recently copied by the CBC, said they had reports that led them to fear that it may be less than a year before Argentina joins the nuclear club, and they went on to say that it would do so with the help of modern German technology. There is no accusation with respect to the supply of Canadian technology. Canadian technology is not only not readily adaptable but is well protected by safeguards and, of course, by international inspections.

Mr. Taylor: Canadian technicians are down there right now.

Mr. MacGuigan: When the opposition imposed sanctions with respect to the invasion of Afghanistan, which the hon. member for St. John's West calls the "invitation" to the Russians to enter Afghanistan, they related, of course, to a limitation; they were not a total embargo. When sanctions were imposed with respect to Iran and other countries, they dealt with future contracts. That is the normal posture with respect to sanctions, that if they apply they apply to future contracts. That is exactly the rule that we are following here, Mr. Speaker.

Mr. Crosbie: On a point of order, Mr. Speaker. I would like to ask the hon. minister if he will permit a question before he finishes his remarks.

Mr. MacGuigan: At the end, Mr. Speaker, I will take a question if I have the tolerance of the House and my time has expired.

That is the military aspect of the question, Mr. Speaker. The other aspect is the suitability of Argentina as a nuclear partner. I have already indicated, Mr. Speaker, that we have the bilateral arrangement by which Argentina has undertaken not to use the nuclear reactor for any purposes other than peaceful.

Some hon. Members: Oh, oh!

Mr. MacGuigan: In addition, we have the right of inspection by the International Atomic Energy Agency as soon as that reactor comes into effect.

Some hon. Members: Oh, oh!

Mr. MacGuigan: The hon. members from the opposition are shouting about this. If this is what they are concerned about, if they are concerned about the suitability of Argentina as a nuclear partner, why did not their government cancel the contract?

Mr. Taylor: We were not at war.

Mr. MacGuigan: Their government was then in power, briefly, it is true, by choice of the Canadian people. Because of the kind of judgment they were expressing on this question they were not kept in power very long by the Canadian people. They had a chance, Mr. Speaker, to cancel this contract and they did not do it. Now they are saying that we should do it—because they are over there.

Mr. Taylor: We were not at war then.

Mr. MacGuigan: We understand, and the country understands, the whole hypocrisy of their position.

Mr. Deputy Speaker: Order, please. the hon. Secretary of State for External Affairs has the floor.

Mr. MacGuigan: Mr. Speaker, obviously they do not like the truth. They find it very hard.

An hon. Member: You are hypocritical. You are two-faced.

Mr. MacGuigan: The truth is always very difficult. We see their hypocrisy of taking one position in government and a different position in opposition.

Mr. Speaker, I think I am in my last minute. I would just say that we are a party which has been expressing the mainstream of Canadian politics. In fact, we have been doing that for generations. That is why we keep being returned to this side of the House. In this case we are also in the mainstream of the western world.

Some hon. Members: Oh, oh!

Mr. MacGuigan: I would like to end with a quotation from the Right Hon. Louis St. Laurent—

An hon. Member: I wish he were here now. He would have a different policy.

Mr. MacGuigan: He articulated this philosophy many years ago:

> A policy of world affairs, to be truly effective, must have its foundation laid upon general principles which have been tested in the life of the nation and which have secured the broad support of large groups of the population.

• (1630)

We are proud to be in the mainstream not only of the present but also of the past and the future.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Is there unanimous consent for the hon. member for St. John's West to ask a question?

Some hon. Members: Agreed.

Mr. Crosbie: I have a very short question, Mr. Speaker. The mainstream, of course, will soon flush the minister right out into the ocean, but is the Secretary of State for External Affairs prepared to table the Argentine nuclear contract and all associated documents which, the minister says, absolutely forbid Canada to make any changes, even in this emergency? Will he produce that contract and table it so that we can see it?

Mr. MacGuigan: Mr. Speaker, at the last meeting of the Standing Committee on External Affairs and National Defence, which I attended—I believe the hon. member was not in attendance but had a nominee asking questions for him—I said I would not table those documents because they contain confidential commercial information.

Mr. Crosbie: Naturally.

Mr. MacGuigan: We are looking at the question to see whether there is any way of easily getting around that, but it appears at the present time those documents are not suitable for tabling.

Mr. Douglas Roche (Edmonton South): Mr. Speaker, it is interesting to note that in the approaches used by the hon. member for New Westminster-Coquitlam (Miss Jewett) and the minister they recognized instinctively that their cases against this outstanding motion were so weak that they had to resort to trying to divide the Conservative Party. They used the well-known tactic of "divide the opponent when you do not have a substantive argument to offer".

I will get to the minister in a moment, but the hon. member for New Westminster-Coquitlam began by criticizing the Conservatives for not opposing the sale of Candu technology to Argentina and by saying we are now being hypocritical in this motion. I want to tell the hon. member that when the Conservatives formed the government in 1979, it was that Conservative government which refused a second sale of a Candu reactor to Argentina on the ground that Argentina would not accept the full-scope safeguards upon which my party, and my party alone, insisted. We would not allow Candu sales without those safeguards. I think the record should be made clear in that respect.

Then the hon. member for New Westminster-Coquitlam spoke about El Salvador and human rights. She said my party was without any compassion; I think that was the word she used. I do not know where she was on March 9, 1981 when several addresses were made by various members of my party. I refer only to the one I made on behalf of my party in the debate that afternoon in which I talked about the agony of El Salvador and the repression of human rights there.

Members of the New Democratic Party talk about the Conservative Party's not having compassion or concern about human rights. Who was in government in 1979 when a policy was brought in to bring the boat people of Vietnam to this country? That was one of the greatest humanitarian endeavours undertaken by this country. It was the Conservative government which did that, so I prefer my party be judged

by its actions, which I proudly stand in this House and reflect and report, rather than by press accounts of so-called divisions within my party.

The minister talked about his party being in the mainstream. The use of the word "mainstream" applied to the Liberal government would be funny if it were not so tragic. The Liberal government is so far in the backwaters of Canada—and, indeed, the world—with its duplicity that I believe the minister would have been better advised to try to defend himself and his government against this motion; but I heard hardly a shred of rebuttal against the charges made in the motion.

The minister tried to defend the government's continuance of nuclear technology co-operation and the sale of 3,000 nuclear fuel bundles to Argentina in the midst of a situation the entire world knows is tragic. The world knows how the Argentine government conducts itself with respect to human rights, with respect to trust, with respect to violations of the United Nations Charter and with respect to invasion in contravention of international standards. This matter was referred to several times during the course of the minister's intervention. When there is a war going on it is absolutely shocking that the government should refuse to review its policy on nuclear sales.

Just before I speak about Argentina in some detail, I would like to refer to the fact that the minister also tried to divide my party. He began with the hon. member for St. John's West (Mr. Crosbie). He referred to him as a beached whale. I have always considered the hon. member for St. John's West to be a roaring shark snapping at the entrails of a government in total disarray.

The minister also said I do not have the support of all the members of my party. If I do not have their support, I would like to know how I come to be standing here at this very moment speaking on behalf of my party. I remind the minister—and I hope he has a chance to read this—that as part of the responsibility I have for speaking for my party on international development I made a statement on May 13, which has the full support of the hon. member for St. John's West, the hon. member for York North (Mr. Gamble) and the other members of my party. On May 13 I was speaking about the estimates of CIDA for this year. I said that if the government wants the support of the Canadian public at a time when our domestic economic situation is so serious, when the number of bankruptcies is up and when we have high levels of unemployment, inflation and interest rates and if the government wants to increase CIDA estimates, it will have to toughen up its whole operation and get tough with the bureaucrats here in Ottawa who are standing in the way of sound development practices. The government will have to get tough with those developing countries which are spending excessive amounts on arms and cutting back on development programs for their own people. The government will have to get tough with a communications program which can tell the Canadian people exactly what is going on.

I do not want to hear any more talk about divisions in my party. I hope the media are paying attention to my speech, if we can ever find them present at a foreign policy debate. All the media want to do is try to poke holes in parties attempting to reflect deep Canadian concerns.

Let me talk now about the more serious of all Canadian concerns today in the field of foreign policy. One of them is the continuance of the sale of 3,000 nuclear bundles to Argentina at a time when we are increasingly concerned about the instability of that regime. On July 14, 1981, the subcommittee on Latin America and the Caribbean was examining this situation in some detail. The witness that day was Mr. James Donnelly, the president of Atomic Energy of Canada Limited. I asked him in a summary question: "Can you give a guarantee to the committee that recycled fuel from the Candu reactor in Argentina will not be able to be used for a nuclear device?" Mr. Donnelly replied: "I certainly cannot give the committee or anybody else that assurance."

• (1640)

Since the start of the nuclear co-operation program with Argentina, we have known that there was the risk of nuclear fuel being siphoned off the nuclear reactor which went to Argentina as a result of the 1973 arrangement. The risk was clearly seen by the government of 1976 which imposed full-scope safeguards. It is bad enough that the government of that time left the sale of the Candu reactor in place without insisting that Argentina support the full scope safeguards, and it was bad enough that Argentina had not signed the non-proliferation treaty; but in light of the escalation of the war in the south Atlantic, and at a time when the trustworthiness of the Argentinian regime has been called into question and the government's leaked document said that Argentina is well on the way toward developing an indigenous nuclear fuel cycle that is completely free of safeguards—despite all that official concern that Argentina may manufacture an atomic weapon from its Canadian nuclear reactor, the government has refused to reconsider the full implication of its policy. It has refused to accept responsibility for the possibility that Canada may turn out to be an accomplice in the development of an Argentinian nuclear bomb.

What kind of government are we dealing with in Argentina? Since the military took over and formed the junta there has been a consistent policy of torture and murder of political opponents to the rightist government. Amnesty International estimates that 20,000 people disappeared after having been picked up by government security forces. There are thousands of political prisoners in jail. The military government has financed and armed private death squads. There is no freedom of the press in Argentina. No opposition political parties are allowed to function. There is no right to strike and no right to collective bargaining. Libraries and book stores have been purged of so-called leftist books which were burned in public.

As my colleague the hon. member for Esquimalt-Saanich (Mr. Munro) properly remarks, Solidarity would never have been able to get off the ground in Argentina.

So much for the character of the regime, Mr. Speaker. Against this canvas of one of the most repressive juntas on the

face of the earth today, we have the escalation of the south Atlantic war. I am sure we are all happy to note that the British forces, which certainly could have had more support from this government than they have had, appear to be closing in on Port Stanley at this very hour. I have no doubt that all of us in the House fervently hope that this tragic conflict can be quickly brought to an end.

Why did that conflict start, Mr. Speaker? It started because, against the standards of international conduct, Argentina invaded the Falkland Islands. Despite the importuning of the Secretary General of the United Nations, despite Resolution 502 of the Security Council, despite the tremendous effort made by diplomats on all sides, including the U.S. Secretary of State, the war went ahead. Argentina refused to recognize that opinion in the western world opposed its continued occupancy of the Falkland Islands by force.

The minister said that we have no quarrel with Argentina per se. I want to tell you, Mr. Speaker, that I have a quarrel with Argentina.

Some hon. Members: Hear, hear!

Mr. Roche: This party has a quarrel with Argentina. It was this party that trusted Argentina so little that it would not even sell it a second Candu reactor without the application of full-scope safeguards. The minister now says, in defence, that this is a red herring of nuclear politics. He also claims that the motion of the hon. member for St. John's West which raises our concerns—which are the concerns of everyone in the world who wants to avoid some sort of nuclear catastrophe—is just a red herring and that no other country has applied added sanctions. The only sanctions that we have applied against Argentina, Mr. Speaker, are on the import side. This means that we can keep on selling to Argentina and trying to make money. So desperate is this government for funds that it will even play with the security of the world, in spite of a report of its own advisers which was provided to the cabinet committee warning the government of the consequences of the present policy of maintaining nuclear co-operation with Argentina.

An article written by Margaret Munro, which appeared in the Ottawa *Citizen* of May 18 this year, ended as follows:

> The briefing paper prepared last month goes on to say: "In fact, the president of Argentina's nuclear agency, Rear Admiral Castro Madero, has in recent statements been unequivocal in rejecting the Non-Proliferation Treaty and full-scope safeguards, while reaffirming his country's desire to retain a nuclear explosive option—
>
> "Our immediate concern is that in their rush to close the (nuclear) cycle, the Argentines may be tempted to exploit their power reactor program which is now under safeguards."

I call on the Canadian government to reassess its policy on Argentina and nuclear co-operation. I call upon it to do so today. I do not know what it will take to get the government to see light on the subject.

We have here a great example of what happens when there is a conflict in a small, remote part of the world such as we have seen over the sovereignty of the Falkland Islands. We have seen what happens in the absence of permanent peace-keeping machinery that, with the consent of the two parties, can be used to straighten things out and to act with some authority. It is absolutely essential that the world move to the establishment of some international peace-keeping machinery. This party has stood for the development of such peace-keeping forces and, as a matter of fact, we want our own defence component strengthened so that it can more adequately serve the cause of world peace through participation in peace-keeping forces.

There was a small glimmer of hope today with the news that President Reagan had announced yesterday that the United States and the Soviet Union will open negotiations in Geneva on June 29 regarding the limitation and reduction of strategic nuclear arms.

The hon. member for New Westminster-Coquitlam asked why this question was not included in our motion. We are not raising it today because we are trying to get the government to put some teeth into its own strategy. All members of this party want the Canadian government to go into the Special Session on Disarmament with policies built on principles designed to further the cause of world peace. That is the stand taken by 78 distinguished Canadians who signed a statement called "Canadian Foreign Policy in the 1980s". I will just close by referring to what this distinguished group of Canadians is asking the Canadian government to do. They say that they want:

• (1650)

> 1) removal of the threat of nuclear war, the greatest danger facing mankind today;
>
> 2) the strengthening of the United Nations and other global institutions designed to bring about a pacific settlement of disputes, foster international co-operation, promote the growth of world law and the protection of basic human rights;
>
> 3) the mobilization of world resources to achieve a more equitable international order and bring an end to the crushing poverty which is the common lot of the majority in the Third World.

That is the basis of a foreign policy which combines a perception of the direction of the world, compassion, and a reflection of our own domestic interests applied externally. We must have a foreign policy which combines those elements of security, trade and development. We must be able to operate on all these fronts with some credibility. The government is destroying its credibility. There is no other area where the government's credibility is under so much question as that of the continued export of nuclear fuel bundles and technology to Argentina, a country which has no business making a bomb, and a country which will threaten world peace. I believe I speak for millions of Canadians when I say that we do not want to be compromised or share in the complicity over Argentina, knowing what it has done to its own people, and what it intends to do in the future as demonstrated by the invasion of the Falkland Islands.

Supply

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Nepean-Carleton (Mr. Baker)—Administration of Justice—Legal costs incurred by exonerated nurse. (b) Law Reform Commission recommendations; the hon. member for La Prairie (Mr. Deniger)—Energy—Export of power by Hydro-Quebec—possible difficulties; the hon. member for Cariboo-Chilcotin (Mr. Greenaway)—Indian Affairs—James Bay Agreement—Government position on TAIT report recommendations. (b) Safety of water supply.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—EXTERNAL RELATIONSHIPS

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

That this House deplores the failure of the Government to represent Canada properly or adequately in our external relationships or in accordance with the views and principles of the Canadian people specifically by its failure to oppose in any convincing and meaningful way the violation of human rights within Poland and the imposition of martial law therein, by the failure to support the United Kingdom and the rule of law in international affairs by opposing in a meaningful and convincing way the armed aggression of Argentina in its invasion of the Falkland Islands and, this House deplores the failure of the government to strengthen the Department of External Affairs as recommended by the McDougall commission as well as its failure to eliminate all aspects of patronage in the operation of that department.

Mr. Ron Irwin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, there are many facets of this motion and I intend to deal with only one, the Polish question: what happened to the economy of Poland; Poland's relationship to the East and the West; a bit of the history of Poland—because if you do not understand its history, you do not understand what is happening today; Solidarity; and human rights.

The present problems in Poland go back to 1970 when then Premier Gierek decided to import western technology on a massive scale, mostly on credit. After that he ran into the OPEC price increases and the worldwide recession. As a result, the Polish economy was virtually bankrupt at the time of the Solidarity uprising. In 1981 Poland's national income was down 15 per cent, as was industrial production. In 1980 coal production was 200 million metric tons; in 1981 it dropped to 165 million. Last year Poland had to import six million to seven million tonnes of agricultural products, and their balance of payments deficit reached $4 billion. Between 1981 and 1985 they faced a crisis in rescheduling $2.5 billion in debt. Exports to socialist countries were down 17 per cent and imports up 20 per cent. Exports to the West were down 25 per cent, and imports also were down 17.5 per cent because of a lack of hard currency.

What kind of cultural environment does Poland live in? It has a very distinct East-West environment which you must understand. It is the only East bloc country with small individual land owners. The Catholic church is very strong in Poland, as is well known. Culturally it has a Western lifestyle, yet we have a large amount of tourism and travel from East and West into Poland.

In general the people are better educated than in the rest of the Eastern bloc. There have been ruptures in the past between communist states: Stalin and Tito in 1947-48; Czechoslovakia in 1968; the Polish uprisings of 1956, 1970 and 1975; the Hungarian revolution of 1956.

Why is Poland different from the others? Poland is the key country in the Soviet bloc because of its strategic location, its military and economic potential, and because of its large population. Therefore, major change in Poland could transform if not destroy the Soviet Union's East-European empire.

What did Solidarity demand, Mr. Speaker? There was an agreement on August 30, 1980, at the Lenin shipyard in Gdansk. These are the things they thought they would be getting. First, the beginnings of an independent trade union movement, which no other communist country had. The right to strike, the right to collective bargaining, Saturdays off, the right to enter candidates in local elections, and a joint task force to co-ordinate supplies of food, fuel, medicine and clothing. I find it odd that the hon. member for St. John's West (Mr. Crosbie) should say, quoting him as closely as I can: "We do not think it is important to have a charter of human rights at home if we do not support human rights in Poland." He was talking about freedom from arbitrary arrest, freedom of speech, freedom of the press, freedom of association, freedom of peaceful assembly, the right to a jury trial and the right to counsel. He was speaking of entrenched rights, and these are all things he voted against in our own Constitution until he was satisfied that they could be overturned, overridden or set aside by the provinces and the federal government. I have to go back and see what his position was on human rights six months or a year ago.

Mr. Gamble: The Russians have those rights in their Constitution as well.

Mr. Irwin: If it is a choice between human rights and political opportunism, he opts for political opportunism. So how can I trust what he says, a man who advocates human rights in Poland but who will not support entrenched human rights of the type he wants in Poland right here in his own country?

Mr. Crosbie: Mr. Speaker, I do not mind being criticized by the hon. gentleman, but he should be factual. I voted for the

concoction brought into this House by the government, and I have never voted against a charter of Human Rights and Freedoms. I do not want to be quoted as having voted against them.

Mr. Irwin: The "concoction" the hon. member voted against was Section 15, which said that there shall be no discrimination based on sex, religion, colour, age, or whether people are handicapped or mentally retarded. He voted against the legal rights which allowed jury trials, the right to counsel and reasonable bail.

Mr. Munro (Esquimalt-Saanich): We have had those for centuries.

Mr. Irwin: He voted against freedom of association—

Mr. Munro (Esquimalt-Saanich): You just got those rights last week? You are out of your mind.

Mr. Irwin: I see I have two other members of the Conservative Party who voted against these rights.

Mr. Munro (Esquimalt-Saanich): I did not vote against them.

Mr. Irwin: I have a lot of respect for many members in that party, but don't come in here and tell me about human rights in Poland when you will not support them in your own country. That is the record.

Mr. Munro (Esquimalt-Saanich): Tell the truth for a change.

Mr. Irwin: I was not going to raise that, Mr. Speaker, but when I see the minister unfairly attacked by hon. members opposite, then the truth should be known in this House. And that is the truth.

Mr. Gamble: Then you are departing from your present practices.

Mr. Irwin: Let me get back to Poland. Solidarity was supposed to be 12 million strong. Perhaps in spirit, but I do not think in fact. Solidarity has collapsed. Prime Minister Wojciech Jaruzelski declared a state of emergency. Lech Walesa and approximately 10,000 Solidarity members and even the former party leader, Edward Gierek, were imprisoned. That is the situation.

• (1700)

To understand how Poland got to this position, you have to understand the history of Poland. Poland has had almost 1,000 years of wars, splits and divisions going back to the year 966. That was when supposedly—it may-be myth—the first king of Poland, King Miezko, ruled. Poland progressed into the sixteenth century. That was supposed to be the golden age of Poland. I think it was. In the sixteenth century Poland was the predominant power in eastern Europe. In 1572 the Jagellonian dynasty died out. It had existed from the fourteenth century to the sixteenth century. What is odd about that and why Poland declined is something that we should remember in Canada. More and more power was given to the landed gentry. In 1652, the notorious *liberum veto* was introduced. This situation has almost come into being in Canada. Any member of the Diet could defeat legislation. Doesn't that sound like the power given to the provinces? This *liberum veto* could nullify previous laws and it could dissolve the Diet.

By the mid-seventeenth century Poland was in its decline. The Russians invaded from the east and the Turks came from the west. The Cossacks living in the frontier area of Poland revolted and Charles X of Sweden invaded Poland. I tell hon. members opposite to listen and learn. They will learn something about the country they are talking about. I say to hon. members: "Do not form your foreign policy on what happened last week by what is reported in *The Globe and Mail*." I tell them to learn something about what makes Poland tick.

In 1660 Poland had peace. But wars, the bubonic plague and mass murders followed and by 1668 the population was reduced to 4 million. It had decreased 55 per cent. The cities lost all their manufacturing, most of their industries and three quarters of their inhabitants.

Between 1704 and 1710 Poland went to war with Sweden. Sweden invaded Poland and one third of the Polish cities were in ruins. Between 1702 and 1710 the population decreased from 8 million to 6.4 million. Sweden advanced into the Ukraine and Russia defeated Sweden. Under Peter the Great, Russia took over Poland.

Hon. members have to understand the historical connection between Russia and Poland. In 1763 Catherine's former lover, Stanislas Pontiatowski, was made King of Poland. Finally Poland died as a result of three partitions. These partitions occurred in the years 1772, 1793 and 1794. Poland was divided in 1975. Russia, Prussia and Austria took over the country and Poland totally disappeared. This was the first time in the history of Europe that a country by cold calculation was divided up and disappeared without war.

However, during this period there was a group much like Solidarity today. It was led by a peasant called Kosciuszko. They had only scythes as weapons but they defeated the Russians at Raclawice. If it had not been for the Prussians coming to the aid of the Russians, the Poles might have been successful. Except for one period under Napoleonic rule, Poland disappeared until after World War I when we come into modern history.

As you know, Mr. Speaker, Poland was created from three defeated empires after 1918. But even then the Poles seemed to do the wrong thing. In 1920 Poland went to war against Russia. The Poles were governed by a band of colonels who were cronies. They had fought against Russia in World War I. Poland went through a period under Marshal Pilsudski. Marshal Pilsudski said something interesting about Poland. He said: "Even if you are defeated, if you are not vanquished, that is victory." That seems to be the Polish phenomenon that we witness. Poland basically went through a series of benevolent dictatorships prior to World War II. But in this period Poland attacked Lithuania over a dispute concerning the city of Vilna.

Poland attacked Czechoslovakia and Poland again attacked Russia.

In World War II Poland would not aid Czechoslovakia nor would it allow Russian troops to cross Poland to aid Czechoslovakia. William L. Shirer said that "this was bound to be a policy of suicide".

And that is what it turned out to be. Poland alienated all of its allies surrounding it. Mr. Shirer went on to say:

—and indeed it is difficult to escape the conclusion that the Poles in the nineteen thirties, as on occasions in the centuries before, were &1700;-1 driven by some fateful flaw in their national character toward self-destruction and that in this period, as sometimes formerly, they were their own worst enemy.

After World War II Poland was basically under the absolute rule of Russia. But it was not until 1955 that Poland became a member of the Warsaw Pact. In this respect, it is interesting to note what happened.

At the beginning of World War II Russia made a secret pact with Germany. The Russians moved into the eastern half of Poland. In this connection 6 million Poles died, which represented almost 22 per cent of the population. There were over 600,000 war casualties. Poland sustained damage to its industry, its communications, its housing. Damage sustained to Polish culture was impossible to estimate. Toward the end of World War II, on August 1, 1944 there was still that will, that search for freedom, within the people and the Polish underground arose. Poland was still occupied. The underground movement lasted two months. The Russians incited the uprising, but they did nothing to help. The Poles were virtually wiped out by the Germans. Two hundred thousand people, mostly young boys and girls, were killed by German SS troops as revenge.

Finally, on January 17, 1945 the Russians took over, and unlike other countries such as Yugoslavia and Albania, which were liberated by their own partisan communists, Poland was liberated along with Hungary, Romania, Bulgaria, East Germany and Czechoslovakia and occupied by Russia.

Mr. Gamble: You cannot call that liberation.

Mr. Irwin: Eventually through a process of elimination the communist party took over in Poland. In 1948 the Socialist party and the Polish workers' party emerged to become the Polish united workers party. The Stalin purges occurred between 1947 and 1949. In 1955 Poland became a member of the Warsaw Pact.

Throughout 1000 years of autocratic history there have always been groups in Poland who have searched for freedom. There was the peasants' revolt under Kosciuzko. Solidarity was led by Lech Walesa and there were the World War II freedom fighters. Truly, to be defeated without being vanquished, that is victory.

After World War II and a slow start as a result of its aftermath, and during the cold war period, Canada's relations with Poland developed comparatively quickly, especially during the 1960s and into the heydays of detente of the 1970s. As the minister said, we have maintained that the internal problems of Poland must be solved by the Poles themselves. But we want to impress upon Polish authorities that their actions are met with categorical disapproval by most of the Canadian people.

The hon. member for St. John's West I believe has said "do something". He keeps leading up to it but I am never sure what he means. I think he said: "Cut off our exports of grain to Poland". What else is there?

Mr. Crosbie: I never said that. Read the March 24 statement and see what was suggested.

Mr. Irwin: Twenty per cent of the food going into Poland comes from Canada. Do we further the cause of human rights in Poland by cutting off food to the Poles?

Mr. Crosbie: No one has suggested that.

• (1710)

Mr. Irwin: I am getting a little tired of criticisms about what we have or have not done for Poland. Right now we have allocated $500 million of credit to Poland. This is the highest per capita of any western democracy. Also we have allowed 1.5 million tonnes of grain to be shipped to Poland on credit and have allocated $500,000 to the International Red Cross for food, clothing and medical supplies. Also we have allocated $300,000 to support the relief efforts of the Canadian Polish Congress, and we have agreed to take in more refugees on the highest per capita basis of any free country in the world. This is what we have done. I am getting sick and tired of opposition members not acknowledging these facts. Tell the facts as they are. Canada and Canadians have been the most generous per capita in the world as far as Poland is concerned.

That is Canada's commitment to the Polish people. But is it enough? As John Stuart Mill said in 1854:

The worth of a state, in the long run, is the worth of the individuals composing it ... A state which dwarfs its men in order that they may be more docile instruments in its hands even for beneficial purposes, will find that with small men no great thing can really be accomplished—

In February, 1982—

The Acting Speaker (Mr. Ethier): The hon. member's allotted time has expired. He may continue if there is unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Crosbie: No, not at all.

Mr. Irwin: Mr. Speaker, as I indicated—

The Acting Speaker (Mr. Ethier): There is not unanimous consent.

Mr. Crosbie: No, there is not unanimous consent because the truth is not being spoken.

The Acting Speaker (Mr. Ethier): Order, please. The Chair sought unanimous consent and it is not forthcoming.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I say in all sincerity that we all benefited from the trace of the history of Poland that we have just had, and that we all acknowledge the courage of the Poles throughout their centuries of persecution. We acknowledge it today. It is inherent in that people. I only wish we had more people in this country to stand up like the Poles and defy government. Solidarity is a great cry, and we need that type of spirit in Canada.

I was delighted that the hon. member for Edmonton South (Mr. Roche)—

Mr. Irwin: You are never going to get a minute more than you are allowed as long as I sit in the House.

Some hon. Members: Cry baby.

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Esquimalt-Saanich (Mr. Munro) has the floor.

Mr. Munro (Esquimalt-Saanich): I was pleased that the hon. member for Edmonton South preceded me and brought to the attention of the House some of the comments which were made in the subcommittee hearings on Canada's relations with Latin America and the Caribbean. I want to read into the record for the second time the inherent danger in shipping nuclear bundles to Argentina. The hon. member for Edmonton South asked Mr. Donnelly, the president of Atomic Energy of Canada Limited, whether he could give a guarantee to the committee that recycled fuel from the Candu reactor in Argentina would not be used for a nuclear device. Mr. Donnelly replied: "I certainly cannot give the committee or anybody else that assurance." That is a damning statement when we think of the refusal yesterday of my motion under Standing Order 43 commending the dock workers at Saint John for their efforts to prevent nuclear rods from being loaded in Saint John for shipment to Argentina at the insistence of an arm of the Canadian government, the AECL, whose president gave the answer to which I just referred.

Since I put my motion I have received a telephone call from AECL indicating that it is not the agent for sending this material to Argentina but that it is being done through a private organization. He did not argue too much because he and I both knew—and there can be no argument about this—that no nuclear fuel will leave the country without the permission of AECL, which is an arm of the Canadian government, a Crown corporation.

I just want to return to the Argentina-Falkland Islands aspect of the motion today because, in my view, the government seems prepared to turn its back on this matter and, in the process, almost condones violations of human rights in such countries as the U.S.S.R. Also the hon. member for Edmonton South brought forward evidence that Argentina has embarked upon a military campaign of occupation, in defiance of the norm in world behaviour and now in defiance of a United Nations resolution, and attacked one of our prime allies. The United Kingdom is more than an ally. It is the origin of almost 50 per cent of the people of Canada. This government seems prepared to send nuclear bundles to the enemy of that country so that it can develop nuclear energy.

I am sure the minister—he may be the only one or there may be others, such as the Minister of National Defence (Mr. Lamontagne)—has heard of San Carlos de Bariloche, a famous ski resort in the Andes, in southwest Argentina and adjacent to the Chilean border. It is a ski resort but it is also the seat of the Argentinian think tank. As well, it is a detainee centre where Argentinians used to send political detainees, such as Evita Peron, at one time. There were possibly others detained there.

It may be that the Argentinians had in mind to take over the Falkland Islands and transport detainees from San Carlos de Bariloche to the Falkland Islands where they could be safety left. I am referring to those people which Argentina would not want to have in its own country. They would not be able to swim back to the mainland in order to cause trouble. It would be sort of a Devil's Island for Argentina.

Another thing which happens at San Carlos de Bariloche—and I am sure the minister knows this—is that it is the Argentinian atomic research centre. This is where research goes on, using spent fuel or plutonium created from the use of the Candu reactor, likely to process a nuclear device. We all remember what happened in India. We had an ironclad guarantee that there would be no bomb construction, and then we heard that India managed to create one. San Carlos de Bariloche in southwest Argentina is a centre where this work could likely be conducted. The government now has an opportunity, with the action of the dock workers or stevedores in Saint John, to reconsider its actions and say that it will not send these rods to Argentina where they might be misused, despite the undertaking which has been given.

There are two other areas which I wish to raise in deploring the actions, policies and performance of the government. There is so much which is deplorable about the foreign policies and performances of this government that one barely knows where to start. I will give one instance.

• (1720)

Almost two years ago an initiative was taken by the Institute of Natural Resources in Pietermaritzburg in Natal, South Africa, to work up an exchange of persons and ideas with a department in the Ontario government on land use programs in Natal and in one of the Bantustan states of Kwazulu. The South African institute felt that Ontario had much to offer in this area and was anxious to draw on Ontario's experience.

The concepts that were being explored were not only innocuous in political terms but could well form the basis of useful interchanges in areas of great importance to both countries. They included the development of what is called the integrated approach to land use. That is, use based on a sound evaluation of the natural resources of a region plus a thorough understanding of the people's needs and wants in that region. These were purely technical studies and a prospective useful interchange approved wholeheartedly by the South African government.

By January, 1981, the plans had matured to the point where an exchange of scientists was being considered. The names were almost ready. A Canadian was to go to South Africa to explore related techniques as developed in Canada and a South African was to come to Canada to the Ontario Ministry of Natural Resources where he could see what there was transferable from Canada in technology to South Africa. Everything seemed to be in place for this exchange of officials. I underline the word "officials". They were not politicians or soccer players or rugby players, but technical officials.

Only a month later, in February, 1981, the whole deal was off. Why? The Ministry of Natural Resources of Ontario had said that they were in touch with the Canadian Department of External Affairs in Ottawa and, believe it or not, they were advised, and I quote from the letter:

> Since we wrote to you last October, I have been in contact with the Canadian Department of External Affairs in Ottawa. I have been advised that a co-operative project between the government of Ontario and the Government of South Africa through your Institute would be inappropriate in light of the present state of relations between Canada and South Africa.

What was so harmful and inappropriate about such an interchange? But they said it would be inappropriate, and the province of Ontario bowed to the superior knowledge of the Department of External Affairs. I believe it is a sad comment on international relations and the manner in which this government handles those relations.

The other area I wish to speak on relates to the report prepared at the behest of the Prime Minister (Mr. Trudeau) by Miss Pamela McDougall who is a former ambassador to Poland and a high ranking civil servant since her return from Poland. She was to look into what is called "conditions of the foreign service".

Programs affecting External Affairs have struck me as being deplorable for a long time. I would say that the most deplorable programs began about 1968, but even before then. I can recall as far back as the mid-1960s when managerial reorganizations were imposed on the department with little or no prior consultation by people who had little or no notion of what a foreign office was designed to do. "Experts" were brought in from outside to reorganize a department whose function within the Canadian government service and whose function within the world these experts were absolutely incapable of understanding.

The net effect of that reorganization, or those reorganizations, were that the employees of the firm which had been sent in to reorganize the department found niches for themselves in the department and settled in. Eventually they moved up into the higher positions. They liked External Affairs the way it was and they were determined to enjoy some of the fruits of overseas service. They were not equipped or trained in the foreign service. They came in as managerial experts.

Now, we find that Miss McDougall discovers that the Department of External Affairs is in a managerial shambles. This shaking up of the department was just getting under way when the bilingualism program was introduced with all that it meant in absences from foreign policy desks. I might add that this bilingualism program was introduced to a department which was at that time, I am quite sure, more bilingual than any other department in the Canadian government.

This was almost immediately followed by a scheme of "program budgeting" and subsequently by "zero based budgeting." Shortly after that we were involved with absorbing all overeas support staff into the staff of the Department of External Affairs. We then had to contend with the problems of lateral entry. The early Ericksons of this world were being brought in to the Department of External Affairs at fairly high levels while preventing promotion up through the ranks. We then learned about the interdepartmental interchange from one department to the other which was presumably to reflect the government's notion of what Canada is.

As though this were not enough, there was a scheme for consolidation thrust upon the department by the Prime Minister's office. Then almost immediately there was the appointment of Miss McDougall to look into what was described as conditions in the foreign service. You can be sure that conditions by this time were in a sorry state and a royal commissioner such as Miss McDougall was needed to look into those conditions.

What is deplorable about how the government functions is that no sooner had the McDougall report been submitted in October of 1981 that a further and a more comprehensive consolidation of all the departmental officers from all departments concerned with offshore and overseas problems relating to trade, immigration and foreign policies—but not CIDA—were to be integrated into the Department of External Affairs with three ministers superimposed on them. Is it any wonder that the Department of External Affairs had been going through a period of the jitters, as it most certainly has? This can be verified if you talk to the employees of the department. It was so deeply involved in reorganizing itself and its departmental structures and learning about all the different kinds of budgeting and remanipulation of streams of command that it had little or no time to turn to the fundamental problems for which the department was established, that is, the definition of foreign policy recommendations for the government.

Due to these manifold and concurrently imposed changes, it has been obliged to be, at best, responsive to outside events and by no means capable of developing new initiatives to further Canada's causes in the many fields of our concern. Perhaps this is what the Prime Minister (Mr. Trudeau) wants. I can recall as far back as the mid-1960s when he was quoted as saying: "What is the use of sending all those types to missions abroad? We can read what is going on in the world by reading *The New York Times*." I see a former foreign service officer walking behind the curtain. He could confirm this fact if he would stand up and say so. What the Prime Minister failed to take into account in such a cynical, arrogant and indeed stupid and ignorant comment was that, without a fully trained and devoted foreign service, it is just not possible to get to the bottom of the motivations of peoples and states except through living abroad.

• (1730)

What is it that causes them to adopt this stand or that at the United Nations, or in a disarmanent debate, or in the Law of the Sea discussions or to invade the Falklands? These matters do not develop overnight. They can be observed only by a competent foreign service. These in-depth analyses of motivation and explanation of national behaviour are not to be found in news reports, in *The New York Times* or any other paper, despite what the Prime Minister says. That is what the Department of External Affairs was well trained to do, until successive governments under this Prime Minister deliberately debilitated it and set out to destroy that essential capacity in foreign affairs.

Why otherwise, I ask myself, did Miss McDougall feel moved to recommend as she did in her report at page 55? Recommendation 44 is a very important recommendation and I implore your Honour to listen. It states, "Concrete steps should be taken to correct the widely held view that those in positions of power consider the activities and the product of the foreign services largely irrelevant to federal government or Canadian objectives." When a royal commissioner has to make that kind of a recommendation, conditions in the foreign service are in a sorry state. They are at a low ebb. I am glad that there are at least two ministers present in the House to hear my comments.

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. gentleman, but his allotted time has expired.

Mr. Munro (Esquimalt-Saanich): I have a lot more to say.

The Acting Speaker (Mr. Ethier): The hon. member for Hamilton West (Mr. Hudecki).

Some hon. Members: Shame!

Mr. Stanley Hudecki (Hamilton West): Mr. Speaker, my contribution to this debate will be fairly well directed to one aspect, and that is by way of an overview to the background of Polish history to indicate what is expected of that country today and in what direction our help and our support should be given. Much of the debate, a great deal of the talk that one hears and the arguments put forward are without a real understanding of what the underlying cause of the problem has been in Poland. The help being given is very much that of symptomatic relief. It is superficial help. It does not get down to the cause of the internal and worrisome problem existing in that country.

To really understand it, one must look back to Yalta in 1945, at which time the principals, namely Stalin, Roosevelt and Churchill, made a decision by which Poland was handed to Russia. It was put under the sphere of influence of Russia with the rather vague understanding that within the next one or two years, a free election would take place and at that time the country would be given an opportunity to direct its future. This was an assurance given by two allies, by Churchill and President Roosevelt.

This was a very damaging and unbelievably serious blow to the personality of that particular nation. Until that point, Poland had a record of one thousand years as a protector of the Christian faith. It had been a protector of democratic principles. It had contributed to the world of art and to the world of music. It had been scholarly in various intellectual pursuits. At that time it was the centre of university training and had the ultimate example of the concepts of freedom and education. This freedom, by virtue of that meeting at Yalta, was snatched away.

Those of us who took part in the last war heard stories of the exploits of the Polish people in a military sense. They took a very active part in the Royal Canadian Air Force. Indeed, a prominent member of this House from Brandon-Souris (Mr. Dinsdale) was a member of that squadron and took part in some of the air battles. The Poles made a very outstanding defence at Monte Cassino in Italy under Alexander. They fought in Africa in the third Canadian and British divisions under Montgomery and acquired the distinction of being very worthy fighters and supporters of the allied cause.

What I am pointing out is that this country, whose ideals and ideology were similar to ours, and which supported the Christian faith, was handed over to a completely foreign country with an ideology completely incompatible with its personality, background, ideals and hopes. It was at that point that if anyone were to assist the Poles, they ought to have stepped forward. Unfortunately, there was no initiative by any of the allied countries to give the Poles that free election and the opportunity to acquire the status they had previously held. What happened was that this nation of courageous and hard-working individuals was able to adjust on its own, and did adjust, to the conditions under which it was forced to live.

Shortly after 1945, the Poles did accept a socialist form of government and the loss of sovereignty and were prepared to work with the communist government imposed on them. They realized very early that they comprised a buffer state between western Europe and the eastern communist bloc. However, their spirit and drive were such that they were not satisfied.

All of us who have followed the progress of the country of Poland have seen how it was possible for the unions to be organized under the very eyes of the communist regime, how they were united with the support of the church, the farmers and the university students. The Polish people formed a union which was unique in the world, one which worked hand-in-hand with management, with the academics and with the farmers in creating a force which, through its own moral suasion, was able to bring ten million of their 14 million workers under one umbrella unit.

• (1740)

The members of this group known as Solidarity were effective in producing a crack in the ideological makeup which we know as communism, and they have continued to enlarge that crack. They were able to surround themselves with people of similar aims amongst the Czechoslovakians and the Hungarians, and then martial law was imposed upon them. Now,

my message is just simply this: that the underlying disease, the deep-seated, deep-rooted problem, the gnawing cancer that exists is their loss of freedom, the loss of their individuality, their loss of hope in the future. This is the primary problem which at this point has no ready cure, no easy approach. However, they do require the understanding of other democratic countries about them. They do require a constant representation on behalf of human rights. They require continuous material support, but they do not require any other intervention. They do not require actions or activities that will be provocative. They do not require outside help that could stir up activity which would be deleterious not only to their own growth and to their own future, but which could spark and ignite a catastrophe in the rest of the world.

I have every confidence, and I think those who know the soul and the heart of the Polish people must have confidence, that the Polish people are innovative, are daring, are courageous, that they will evolve a technique, a method, whereby again they will acquire the status in this world that they had in the past. What is not needed at this time is a bickering and a hassle by well-meaning people, well-meaning allies, well-meaning neighbours who in their enthusiasm to try to help them, may harm them. The people of Poland are of an indomitable spirit and of considerable initiative and drive. I, for one, would rely on that spirit and that support to bring them again the status that is rightfully theirs. What they need is support from every angle, whether it be monetary, or food supplies or the prayers of the people about them. My only thoughts and my only considerations are that we in our enthusiasm help them but not be an obstacle in their way of winning freedom again.

Some hon. Members: Hear, hear!

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I appreciate the opportunity afforded me by the motion now before the House to participate in this debate on Canada's role and concern in international affairs. I had planned to respond to some of the comments made by previous speakers. I was interested in the contribution made by the hon. member for New Westminster-Coquitlam (Miss Jewett) in words that were dripping with self-righteousness. I decided otherwise because my hon. friend from Edmonton South (Mr. Roche) responded to those comments in a more gentlemanly manner than I might have done.

I was interested in the comments made by the Secretary of State for External Affairs (Mr. MacGuigan) regarding the appointment of the member for St. John's West (Mr. Crosbie) to his present position of external affairs critic in the Conservative Party. The minister suggested that the hon. member had become somewhat like a beached whale, beached by the Leader of the Opposition (Mr. Clark). I would carry that idea just a little further.

I wonder what would have happened to the hon. member for Windsor-Walkerville, the present Secretary of State for External Affairs, if we were to project that idea a little further. If the hon. member for St. John's West was beached by being placed in the external affairs critic position, perhaps the Prime Minister (Mr. Trudeau) beached the hon. member for Windsor-Walkerville by appointing him as Secretary of State for External Affairs. Possibly to give him a little help, he appointed two other ministers of state and put them in with him to try to help him out of his predicament. Instead of that, the plan has backfired, and he is in a worse situation than ever.

The minister's statement that he had no quarrel with Argentina was a shocking one, in view of the statements that have been made and the charges that have been levied against Argentina, and with every justification for them. For the minister to say we do not have any quarrel with Argentina is almost beyond belief.

It was suggested that the Progressive Conservative Party had an opportunity, when in office for a very short time, to do something about the Argentinian case. The question was raised why we did not cancel the agreement with Argentina then to supply material relating to the CANDU reactor.

The situation was entirely different then, I am sure. At that time Argentina was considered at least a friendly nation in some respects, even though it was far from maintaining those standards of human rights that we would have appreciated. Nevertheless, they had not declared war, they were not at war with one of our NATO allies at that time. There is a war going on now and this government is continuing to supply nuclear fuel bundles to a nation, Argentina, that is fighting against Great Britain at the present moment.

In a somewhat belligerent manner, the minister charged some members of the opposition with voting against the charter of rights. He did not enlarge upon it, but I would like to have asked him where he was when the government refused to incorporate in the Charter of Rights and Freedoms the right to property.

• (1750)

Mr. Friesen: Right on, and human life.

Mr. Patterson: Yes. As my colleague, the hon. member for Surrey-White Rock-North Delta (Mr. Friesen), has suggested, the right of human life.

I can remember the time when Canada's role in foreign affairs was considered a very important one, and I remember the time when Canada's voice in the international forum was listened to with respect and appreciation. Those were the days when we had the opportunity to discuss foreign affairs in this House. There were opportunities to debate a whole spectrum of international relationships, Canada's role, Canada's place and Canada's responsibility. But those days seem to have gone. The government places so little importance upon this subject that it will not assume the responsibility of stating on certain occasions that it is prepared to introduce debate on external affairs. I said we used to have those debates, but those days are gone.

In latter years this House has had limited opportunities to deal with the many perplexing problems confronting the international community and where Canada and Canadians stand in relation to those issues. There is little, if any, evidence

that there are any fundamental principles upon which our foreign policy is based. Problems are viewed in an indefinite and uncertain fashion, and it has become almost impossible to understand where we are going in our foreign affairs policy and how we propose to get there.

It has been pointed out by other speakers in this debate that the morale in the Department of External Affairs has plummeted, and in spite of a very thorough and logical report commissioned by and submitted to the government, the problems still remain and the recommendations of that report remain in limbo.

Since the present Prime Minister has been in office, there has been a continuing drift in external affairs policy and a downgrading of Canada's Armed Forces, resulting in a serious lack of manpower and equipment. Canada's commitment to NATO has been greatly reduced and, as for NORAD, the Prime Minister has stated that the U.S.A. would not see Canada invaded. I, as well as many other parliamentarians, have had the opportunity to visit the Canadian bases in Europe, and I remember very well on different occasions when I had the opportunity to be there what a brave front our service men put on. They were courageous; they were efficient; but as far as their equipment was concerned, we were told it would not stand up in any sense to the rigours of warfare.

Mr. Friesen: Embarrassing.

Mr. Patterson: That is embarrassing to our Armed Forces, it is embarrassing to our Parliament and it is embarrassing to the Canadian people.

The bright spot in recent Canadian history was during the brief period when my party was in office. A comprehensive review of Canada's foreign policy was undertaken with a view to updating the policy in the light of current conditions and restating the principles upon which Canada's commitments would be based.

At that time we stated that the task of Canadian foreign policy in the 1980s was to seek the establishment and maintenance of an international order in which Canada could pursue its own interests and foster its ideals. The goal was to strengthen Canada's voice and actions in the world community in support of the interests of peace and human dignity. Time does not permit the elaboration of those objectives, but I submit the government is derelict in its responsibility by failing to initiate in-depth parliamentary study and debate on these and other important basic principles.

One of our immediate concerns at this moment is the conflict raging on the Falkland Islands, and this forms one of the parts of the motion currently before the House. A crisis was precipitated by the occupation of territory—not theirs—by the armed forces of Argentina. This naked act of aggression is an affront to international law and order and a repudiation of the facts of history. If it is countenanced, it poses a threat to the peace and security of the world.

We are reminded today of the history of this particular crisis and the attitude of Argentina. Argentina has refused to be part of the group which signed the nuclear non-proliferation treaty. Argentina refused to sign the Mexico agreement declaring Latin America as a nuclear free zone. Argentina invaded and occupied territory illegally. Argentina promised Falkland Islanders that their cultural, linguistic and property rights would be respected. That commitment was broken and rights violated, and reports in that connection have been placed before us. Argentina disregarded the UN resolution which condemned Argentina's action and called for Argentina to withdraw. The resolution called upon Argentina to negotiate with Britain to settle their dispute.

Britain accepted that challenge and endeavoured in every way to reach an understanding and a peaceful settlement of this dispute. In fact, Denis Healey, the Labour spokesman in Britain, stated that the Thatcher government had bent over backwards in an endeavour to resolve the crisis. But, of course, Argentina would not respond.

The actions of the European Community have been more forcibly proclaimed than has Canada's commitment. In my view one of the unmistakable indications of our concern and dismay would be at least the halting of any further shipment of nuclear fuel bundles to Argentina until the crisis is resolved. Other actions might be considered, but this should be the minimum. The minister stated that the shipment of such bundles would not affect the war because it possibly would be over before they reached their destination. We have to thank the dock workers who said they would not be a partner in the shipping of those nuclear bundles to Argentina. Apparently they had a great deal more courage than the government in pursuing that course.

I would like just in closing to refer to an article which appeared in my local paper. I see my time has almost gone. This article was written by Mark Rushton and is entitled "Talkin' thru my hat???"—and sometimes he does. However, what he says here is very good.

> However, as far as I am concerned, Britain has done the right thing by the Falklands, and by the rest of us in the free world.
>
> If aggressors the world over believe they can get away with scooping minor protectorates like the Falklands or Somalia, what is next. The Russians do not appear at all reluctant to sweep through Europe, gobbling up Afghanistan and Poland.

The article concludes—

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Hnatyshyn: Just one minute.

Mr. Patterson: This article concludes:

> Wouldn't it be comforting to know that if a banana republic starts a nuclear war, it is doing it with Canadian products.

The Acting Speaker (Mr. Ethier): Order, please. It being six o'clock, I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

The Acting Speaker (Mr. Blaker): When the House rose at six o'clock, the hon. member for Fraser Valley East (Mr. Patterson) had the floor.

Mr. Patterson: Mr. Speaker, I apologize for not noticing the Speaker when he rose to call it six o'clock.

I should like to conclude my remarks by adding a little to the statement made by the editor of my local paper in order to make it clear. He wrote as follows:

> Britain, small as she is, is telling the world that western nations are no longer going to sit back and take it.
>
> It is interesting to note that the U.S. is going very public in its support of Britain's action. Where, I wonder is Canada? Still worrying about ensuring its sale of Candu nuclear reactors to Argentina?
>
> Wouldn't it be comforting to know that if a banana republic starts a nuclear war, it is doing it with Canadian products. We may all be dead, but in our graves we will know we have died an employed nation, rich from the sale of such "necessities." Of course, our federal government can protest that it is not selling nuclear weaponry. After all, buyers sign a form saying they won't use their reactors for production of war material.
>
> It is nice, and safe, to be naive, but has Ottawa forgotten the old saying about "All's fair in love and war?"

I am sure that if it suited Argentina's convenience, it would not hesitate to somehow break the agreements. Indeed, there are signs that it is going to do that. I hope that this debate will alert the government to some of the problems we face. The time has come to take a new look at our foreign policy and to recognize that in a changing world we must be up to date in order to meet the challenges that confront us from day to day.

Some hon. Members: Hear, hear!

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, in this debate today I am tempted to indulge myself in some thoughts about Poland and about the current and possible future state of East-West relations in light of the plight of that hapless country. I am equally tempted to say a word about the Falkland Islands dispute as an expression of the problems of residual remnants of empire and of self-determination in them. These are questions that Canadians might do well to ponder and to make such contribution to their resolution as their resources and interests may determine.

However, I have been asked whether I would instead say something about the third part of the opposition motion which relates to the royal commission on conditions of foreign service. I am happy to do so not only because I was in the foreign service for some 12 years, but because during that time I had the opportunity to work closely with the royal commissioner, Pam McDougall, in Vietnam. I recall very well the adverse circumstances in which we served in Saigon and Hanoi and the frustrations of attempting to be a peacemaker. The gospel says blessed is the peacemaker; I would suggest that more often the peace-maker is frustrated, and we certainly had good measure of that.

Miss McDougall has personal experience of life in the foreign service, including at smaller posts where Canadian interests are sometimes not so obvious as in larger. She has offered the government and indeed the people of Canada a timely review. It is in some respects similar to those which emerged in recent years in other western countries, such as the Duncan report in the United Kingdom and several reviews in France and the United States.

It is hardly surprising that from time to time such reports, including the McDougall report, are prepared. They offer useful benchmarks in the continuing reevaluation of our diplomatic service. Change has accelerated in international relations, as in so much else. It is certainly appropriate for Canadians to consider upon occasion what changes should be made in the conditions of foreign service, to match the differing circumstances in which diplomats find themselves today.

• (2010)

As technology continues to annihilate space and limit the influence of time, diplomacy finds itself excluded from variety of functions which traditionally fell to it because of the distances between states and the time it took to consult amongst them. Indeed, diplomats today live in a different world where the ease and rapidity of travel and telecommunications, the omnipresent press, the pervasive influence of television, the increasing emphasis on multilateral diplomacy as opposed to traditional bilateral diplomacy, and a variety of other factors, have made for different circumstances in all foreign services today. Additionally, contacts between countries at a variety of levels, through a range of non-governmental organizations, have also contributed to the new circumstances in which our diplomats must work. It is a long way, Mr. Speaker, from the world of Lord Dufferin or even Lawrence Durrell, or the Canadian diplomat Charles Ritchie who has described so wittily the role of Canada on the world stage in the post-war years. That role was in several major respects fundamentally different from what we see today.

Canada, during the immediate post-war years, was a middle power playing a significant role on a relatively uncrowded stage. Canada had emerged from a self-imposed isolation to the giddy experience of world diplomacy. In the few decades since then Canada's role has changed, and if our foreign service does not also evolve, some of our diplomats may find applicable to themselves the unenviable description offered by Anthony Sampson, a noted British writer who said:

> The intensity and isolation of embassy life and entertainment ... the formalities and protocol, all contribute to the diplomat's lassitude. Young British diplomats soon lose their curiosity, usually after their third posting, and achieve a lacklustre expression, an immunity to new experience and new people, and above all an absence of zeal.

That situation is characteristic of a foreign service attempting to carry out policies which are either not clearly enunciated or else irrelevant to the real national interests of the country involved. I suggest, Mr. Speaker, that in Canada there is no need for this. The challenge for Canadian policy is to pursue our own particular interests, in new and evolving areas, new in the sense of emphasis rather than principle. The challenges are

also new in the sense of more emphasis on trade, not merely in the more traditional practice of tariff negotiations, but in removing and reducing non-tariff barriers, of new initatives in the energy field and telecommunications, in the elimination of pollution, and in promoting a régime of law for the oceans of the world. All these and other activities represent a new emphasis for the Canadian foreign service, roles which no other entity in our society can possibly play.

Some reference has been made to the role of newspapers in providing some of the information on which governments formulate their foreign policy, and on which governments act. But I would suggest that no newspaper can represent our particular interests to another nation. Mr. Pearson made an observation, some years prior to that of the Prime Minister (Mr. Trudeau), to the effect that newspapers are often well informed, their foreign correspondents are well informed. They cannot, however, provide the representation of Canadian interests, nor indeed can they evaluate knowledge of the local country policies against our interests. One challenge for Canadian policymakers is to be certain of our own interests and to avoid spreading our resources too thinly. Over-staffing is to be avoided in any organization. Indeed, there are some who would argue that today we have too many posts abroad, we have too many missions not fulfilling a useful function. In that respect I would bear in mind the admonition Arthur Andrew, a distinguished Canadian foreign service officer who wrote:

> An effective foreign service cannot be obtained simply by spending a lot of money and maintaining a large variety of diplomatic missions. The diplomat is extremely conscious of the expense and inconvenience of maintaining him abroad and he is quick to know if his work is important or not. It is normal for him to think that the foreign ministry at home does not give proper weight to the importance of his work. He accepts this and goes on trying to convert his colleagues at home to his way of thinking. But he cannot function and may become a parody diplomat if he comes to believe that his job has no significance. There are undoubtedly many diplomatic posts in the world for which there is little or no present justification. Maintaining them may be inescapable but can have a devastating effect on the diplomats who are obliged to keep them open.

Indeed, the challenge for Canadians, the Canadian government, and the foreign service is to continue to employ our talent, of which there is a vast reservoir in our foreign service, in imaginative ways, helping to ensure that members of the foreign service have the direct challenge of contributing to the formulation of our foreign policy. If some posts require a reduction in staff, there are certainly others which could benefit from strengthening of their activities, particularly in the trade field.

On another subject, Mr. Speaker, I do not know whether, in the circumstances of the foreign service today, or indeed at any time, the introduction of collective bargaining or, in effect, the trade union method of negotiating conditions of employment has been a very helpful innovation.

Without wanting to sound like an ultra-traditionalist, I would suggest that we have not benefited much from the introduction into the foreign service of collective bargaining. I would certainly hope that at least some of the more difficult manifestations of collective bargaining can be avoided by ensuring that the practices and conditions within the foreign service are such as not to trigger that particular form of redress.

In that context, of course, the report of the royal commission becomes particularly relevant since Miss McDougall has attempted, with considerable success, to address some of the problems of the foreign service in an environment where, for example, the role of spouses is changing, or where single-parent families have particular constraints or needs. I hope that members of the House will take the trouble to review some of the recommendations which Miss McDougall has offered because they have real validity. In that connection I would note that the Prime Minister has requested the Secretary of State for External Affairs (Mr. MacGuigan) to assume responsibility for the review of the report's recommendations. In carrying out that role, the minister has appointed a senior member of the department to co-ordinate a response which is now well advanced.

However, in any discussion of the report it is important to recall that its recommendations, and the issues it has raised, are complex and many of them have extensive legal and financial implications. As a result it is obvious that the recommendations need to be thoroughly examined and changes designed which will bring the maximum long-term benefits.

• (2020)

I believe that the Secretary of State for External Affairs has already reported to the House that certain steps have been taken to implement recommendations of the royal commission report. The House will have in mind that one of the principal recommendations of that report is the merger of the former trade commissioner service, which hitherto functioned under the Department of Industry, Trade and Commerce, with the foreign service of the Department of External Affairs. That merger, recommended by the royal commission, recognizes the fundamental fact that Canada is a trading nation, that our prosperity depends to a major degree on trade, on our ability to trade with other countries. For a country that lives by trade, we have fortunately long had an outstanding trade commissioner service. I, for one, welcome the merger but will follow with interest whether the traditions and the quality of the trade commissioner service are maintained in the new merged foreign service.

As part of the review of recommendations, the assistant under secretary responsible for personnel and the co-ordinator, whom I mentioned earlier, have met with individual staff associations of the department and various employee groups to ensure that their reactions are fully taken into account in the government's implementation of the recommendations it chooses to follow. In addition, all staff at posts abroad have been invited to submit their comments.

Amendments to the foreign service directives as implemented a month or so ago respond directly to many of the royal commission's recommendations for improvements in benefits and compensation for foreign service.

On an interdepartmental basis, the working groups, chaired by the co-ordinator, have submitted a number of papers and recommendations on diplomatic status, privileges and immunities, passports, equity of treatment, security and personal safety, education, recreation and availability of information on current Canadian affairs to foreign service families abroad. In that latter connection, I am sure that the hon. member for Esquimalt-Saanich (Mr. Munro) who I see in the House this evening will recall well the feeling that many of us had abroad of being isolated from events in Canada.

When he and I had the honour of serving in posts abroad, we often encountered difficulty in being kept up to date on information concerning Canadian events and public policy. I am sure that any improvement made in that area will be of great benefit to the effectiveness of our foreign service.

Those issues which I have touched upon, all of which were identified in the royal commission report, are now being considered by senior management in the Department of External Affairs. Questions of the foreign service environment are also being addressed with recommendations on the report's many spouse related issues, including the conditions and circumstances of life abroad which spouses are likely to encounter. As well, the report deals with questions on housing, health care, the concerns of single employees and a variety of other matters. Our expectation that recommendations for senior management and, as appropriate, for government consideration, will be available by the end of this month.

I might say, Mr. Speaker, that whatever positions are initially taken by the department, some have significant financial implications which will require consultation with Treasury Board and in some cases with other departments and agencies of government.

In short, within the Department of External Affairs, work is underway on a variety of organizational, personnel administration and foreign service management changes which flow directly from the report of the royal commission. Accordingly, the government has decided to seek an amendment to the Department of External Affairs Act with the aim, among other things, of giving responsibility to the Secretary of State for External Affairs for the administration of the foreign service and of recognizing the foreign service as an integral but unique component of the public service. In its application, the new act will make it possible to make, in the commissioner's words, "Occasional exceptions to domestically oriented policies and programs in the personnel and financial administration fields, where foreign service requirements dictate such acceptance."

The concept of a broader foreign service act, not recommended by the royal commission but proposed by a staff association, is also being studied. It is hoped that the new act will be presented to the House for consideration in the near future.

In providing for special legislation governing circumstances of foreign service, we are not in fact engaging in any radical departure from Canadian practice or, indeed, from British practice where circumstances of the foreign service, circumstances differing from those which obtain in the public service generally, have traditionally been embodied in separate legislation. Foreign service should be, to a degree, regarded as a separate and identifiable entity within the total public service.

Separately, a study is under way into the extent to which there can be a greater delegation of decision making authority to heads of posts abroad. You may recall, Mr. Speaker, that one of the commissioner's recommendations was "Let managers manage and make them manage." The government, sympathetic to this point of view, is examining the best means of putting this broad recommendation into effect.

Mobility was also encouraged in the report between the foreign and domestic services. A task force with a mandate to include the development of a plan to increase two-way secondments has been established under the chairmanship of a senior public service employee. Action is also being taken to improve the administrative capability of foreign service personnel through the reintroduction of the administrative services employee group. This group disappeared in past reorganizations.

During the last two years, competitions have been held to staff 33 such positions, with 27 of the successful candidates drawn from the rotational support staff ranks. In addition, it is expected that during the next two years about 50 administrative trainees will be recruited, of whom no less than one-half will be drawn from within the department.

In summary, a wide range of activities are under way both within the department and interdepartmentally to examine the recommendations of the royal commission. Careful consideration is being given to all the issues addressed in its report. Steps are already being taken in a number of areas directly relevant to its recommendations and observations.

I shall conclude by quoting an observation of the commissioner. She said:

> The foreign service I have described still attracts and retains a high calibre of employee—one who responds to challenge, is stimulated by change and adjusts extraordinarily well to a variety of living and working conditions. I met such people everywhere I went and at every level. They work hard, they give their best and they enjoy the service.

Canada can be proud of such a foreign Service, Mr. Speaker.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, in Saskatoon last Sunday I joined a group of people in the park near the Bessborough Hotel for an ecumenical service protesting the Cruise missile and asking for peace in general throughout the world. We had very bad weather last Friday and Saturday in Saskatoon. There were dark clouds, rain and snow of all things on the second to last day of May. However, as the service was taking place at about 3.00 to 3.30 on Sunday afternoon, the clouds suddenly broke and a glorious spring came to Saskatoon.

• (2030)

This event is something that I would like to see take place in the world. Then we would be able to find fresh sunlight of hope breaking through the dark clouds of despair which in a

sense cover so much of the planet. I hope we find some solution to the problems which have been discussed today in the House of Commons by members of all parties. I hope we find some real answers to these questions.

Interestingly enough, on the same afternoon in Penticton, British Columbia, at the provincial convention of the Liberal Party there was an ongoing discussion regarding the whole question of the testing of missiles in Canada and nuclear disarmament. I understand there was hot debate at that particular meeting and that a certain gentleman by the name of Mr. James McIntosh of Richmond countered that the arms race is "like two men standing in a basement up to their ankles in gasoline. One has seven matches and one has nine, and the idiot with the nine matches thinks he is safest". I was glad to hear that the British Columbia Liberal Party sent a strong recommendation to the national government to take into consideration that thought when it sends representatives to the United Nations for the disarmament talks next week.

I am happy that this debate was called today and that it began with the question of human rights. Of course I would have been happier if other countries had been listed in the motion aside from Poland. I do not think anyone in the House of Commons doubts the question of the violation of human rights in Poland, but South Africa and some other countries in Latin America could have been included. Even a closer look at ourselves would provide opportunity for a broader and fairer debate on the question of human rights. One major problem facing the world at the present time is the violation of human rights at all levels in all parts of the world.

During my tenure in the House of Commons, I feel that the two experiences for my part which were the most important was working on the North-South task force and later on the special subcommittee to study Canada's relations with Latin America and the Caribbean. These groups consisted of hon. members of all three parties, people with different experiences and people with different perceptions. At the end of the work of both these committees, as the interim report on Latin America and as the report of the task force were brought down, there was unanimous consent on the part of all parties in regard to these two areas. It was a thrilling experience. When we deal with all problems of the planet in areas in which we do not have all that much expertise, the best we can do, if we are to do anything, is to use everything at our disposal to reach a positive conclusion. I think everyone who worked on these committees would agree that we were able to work together on these serious questions. I was fascinated to learn that people from different parts of Canada with varying backgrounds had different perceptions of the same thing. I should like to speak tonight about perceptions—how people see things.

Many members of the House of Commons, whether they like it or not, are about my age. We are all Canadians. Some of us were born in Canada but we have all lived through the same era of history. I was 17 years old when the first atomic bomb was detonated and knew that from that day on the world would never be the same. Something happened that day which had never happened before, and from that day on the history of the planet was different. It is fascinating how differently Members of Parliament perceive that event. I feel that we must find a way to get rid of atomic bombs; there is no question about it. Yet, other people seem to think that we need more atomic bombs in order to be safer. I am not questioning their truthfulness, but some people feel that more armament brings greater security and safety. I am not condemning anyone because their perception is different than mine, but I am mentioning this because basically we were all born here and we see things differently.

When we look at this in the context of Canada, we realize that there are many different people in various parts of the land, but when we look outside the country we see how difficult it is to obtain an accurate perception of another reality in another part of the world. Fortunately I had the experience of living for a period of time in Latin America. It was not my fault; it just happened to be part of my life experience. Anyone who has gone to live in another country for a number of years will share the experience I had and know how difficult it was to find out what was going on in Latin America. In the beginning many things were shocking. How could these people see things in that manner? Why could I not see it in the same way? Was I stupid or were they stupid? People who have lived in other countries talk about culture shock, and culture shock is what it is. It literally flattens a person when he cannot find out what is going on some place else. However, after a person lives in another place for a while, begins to speak the language and begins to hear what the people are saying, he begins to realize that they have reasons for looking at things as they do. As I say, members of the House of Commons have different reasons for looking at things in different ways.

Approximately 2½ months ago the main concern was the question of El Salvador. We know that there was deep division on our perception of what was taking place there. Again, I condemn no one's perception, but there was deep division within the House of Commons on the question of El Salvador and what was taking place there. It was difficult—and I am not saying that it was the same for everybody—to understand a complicated reality in a totally different historical and cultural place. That was the question 2½ months ago. Suddenly on April 2 the news changed. El Salvador was more or less forgotten, Central America dropped out, and attention was focused on the southern Atlantic and the Falkland Islands.

Throughout history the people of Latin America have looked upon the Fakland Islands as the Malvinas. From the time they are little children they look upon the islands as part of Argentina. Their perception of the islands is very different than our perception, if anyone knew where they were, that the Falkland Islands are British territory. With this twofold perception there was bound to be a head-on clash.

• (2040)

It was almost like a medieval play. For a period of four, five or six weeks, they were being drawn closer and closer into

conflict while everyone hoped a solution would be found in order to stop that conflict. But they kept getting closer and closer to that final conflict until finally there was attack, death, destruction, ships sunk, planes being shot down and both countries going bankrupt along with all the other tragedies which war entails. Obviously, it would have been preferable for this not to happen, but it did.

I personally believe that in our modern world with its atomic bombs and the threat of total destruction within hours that one of our greatest problems is that we lack a true model for solving conflicts. We need another way to solve conflicts other than armed confrontation. When the crisis began I read an article, which I believe is true, about a group of children who were visiting President Reagan of the United States. These children had heard about the war over the Islands which was about to commence. These children asked President Reagan why it was not possible to play a game in which the winner could win the Islands.

Although this may seem like a naive suggestion, let us imagine for a moment that this could be one possible model for establishing who had sovereignty over the Islands. Instead of young men dying and families crying over the loss of their sons, imagine another way to solve the conflict which the diplomats were unable to do. I say this in the sense of using our imagination because it probably would not have happened. There ultimately had to be some kind of contest over this stalemate, so let us suppose that the idea proposed by the children to the President of the United States had been accepted as the process in which to solve the conflict. An international football match between England and Argentina could have been arranged. The prize would have been sovereignty over the Islands. In this way the conflict could be settled without having to revert to war. I think that this model might have been accepted. Argentina won the World Cup in international soccer which Latin countries believe to be a great achievement. They were the last winners in 1978. England has also won the cup and both countries are great soccer powers. The World Cup is being played again in approximately a week and is contested every four years.

Let us suppose that this particular solution had been followed. The troops would have left the Island and a third country could have been selected as a site for the game. It could have been televised on international television for everyone to see and representatives from every country could have attended. This game would have been played for the sovereignty over the Islands and there would not be death and destruction all over the Islands.

The point is that there must be other ways to solve conflicts. I spoke with the Prime Minister of Barbados and mentioned this proposition which was made by those children. He said it was a good idea but that if Barbados was involved they would have to play cricket. Any game could be played, but at least it would be another way to solve the problem of conflicts in our modern world.

One factor which brings about conflict is differing perceptions on issues. This motion deals with the implementing of the McDougall report recommendations relating to the foreign service. I believe it is extremely important that today's diplomats are very well versed in the cultural and historical values of the countries to which they are stationed so that they will be able to really understand what is happening in those countries. I appreciate that our diplomats do attempt to become part and parcel of the society and philosophies of the people in the countries they are stationed, but nevertheless, we must realize that diplomats enter those countries with a slanted view, or preconceived notion, of the reality in those countries.

For example, members of the House of Commons are Canadians who are roughly the same age, with the same type of education, the same background and yet we have quite different slants to our views. When we filter information back to our constituents, the slanted view which various members may have will obviously taint the reality of the matter we are reporting on.

Mr. Gamble: The same as yourself.

Mr. Ogle: I have a slant as well. There is no doubt about that. What I am attempting to say is that by understanding the culture of different people, our slanted point of view will change. If we impose our standards on the culture of another country and assume that is what it should be, it will, of course, be an improper slant.

As we consider this motion today, it is important that we realize we are facing a decade ahead which could literally mean the end of the world.

As all members know, the Holy Father, Pope John Paul II is visiting the British Isles. It is the first time a Pope has visited England. There has been 400 years of separation between churches at one level or another which has been marked by bloody war at times, with hate and anger because of different perceptions or slants on the meaning of religion and what it will mean. The Pope is in England now. While I was watching the sun rise over Saskatoon, the Holy Father was in Coventry, England. As we all know, that is an area in England in which the beautiful medieval cathedral of Coventry was flattened in the Second World War. Coventry became the inspiration for the British during the war. The motto was "pay them back because of Coventry."

The Pope was there in an ecumenical group of Anglicans, Catholics and others and gave a speech on peace. I would like to read part of that speech for the record. He said:

> Wherever the strong exploit the weak; wherever the rich take advantage of the poor; wherever great powers seek to dominate and to impose ideologies, there the work of making peace is undone; there the cathedral peace is destroyed. Today, the scale and the horror of modern warfare, whether nuclear or not, makes it totally unacceptable as a means of settling differences between nations. War should belong to the tragic past, to history; it should find no place on humanity's agenda for the future.
>
> And so, this morning, I invite you to pray with me for the cause of peace. Let us pray earnestly for the Special Session of the United Nations on Disarmament, which begins soon. The voices of Christians join with others in urging the leaders of the world to abandon confrontation and to turn their backs on policies which require the nations to spend vast sums of money for weapons of mass destruction. We pray this Pentecost that the Holy Spirit may inspire the leaders of the world

to engage in fruitful dialogue. May the Holy Spirit lead them to adopt peaceful ways of safeguarding liberty which do not involve the threat of nuclear disaster.

Thank you.

Mr. Maurice Dupras (Labelle): Mr. Speaker, I find it strange that this type of motion should come from the hon. member from St. John's West (Mr. Crosbie). He must have found it very difficult to develop his position on Saint Pierre and Miquelon, which he already mentioned in his speech, and to produce such a motion. He has to be some kind of an acrobat.

• (2050)

In any case, tradition has it that the role of the opposition party is to oppose the government; but tradition also has it that the opposition party should oppose the government on sensible policy grounds and not just for the sake of opposition. Its motion already contradicts the affirmation of the government of the United Kingdom when it says that it is satisfied with the support that Canada has given. It has not put in any requests which have not been satisfied, and this has been established quite a few times. The opposition party's motion before the House today "deplores the failure of the government to represent Canada properly or adequately in our external relations or in accordance with views and principles of the Canadian people". Then it proceeds to list, in a shotgun approach, a variety of subjects concerning which the government policy has allegedly produced failure, which the opposition party calls upon this House to deplore.

Allow me to recite some of the opposition's complaints. It complains about the government's response to the violation of human rights in Poland. It complains about the government's response on the imposition of martial law in Poland. It complains about the alleged failure of the government to strengthen the Department of External Affairs. My colleague, the distinguished member for Fraser Valley East (Mr. Patterson) dealt with this question with eloquence.

The opposition party also complains about the alleged failure to eliminate patronage in the operation of the Department of External Affairs, but this complaint does not come from the hon. member for Joliette (Mr. La Salle) because during the tenure of the Clark government he was the champion. He affirmed that he was or would be the champion of patronage. The opposition also complains about the alleged failure to support Britain and the rule of law in respect to the current crisis in the Falkland Islands.

Others from this side have adequately dealt with the other question or aspects of the motion. I will mainly deal with the question of the Falkland Islands. I would like to address myself to this question because of the situation that it represents today. It represents a demonstration of support for a principle of international relations which is perhaps the most important event in mankind's struggle for the supremacy of the rule of law since the Korean War, when the nations of the world united to resist an act of flagrant aggression. I say this because what is happening in the Falklands today is a reaffirmation of the principles so clearly laid down in the United Nations Charter that international disputes must not be resolved by armed force or the world will subside into the rule of the jungle.

It has taken modern world society ten years of violent, total warfare in World War I and World War II to come to the belated realization that war can no longer be the plaything of states and generals in charge of such states and that it must be replaced by the rule of law. That is the reason the government has taken the stand it has in opposition to Argentina's clear act of provoked aggression—

Mr. Crosbie: What stand?

Mr. Dupras: —and territorial greed. I was glad to hear the minister clearly enunciate that again in his speech today.

Mr. Crosbie: What speech?

Mr. Dupras: I was also glad to hear the minister reiterate the government's view that it takes no stand on the question of the sovereignty of the Falkland Islands, which is the core of the current dispute on the grounds that this is a matter for negotiation and agreement between Britain and Argentina.

Mr. Crosbie: What nonsense!

Mr. Dupras: Clearly Britain has a very strong case for its claim to sovereignty, but we must concede that Argentina also has a case, a case which it has maintained for many years. I would like to read an editorial from the Ottawa *Citizen* of May 7, 1982, which states:

That the Falklands have been under British control since 1833 is a fact. Whether the Falklands are British and the British have the right to continue to control over them is for the world court or for an arbitrator and not for one of the parties to the dispute to decide.

That is the government's position. It is clear from the evidence I have just cited that, contrary to the views of the opposition party, it is indeed in accordance with the views and principles of the Canadian people.

The issue, therefore, is not the question of sovereignty but the method by which Argentina has sought to resolve a dispute. The minister, in his speech, pointed out the history of the past two decades of negotiation between Britain and Argentina up to and including the most recent negotiations which concluded only a few days before Argentina's unilateral action. Negotiation is the civilized modern manner to resolve these disputes as demanded by the Charter of the United Nations as so aptly stated by *The Globe and Mail* editorial on May 11, last:

The transfer of sovereignty must be negotiated by Argentine diplomats, not imposed by Argentine admirals.

This is the position of the government as reiterated by the minister in his remarks today. It has been the position of the government throughout and was eloquently expressed by Canada's representative to the United Nations in his interventions before the Security Council as illustrated by the minister.

It seems clear from some of the remarks made by supporters of the opposition party's motion that the Canadian role should

be in support of Britain regardless of the issue of principle involved. This is not, however, the position of the government or the view of informed Canadian opinion as demonstrated by the following quotation from an editorial in the *Winnipeg Free Press* of May 2, last, which states:

> Muddy thinkers have suggested that those who are supporting Britain in this dispute are doing so for reasons of tradition or of support for a last fling at colonialism. Nothing could be further from the truth. Canada, the United States, the European Economic Community and others are applying economic and diplomatic pressure to Argentina because of the principles that force must not be allowed as a way of conducting international relations and because free peoples have a right to self-determination, no matter how small the numbers involved.
>
> In the wintry seas of the South Atlantic, Britain is placing at risk the lives of its soldiers, seamen and airmen so that these principles may be upheld. It would be far better if this were not necessary, if Argentina would listen to reason and behave like a mature and responsible state rather than an international outlaw.
>
> The financial and human cost to Britain of this principled action has been high. It is a price that democracy should be prepared to pay, however, both for the immediate reasons and because of the undoubted contributions that this action is making to international stability. If the member states of the League of Nations had shown the kind of resolute commitment to lawful behaviour now being shown by Britain, the tragic trail of the 1930s might not have led to the Second World War. Had Japan paid a high price for its Mukden venture in 1931, had Nazi Germany and Fascist Italy been subject to crushing sanctions and the threat of joint military action in the mid-1930s when they were flexing their muscles, all three countries might have enjoyed the blessing of their dictatorships collapsing or being overthrown.
>
> All over the world today, cruel and greedy dictatorships are closely watching the development of the Falklands crisis. Had Britain taken the easy way out, washing its hands of the 1800 Falkland Islanders and conceding Argentina the right to grab them and their land by force, the world now would be seeing a rash of such military ventures. Whatever the outcome of this crisis, much credit for sustaining decent standards of international behaviour is due to all countries, including Canada, that have participated in opposing Argentina's lawlessness.

That is precisely the point of view of the government and the basis on which the government's actions have been taken. It is clear from the editorial I have just cited that it is a position widely endorsed by the Canadian people and proves the shallowness of the opposition's argument that the government has failed to respond to the views and the principles of the Canadian people.

Mr. Crosbie: You've done nothing.

• (2100)

Mr. Dupras: The minister in his speech demonstrated that Canada acted quickly and resolutely in response to Argentina's action.

Mr. Crosbie: Did what? How did Canada react?

Mr. Dupras: It acted in full support of the principle of international law which Britain, at tremendous cost to itself, has undertaken to support. As stated by the *Winnipeg Free Press* on May 18:

> The world stands in debt to Britain already for the costs it has incurred and the risks it has taken in support of that freedom.

The opposition motion argues that Canada has failed to support the United Kingdom and the rule of law in international affairs in this matter, but the facts obviously demonstrate clearly the fallacy of this argument. As the minister pointed out, Britain's main request to Canada was to support them in upholding the rule of law, and this we have done forthrightly and repeatedly.

As the minister mentioned, the British government has expressed its full appreciation for our action. In respect of more practical support, the minister has assured the House that no British request has gone unanswered, and I think that we can all take satisfaction from that fact as well. The opposition attempt to demonstrate that Canada is a meek, disinterested observer in this matter lends no credit to itself or to its responsibility as Her Majesty's Loyal Opposition.

I was humiliated in committee about three weeks ago when members of the Conservative Party said that Britain should need our help, that she cannot win the war by herself. I was surprised and disappointed in this, because, as I said already, we have satisfied all of their requests; and I have pride enough and knowledge enough of their capabilities to know that they do not need Canada's effort or its contribution.

In respect of the international negotiation process, the minister explained that Canada has repeatedly indicated its willingness to facilitate negotiations or to participate in any agreed settlement that might emerge from the negotiation process. That is in accordance with our traditional image and role as a responsible member of the international community. The House should fully support the government, Mr. Speaker, but what I am really worried about is this.

[*Translation*]

Mr. Speaker, what I am really concerned about in this conflict is the post-conflict period. Not a single opposition member has thought about this side of the matter or what Canada could do and what its role will be after the conflict. If the people of the Falkland Islands are given a choice, they will surely prefer to retain British citizenship and refuse, for very obvious reasons, to live under Argentine rule.

It seems to me, and the facts appear to be supporting this more and more, that the support Argentina has received in this conflict from the Latin American community is based on some vague romantic principle instead of on more tangible values such as respect for human rights, freedom of religion and freedom of expression. Mr. Speaker, what frightens me is the consequences the conflict will have on this community and on the credibility of the institutions involved—I am, of course, referring to the Organization of American States. What will be left of the credibility of this institution? Will the old alliances and friendships that existed for so many years be able to survive the conflict? Will certain countries be willing to accept Argentina's new-found friendship with the Soviet Union, for instance? Will our neighbours to the south continue to enjoy the influence they seem to have over a number of countries in Central and South America?

Mr. Speaker, all these questions have drawn very few comments or proposals for solutions from the members of the opposition. I feel that there is here a very basic and valid reason why the Canadian government should maintain the position it has adopted and which I described in the first part

of my speech, and why, once the conflict has been settled, it should concentrate on what is to happen after the war. In addition, Mr. Speaker, we must remember that many South American countries are developing countries, and that Canada, the United States and Great Britain have committed funds provided by the taxpayers of our respective countries towards reducing poverty and finding solutions to the problems facing society in developing countries, the majority of South American countries being considered as belonging to the South, in this respect.

The countries in the southern hemisphere of the Americas are understandably very distressed, and it would certainly not be appropriate to criticize them or the United Nations or the Organization of American States, because even if the latter two organizations have often failed politically, they have also to their credit some very important, though perhaps lesser known, achievements in a number of areas including literacy programs, public health, human rights, status of women, financial administration, statistics, history and geography. The Organization of American States has been very successful in all of these areas.

I believe that it will be necessary to rethink the need for continental solidarity and to seek a new approach to our common security. We shall have to find a formula that will restore peace, trust and honour to all citizens in all the countries and territories of the American continent. After this war, it will be necessary to consider a reorganization of the American states which could be based on a treaty of perpetual union with guarantees for common defence, peaceful solution of conflicts and maintenance of existing borders. Representatives of the various nations involved would have to analyse the principles and theories in favour of a union of the countries of this continent and the means by which this can be realized. Finally, a continental assembly involving all North and South American countries would have to be established for the purpose of finding a solution and rebuilding the Organization of American States.

Unfortunately, Mr. Speaker, very few countries on the North or South American continent will be able to lead such an undertaking, and it is clear that this role will have to be played by Canada, because its influence and prestige are without equal in Central and South America; it has no colonial past and also because it has acted wisely in the position it has taken throughout this conflict, thus ensuring that some day, Canada's voice of reason will enable it to play a major and essential role in restoring peace and renewing the entire Organization of American States. Mr. Speaker, Canada is held in respect. Since the beginning of this century, it has been asked to collaborate with and to join, the Organization of American States. However, I would prefer to see my country join an Organization of American States after it has been renewed and modified to give each country a more distinctive place within the Organization than it has at the present time. I see you are about to tell me that my time has expired, Mr. Speaker.

[*English*]

Mr. Walter McLean (Waterloo): Mr. Speaker, a few weeks ago a national poll showed that the concerns of Canadians were, first of all, high interest rates and their impact on family and business life; second, concern about their homes and their ability to keep them; and third, the matter of survival, nuclear war, and the whole state of the world in which we live. An opposition party trying to be responsible in terms of the actions of a government looks day by day at the ability of that government to meet the needs and to be seen to be addressing the needs of the people. Day by day in this House in recent weeks we in the official opposition have addressed the concerns of Canadians about the effects of interest rates and the effects of inflation and the concerns of home owners, and today it is fitting that in the name of the hon. member for St. John's West (Mr. Crosbie) we should lift up for discussion throughout the day the matter of the failure of the government to give leadership in this third area, which these polls show is of prime concern to Canadians, in terms of Canada's place and the leadership of this government in the community of nations.

• (2110)

The motion we are debating this evening deplores the failure of the government to represent Canada properly and adequately in our external relations. Then by way of giving some focus to that broad statement, the motion zeros in on the matter of Canadian leadership, statements and actions with regard to Poland. It goes on to talk about the failure of the government to support the United Kingdom and to support the rule of law in international affairs in relation to the invasion of the Falkland Islands. It then goes on to deal with the failure of the government to retool and reinvigorate those who go out as ambassadors and commissioners on behalf of Canada in our foreign service. It then talks about the cavalier and cynicism-breeding mechanism of patronage in this department and as we have seen it in other areas. Therefore, this evening I am anxious to reflect some of the concerns about which I hear and about which those on this side of the House hear respecting the leadership of this government—or I should say the failure of leadership—which are referred to in the motion before the House.

Through the years we have come to think of Canada as a middle power. In his comments the minister spoke about responsible leadership by a middle power. He spoke about the responsibilities of Canada, but we have now come to a point where Canadian foreign policy has become so ad hoc, so expedient and so inconsistent that Canadians cannot get a picture of what is happening. As is the case with respect to economic policies from day to day, we do not know what to expect, and just as our businesses and our families cannot plan over the long term, so in the matter of foreign policy we are not able to plan or predict how we will act. Increasingly our foreign policy has become directly tied to economic struggles,

and one begins first of all to see what is the economic downside and no longer what are the matters of principle.

It has already been said in this debate that it was in 1971, when there was last undertaken a major survey or review of foreign policy in which the Canadian public, interest groups, universities and those with knowledge could begin to be heard so that there could be a statement before the public. As one who has had the opportunity with other members of the House to be part of the subcommittee studying Canada's relations with Latin America and the Caribbean, I have been increasingly aware of the importance of this study, even if it is now being done sectorally rather than globally, as was the intention of the Clark government. In paragraph 6 of the interim report which was tabled in this House we addressed the whole matter of failure in this regard. The report says:

> More to the point, our study reflects growing Canadian interest in Latin America and the Caribbean. The only previous Parliamentary investigation directly related to our work was the Report of the Senate Standing Committee on Foreign Affairs on Canada-Caribbean Relations. That report, completed over ten years ago, formed part of a general foreign policy review conducted in the early 1970s. Our work entails a broad examination of Canada's relations with both the Caribbean and Latin America, regions that have changed profoundly over the past decade. Those changes have, in turn, important implications for Canadian foreign policy in the 1980s.

Later on in paragraph 17 of that report we again address the failure in our foreign policy and the need for the government to address it. We said:

> There may be a danger of an exaggerated and naive view of Canadian influence, but there is an even greater danger of downgrading and neglecting our opportunities for influence. The evidence received by the subcommittee suggests that Canada enters the 1980s with a valuable asset in its relations with Latin America and the Caribbean: a generally good reputation for sensitivity and concern. The Government must beware of the risk of eroding this reputation with hasty or ill-advised policies.

I suggest that in relation to foreign policy the calls of the Prime Minister (Mr. Trudeau) in his recent speech for a new code of international ethics is not matched by the mechanism and the tools to present that to the House. The statement by the Secretary of State for External Affairs (Mr. MacGuigan) this afternoon that Canadians demand that Canada make a contribution to world order is reflected in the polls, and part of the reason the polls show this concern is that there is a failure of leadership in that area. For the minister to suggest to this House that the government speaks for the main stream of Canadian life is to be well away from the concerns of Canadians day by day.

Let me turn for a moment to our Canadian foreign service and the instrument by which we are represented. We have already heard two of our colleagues on both sides of the House speak from their experience in Canada's foreign service. The whole McDougall report deals with a broad area, as was outlined in the opening comments of the hon. member for St. John's West, of failure on the part of the government. The hon. member for St. John's West reminded us that Ms. McDougall outlined in her report the decline in morale, communication problems, mistrust between departments, the identity crisis, the malaise in the service, failure at the management level and the fact that she had not even been consulted on the recent rearrangements.

There are four main areas outlined in that report, and first among those was the area of the family and environment. Family concerns, the report says, were top priorities of employees of Canada abroad. Spouses are tired of being treated as mere appendages of employees. They need more support because of problems in relation to many moves and their support capacity respecting the careers of foreign service employees.

In that report there is a scathing indictment of the failure to come into modern days in terms of the role of women. In the last throne speech the government made an unprecedented five references to women and the enlightened legislative initiatives in relation to women which would be brought before this House. We have yet to hear a comment on this report by the Prime Minister, who commissioned it, the Secretary of State for External Affairs or the minister responsible for the status of women. The report uses terms similar to those used in the recently-tabled report on wife battering. It discusses the tensions and stresses of living abroad representing our nation and the resentment and dissatisfaction of many wives of foreign service personnel due to the pressures on them which are different from the ones which bring about violence in large measure in Canada. However, those pressures are real in relation to family life.

• (2120)

It goes on to speak about the opportunity for leadership in recognizing the spousal contribution—in most cases the spouse being a woman—as official residence administrator and the responsibility that is taken on in that case. It proposes incentive premiums for spouses of foreign service employees and suggests a mechanism for personalizing the whole career pattern through basic personnel, family support services and family counselling services. These are all a part of the business of humanizing and morale building for the repesentatives of Canada abroad. They are also part of a pattern for a government that has a purpose and a plan in relation to women. Surely the neglect of this report and the mass of information it contains is an indictment in itself and is an example of the failure of leadership.

Let me say a word about the implications of what is happening today in the south Atlantic. We have heard some comments about the implications of Canada's policy of continuing to supply nuclear bundles to a government which has openly said that it intends to use its capacity in a destructive way and which has not satisfied the agreements. We have already begun to look at the implications of that. Why are Canadians so deeply concerned about this failure? Surely it is because they begin to see that the mechanisms for heading off confrontations are not in place.

We have a picture of the build-up and the confrontation going on in Port Stanley today as a result of the British armada setting sail for three or four weeks. We have the scenario of the world media following it. We have the scenario of diplomatic nations at work, but we have no mechanism that can stop the bloodshed at this moment. There were three or

four weeks' warning of this confrontation. We are told now, however, that if there was a nuclear strike on Toronto, Vancouver or Halifax or any North American city, we would have 12 minutes' warning during which the leaders of the world could negotiate. It is small wonder the Poles are concerned about the lack of mechanism and leadership to deal with the situations facing them today.

In a speech the Prime Minister called for a new code of international ethics. Never have we needed it more, but where are the plans? Where is the leadership from the government in face of the realities of today?

There is a need for new mechanisms for world order. At the forthcoming special session of the United Nations on disarmament which opens on Monday next, there is an opportunity for Canada and other nations to put in place some mechanism to head off the type of confrontation we see now. In the future such confrontations will not use conventional warheads but will use nuclear warheads.

Last September, at the United Nations, nearly 100 parliamentarians, representing 25 or 30 countries, met and introduced a resolution on peacekeeping. When we watched the Secretary General of the United Nations attempt to be an intermediary in the present crisis we realized that he has no authority.

The question of whether Canada could make forces available for peacekeeping must be dealt with. Our forces need to be re-equipped in order to carry out such a responsibility. Those parliamentarians drew up a resolution which said that, believing that it is in the interest of world order, there should be enforceable world law and disarmament and recognizing the need for a permanent administration, the establishment of a standby United Nations peacekeeping force and for members of that peacekeeping force to owe complete allegiance to the United Nations and not to the national contributing governments, and being aware that at present the contributing nations can withdraw forces at any time as well as realizing that not all members for the Security Council pay for forces which they voted to establish, and continued as follows:

> Urges the United Nations to establish a standing peacekeeping force individually recruited, such recruits to be carefully screened to ensure that they are of high calibre and character; and also
>
> Urges the United Nations to establish an international satellite monitoring agency to provide impartial information about the integrity of international boundaries and the deployment of the world's military forces.

There are options, Mr. Speaker, so that as the world moves from crisis to crisis there would be an authority to which Canada could contribute. Recently in the matter of the law of the sea we have begun, in a small way, to agree to limiting our sovereignty. In the matter of air piracy and terrorism in the air, we have begun to agree to mechanisms of order so that we can begin to limit that type of piracy. Surely national terrorism and national piracy have to be addressed in terms of the future of the human family. If we fail to do this, all who advise us tell us that the next generation of nuclear missiles will be as mobile as a house trailer in the hands of an Idi Amin or someone else, or in the hands of Argentina or some other government with its back to the wall. More by accident than design we may find ourselves faced with the use of these terrible and terrorizing instruments.

The motion before the House tonight suggests that there are opportunities for leadership by Canada in the area of human rights, peacemaking, peacekeeping, and for sending what has been in the past one of the most able and respected foreign services, abroad. We can to this with integrity and with purpose.

It is because of the weight of public opinion that we on this side introduced this motion and urge the government to give the leadership which is its responsibility.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the decision by the Soviet Union and the Polish communist authorities on December 13, 1981, to govern Poland with a military junta was like a knife in the heart of the Solidarity movement in Poland. This is a peaceful social movement, demanding nothing more than the same rights and freedoms that we have entrenched in our constitution, proclaimed by this Parliament on April 17, this year. They demand nothing more than the right to have free workers' unions which would be recognized by the employer, in this case the Polish government.

• (2130)

There has not been a more crucial crisis in the world since the December 13, 1981, Polish crisis. We have had many other very serious crises such as El Salvador and the Falkland Islands, but in my opinion none were as crucial as that of Poland. I have never been so disgusted, Mr. Speaker, with an opposition motion as I am with this one.

Mr. Crosbie: Get some backbone and support the motion.

Mr. Flis: This is a motion which lumps in the Polish crisis with the McDougall commission and patronage in the operation of the External Affairs Department. The official critic tells me to get some backbone. Mr. Speaker, I am standing here with backbone—

Some hon. Members: Oh, oh!

Mr. Flis: —and that is why I am taking part in this debate. This is the importance that the hon. member for St. John's West (Mr. Crosbie) places on the violation of human rights in Poland and the implementation of martial law therein.

Mr. Wenman: Look to your own government.

Mr. Flis: I appeal to the Right Hon. Leader of the Official Opposition (Mr. Clark) to do this country a favour and please—please—replace his present official external affairs critic with someone who is more responsible and knows what the hell he or she is talking about.

Some hon. Members: Hear, hear!

Mr. Flis: He is like a fish out of water, wriggling helplessly, flopping on the sand for survival.

Mr. Crosbie: You are an idiot.

Mr. Flis: Scoring political points is more important to the official opposition and the hon. member for St. John's West, than helping the people of Poland and Canadians of Polish descent.

Mr. Wenman: Why are you afraid to speak against the government?

Mr. Flis: Let me explain what I mean, Mr. Speaker. Martial law was imposed on Sunday, December 13, 1981.

Mr. Cousineau: Why don't you just listen and shut up?

Mr. Flis: The next morning, Monday, December 14, I called a meeting of the Polish emergency committee of Canadian parliamentarians, made up of members of all parties. The co-chairman is the hon. member for Edmonton North (Mr. Paproski). But he did not initiate such a meeting; he did not think the imposition of martial law was serious enough. A member from this side of the House had to call the meeting to formulate a motion to present in this House on December 14 and this is the motion which was worked out by representatives from all three parties. I am very proud of the members who were present such as the hon. member for Brampton-Georgetown (Mr. McDermid), the hon. member for Saskatoon East (Mr. Ogle), and members from this side of the House. This is what we worked out:

Whereas Canadians are greatly concerned over the recent developments in Poland, and whereas Canadians strongly adhere to the principles of the Helsinki Accord with special references to basic human rights and freedoms, and whereas Canadians support the citizens of Poland in the struggle to acquire those basic freedoms to which they have a right, and whereas Pope John Paul II yesterday asked that solutions be arrived at without violence, I move, seconded by the hon. member for Saskatoon East (Mr. Ogle):

The hon. member for Brampton-Georgetown had agreed to second this motion but when I arrived in the House he came running over to me and said "Jesse, sorry we cannot support that motion." I found out later why they could not support it. The motion read as follows:

That the House urge all nations of the world to refrain from any political or military actions that may in any way interfere with the internal affairs of Poland and that this House express the wish that Poland's internal difficulties will be solved by peaceful negotiations between the Polish government and the Polish people.

The Speaker asked if there was unanimous consent, which the NDP and the Liberal Party gave, but the Conservatives said no, Mr. Speaker. They said no to a motion worked out by all three parties, yet when it came to put the motion in the House they refused to support it because they wanted one of their own motions—less effective—without any consultation with the other two parties, to go forward first. That is what I mean by their being more interested in scoring political points than helping Canadians of Polish descent or the people in Poland.

Some hon. Members: Hear, hear!

Mr. Crosbie: Why don't you talk to the Prime Minister (Mr. Trudeau)? What did you say to the Prime Minister?

Mr. Flis: Another example of this was at a public meeting in Toronto on Thursday, December 16, 1981. Again, all three parties were present. About 3,000 people were gathered in front of Nathan Phillips Square. Following the meeting representatives from all three parties—I remember it as if it were tonight—were still on the platform and they agreed to meet the next morning in Ottawa to formulate a motion incorporating the resolutions of the Canadian Polish Congress and the thousands of Canadians gathered at Nathan Phillips Square.

The next day in the House of Commons a motion was presented without any consultation with the all-party committee which was set up for that purpose, among other things. The resolutions were very good. To give you an example, it said:

1. To press for the immediate lifting of martial law in Poland and the release of all Solidarity officials.

2. To press for the reinstatement of the rights of workers to form free trade unions.

3. To publicly state that no intervention by third parties into the internal affairs of Poland will be tolerated.

4. To send to Poland, for distribution by non-government organizations, significant economic aid in the form of food, medical supplies and agricultural machinery and feedstuffs in order that the people of Poland survive the coming winter.

All these resolutions were acceptable to this side, but again the Tories wanted to play their grames. They did not want to co-operate with the other two parties, they wanted to beat everyone to the punch. We could have modified one of those resolutions and probably got unanimous consent in this House.

The mover of today's motion read the resolutions presented to him by Mr. Przetakiewicz, whose name he could not even pronounce, again showing the disrespect he holds for Canadians of Polish descent. Does the hon. member know who Mr. Przetakiewicz is? I would like to read to him from the information bulletin called "Solidarnosc", edited by Mr. Przetakiewicz. On the very back it says:

Solidarity Information Offices abroad are not officially authorized to represent 'Solidarnosc'.

Mr. Crosbie: So what. Do you think the Polish government is going to authorize it?

Mr. Flis: That is the attitude, Mr. Speaker: so what. I ask the external affairs critic for the official opposition not to disgrace the name of Solidarity by lumping it together in the same motion with the McDougall commission, and department patronage. The hon. member is so ignorant that he has not even taken the time to learn that it is the Canadian Polish Congress which represents all of the major Canadian Polish organizations in Canada including the Polish Canadian action groups and Mr. Przetakiewicz group. It is the Canadian Polish Congress which is the official spokesman on the views of Canadians of Polish descent, and if the hon. member does not know how to organize things, I would be willing to arrange a meeting with the head executive board of the Canadian Polish Congress for him and his leader since they appeared to be unable to organize even this small task. I am pleased to say that from the time Solidarity began in Poland, Canadians of

Polish descent, and all of the major Polish Canadian organizations, have had an open door to this government.

Mr. Crosbie: They went speedily through the door and out again with nothing accomplished.

Mr. Flis: The critic says nothing was accomplished. I will tell him what these consultations accomplished. Consultations with the Minister of Employment and Immigration (Mr. Axworthy) led to refugees being allowed to stay in Canada on a one-year permit, allowing them to work and be eligible for all the benefits that Canadians are eligible for.

• (2140)

These consultations led to the policy where people from Poland who wanted to come as permanent immigrants were processed much more quickly without too many questions being asked. Last week when the minister appeared before the Standing Committee on Labour, Manpower and Immigration he agreed to meet again with representatives from Canadian Polish organizations to review current immigration policies and visitor-visa policies for the Polish people.

I have lost track of the number of meetings the Secretary of State for External Affairs (Mr. MacGuigan) has had with the President of the Canadian Polish Congress, Mr. Kaszuba, and other leaders of Canadian Polish organizations. I know about them because I was present at most of the meetings. These consultations led to the $500,000 which this government gave to the International Red Cross to help the Polish people with medicine, food and clothing. These consultations led to the $300,000 which this government gave directly to the Canadian Polish Congress so that the food, medicine and clothing would go to the needy people in Poland via the church, not via the communist government. These consultations led to the provision of food for the Polish people through our grain credits.

We have had meetings with the Minister of Agriculture (Mr. Whelan) to see whether there was surplus food in Canada which we could sell cheaply or donate to the people of Poland. I was a little shocked to learn that we have very little surplus food in Canada. We are the bread basket of the world yet we have very little surplus food. It is by consultation with Canadians of Polish heritage that we have managed to help not only the people of Poland but also Canadians by reuniting thousands of families.

What have the Tories done? Let me ask the official opposition and the New Democratic Party for that matter, what they have done of a constructive nature to help Canadians whose brothers, sisters and parents are in Poland? The hon. member for St. John's West goes shooting off his mouth across this land and in this House. What has he accomplished? He has discriminated against me personally today in this very chamber by referring to me as "the Polish Pimpernel". When I rose on a question of privilege, he withdrew his words. But that was too late. The damage was done. Just look, Mr. Speaker, they all laugh. They laugh at racist remarks like that. They laugh and they discriminate against a member in this House.

An hon. Member: What is the matter with you?

Some hon. Members: Oh, oh!

Mr. Flis: I can hear the word "turkey" and I can hear other things. I welcome these words because I want it recorded in *Hansard* so I can send copies across this country for Canadians of Polish descent to read.

As I said, the gentleman withdrew his words when I jumped up on a question of privilege. But it was too late. The damage was done.

On January 27, 1982, the hon. member for St. John's West asked a question of the Right Hon. Prime Minister. As reported in *Hansard* at page 14373 he said:

> Madam Speaker, I would like to move from the world of fantasy land to the world of Po-Land.

He pronounced Po-Land disrespectfully. But it is in *Hansard* for everyone to read. It does not look discriminatory when one reads it, but the way the hon. member makes these comments is very repulsive. The official critic said this afternoon that he and his party have the full support of the Polish community. With that kind of attitude toward Canadians with backgrounds other than his own, he would be lucky if he could muster even 1 per cent support of the Polish community. I can verify that.

Mr. Crosbie: Be careful. I might run against you.

Mr. Flis: The hon. member says that he might run against me. I say to him "Come into the riding of Parkdale-High Park and I will run against you." The people will speak. They will not put up with that kind of discrimination or that kind of negative attitude. The hon. member was elected to help build a country for the future not to tear it apart; nor to pit one group of Canadians against another group of Canadians. Canadians judge us in this House by our attitude, our behaviour, our sincerity and our respect for all Canadians. We are all Canadians regardless of our roots. Canadians are not very impressed by our foul language which comes from the mouth of the official critic of the external affairs portfolio. I appeal again to the right hon. Leader of the Opposition to find himself a critic who will not be an embarrassment to his party, to this House and to this Canada.

There are other incidents of members of the Official Opposition who have made similar unkind remarks, but for the sake of time I will pass over them.

The official opposition likes to take credit for what other federal parties have accomplished. The hon. member for Edmonton South (Mr. Roche) in his speech today said that it was his party that initiated the Vietnamese boat people program. His statement is totally false. The program for breaking the log jam of boat people was initiated by the Liberal federal government 18 months before the Tory government came into power. It was this Liberal Party which put out a challenge to the Canadian people that the federal government would match one for one the number of refugees sponsored by the private sector to a maximum of 50,000 refugees.

Mr. Baker (Nepean-Carleton): It was Mayor Dewar who did that.

Mr. Flis: When the Conservative government came into power, it reduced the limit of 50,000 refugees to 35,000. Where is their humanity, compassion and sympathy? And where is their assistance for refugees?

Today I spoke with Mr. Jan Kaszuba, president of the Canadian Polish Congress, head executive board and Chairman of the Free World Polonia Co-ordinating Council. I highlight the fact that he is chairman of the Free World Polonia Co-ordinating Council. The word "Polonia" may be new to some members in this House. It means "the Polish people". I think it is quite an honour for a Canadian to be elected president of the free world council representing 24 countries and 10 million people of Polish descent beyond the boundaries of Poland. Mr. Jan Kaszuba, the president, is a great Canadian.

Some hon. Members: Hear, hear!

Mr. Flis: I would like to share with this House the latest resolutions put forth by the Canadian Polish Congress. First, is for the government to declare a total embargo on trade with the Soviet Union and suspend all present negotiations as they are the ones responsible for the crisis in Poland. Second, to stop all trade dealings with the government of the Republic of Poland, with the exception of food. The Polish Congress goes on to explain why they make this exception. Third, to recall the Canadian ambassador in Warsaw to express indignation for the violation of human rights in Poland. Fourth, to restrict or cancel consular representation of the people's republic of Poland and bring them on par with Canadian representation in Poland. Fifth, to send representations to the General Assembly of the United Nations to stop the violation of human rights in Poland.

Let us put our partisan politics aside on some issues and let us see how many of these resolutions we can implement as a government. When I say as a government, I mean the official opposition and members of the New Democratic Party. When we want to we can place our political differences in abeyance as we did last Wednesday when members and senators from all parties joined the Polish Alliance of Canada at a banquet celebrated on Parliament Hill to commemorate the seventy-fifth anniversary of one of the oldest and largest Polish organizations in Canada.

• (2150)

In closing, if we could work in harmony during one evening outside the chamber, surely we could work together inside the House to help Canadians help the people of Poland.

Mr. Deputy Speaker: I regret to interrupt the hon. member but his allotted time has expired.

Mr. Cousineau: Mr. Speaker, I rise on a point of order. Could we obtain unanimous consent in order for the hon. member to continue?

Some hon. Members: No.

Mr. John Gamble (York North): Mr. Speaker, I was inclined to observe, as I listened to the performance of the hon. member for Parkdale-High Park (Mr. Flis), that there must be something missing when, having just read the latest proposed resolution of the Canadian Polish Conference, he could sit in his seat and support a party which opposed a resolution that was proposed in the House on May 17 by the hon. member for St. John's West (Mr. Crosbie), which included the following specific provision:

> —and finally, that the Canadian government replace the present symbolic and ineffective sanctions with more meaningful ones and therefore implement a full range of trade, diplomatic, and cultural sanctions against Poland and the Soviet bloc until the state of war is lifted in Poland, and human, citizen, and trade union rights are reinstated.

Of course that resolution did not obtain the approval of that member's party. While he is showing his irrate fit of temper at the hon. member for St. John's West, let me ask him what is his reaction to the comments of the Prime Minister (Mr. Trudeau) and how he can still remain having regard to those comments within the Liberal Party. He said:

> Hopefully the military regime will be able to keep Solidarity from its excessive demands.

That was the comment of the Prime Minister immediately after the imposition of martial law. Just yesterday a newspaper carried a story about the potential release of Lech Walesa. In that newspaper article is quoted Polish Deputy Prime Minister Jerzy Ozdowski who reportedly said the following with respect to Solidarity:

> It was a movement so young that it didn't take into account the realities. It was bypassing the political conditions and was striving to attain changes which were impossible to implement.

What were the changes? The attainment of freedom and liberty in a country which has long been denied it by another nation, the Soviet Union, against which the hon. member for Parkdale-High Park has not given us a whisper of complaint. Yet, his ancestral country has been subjected to the most tyrannical, imperialistic nation in the world, one which has historically robbed nations around it; imposed martial law where it could; invaded and occupied Afghanistan; used surrogates from Cuba to occupy and assist in the conduct of a civil war in Angola; gobbled up the Baltic states; took over and swallowed up, within the great empire of the Soviet Union, the Ukraine; and has never yet stepped out of a nation that it has occupied. Why has the hon. member, who has the interest of these freedom loving people at heart, not spoken out against this tyrannical regime?

I will tell the House why. It is because it would be out of character for that member of the Liberal Party to speak out against the best interests of the Prime Minister. The Prime Minister went on to say:

> If a military regime has the effect of preventing a civil war, I cannot inherently say it is bad.

We are talking about a regime which took over a movement that was finally trying to bring to that brave people the freedom they deserve, and the Prime Minister's comments

were to the effect that "I praise them because they helped to avert a civil war." There is no evidence that a civil war would have occurred without the intervention of that monster from the east, the Soviet Union. Also the Prime Minister went on to say:

> We have no evidence of Soviet troops shaking their sabres on the border.

Where was the man? Was he asleep? Did he fail to recognize that on the day before September 13, the commander in chief of the Warsaw Pact was in Warsaw giving directions to their vassals? Did he fail to recognize that for months before the Russian military might had been mounted on the border of Poland, shaking, their sabres so that everyone in the world could hear? They seem to have done that to the escape of the attention of a member of the House who professes to be a champion of the people of Poland. This is offensive to me because it lacks real substance. I should like to have him stand up in his place and condemn the perpetrators of this evil. This has not happened and it is time it did.

If we listen to the comments of the hon. member for Saskatoon East (Mr. Ogle), we are confronted with a variety of slants. It is time that the House began to recognize a slant which has taken place in Canada where we are blind to aggressive moves by a power which is determined to destroy our systems around the world and has used in the process well-meaning intellectuals who believe that the best thing we can do is to throw up our hands and surrender because it is a horrible offence to protect ourselves against a potential enemy. There is no doubt that there is an enemy there. It is an enemy which has proved itself historically from the beginning of the time when Lenin and his gang of thugs took over the Soviet Union.

We have seen just recently what occurs when a nation has no defence. Had the Falkland Islands been armed to the teeth, it would never have been invaded by the nation which perpetrated that invasion. Argentina would never have sent its ships, airplanes and its men against the Falkland Islands had it been defended. It is important to bear in mind that we in the House ought not to have to experience first-hand what happens when a country is ill-prepared. We should take some guidance and gain prudence from what has happened elsewhere. We have a mighty nation spread over a great continent with hundreds of miles of unprotected territory. For people to suggest that it is appropriate for us in some way to throw down our defences and join some peace pact, knowing that those monsters lurk out there from the Soviet Union, is an abandonment of reason.

I submit with respect to this issue that our place is within NATO and that we have an obligation to protect our country. To fly off in fits of fancy, trying to imagine a better world for all men and women, is to reject common sense and good reason. I submit to the House that the issues which confront us today are those to which the House should direct its attention. We should prepare ourselves and strengthen the Western World. We should not condemn those who join with us in providing the best protection for ourselves and for those other freedom-loving people around this planet.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: It being ten o'clock p.m., it is my duty to inform the House that pursuant to Standing Order 58(11) proceedings on the motion have expired.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

ADMINISTRATION OF JUSTICE—LEGAL COSTS INCURRED BY EXONERATED NURSE. (B) LAW REFORM COMMISSION RECOMMENDATIONS

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, if I may go back just a wee bit, my colleague, the hon. member for Prince Edward-Hastings (Mr. Ellis) asked a question of the Solicitor General of Canada (Mr. Kaplan) on May 26, 1982, relating to the question of compensation for costs incurred on behalf of Miss Susan Nelles for her prosecution on four counts of murder from which she was not only discharged by a judge in Toronto but was, in fact, exonerated in the course of that judgment.

The answer given by the Solicitor General at that time was:

> Madam Speaker, as the House knows, the administration of justice is a provincial matter. The investigation and the charges that were laid were all done under the direction of the provincial authorities. I think, with respect and with the sympathy, that I share for her plight, the hon. member should direct his attention to the government responsible for the decision and for the prosecution.

I give that by way of background information.

That answer disturbed me a great deal; the fact that there should be an attempt to slough off what I would like to tell the House what I believe is a moral responsibility on the basis of the British North America Act as to what is the responsibility of the province and the federal government.

On May 28, 1982, I raised the matter again in the House of Commons. I asked the Solicitor General whether or not, given the responsibility that certainly lies with Ontario, there was not a moral responsibility with respect to the judicial system of the country and especially the criminal law system of the country for some compensation with respect to costs for a person found in the position of Miss Susan Nelles of Belleville. On that occasion the minister went farther than he did with the hon. member for Prince Edward Hastings. He said:

> —I will note the hon. member's representation and I will bring it to the attention of my colleague, the Attorney General of Canada.

I asked him another question and his answer was:

> —I note the hon. member's point. I will bring it to my colleague's attention.

In the blues that I saw, "colleague's" had the apostrophe after the "s" which would have meant his colleagues, the members

of cabinet. In the official record of *Hansard*, "colleague's" has been singularized, I suppose dealing with the Minister of Justice (Mr. Chrétien).

I want to say to the House that there is a moral gap in the criminal law. There is some jurisdiction, some responsibility generally in this field for the subject as evidenced by the report of the Ontario Law Reform Commission in the study done by them in 1977. They said at that time:

—it is not difficult to conclude that the existing system is totally inadequate and should be replaced by a full costs system.

They recommended the combination of federal legislation and in part by federal-provincial arrangements to provide a Canadian criminal cost system with certain features. One of them was to be the granting of costs in cases like this.

I ask the House to consider that a charge was laid by the police after investigation. I do not know what occurred during the course of that investigation but in any event, at the end of it a Canadian citizen was discharged after 14 months. Her reputation was trotted out before the Canadian public. As a professional, she is likely ruined in terms of her profession and no one, whether here, Toronto or elsewhere, can say that it is morally right that the old system ought to apply and that a person like her ought not to be assisted somehow.

The federal government has a responsibility. If the report of the Law Reform Commission is not enough, I want to suggest to my colleagues that we ought to urge upon the government to go together with provincial governments to change that system. But in this particular case I want to urge some recompense, even if in part, for a legal bill that amounts to about $150,000 or $200,000. Surely, if a plaintiff who brings an action is wrong in a civil case and is therefore charged in costs when he loses, it equally ought to apply that the Crown which brought an action under the criminal law jurisdiction when it is shown to be wrong because the charge has been dismissed, ought to also be penalized in costs.

This Susan Nelles case is just the indicator of the inequity in the system. It is time that some equity was brought to the system of criminal justice and we have the chart in this report. I do hope that my friend, the parliamentary secretary, can report on some progress tonight in this matter.

• (2205)

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the question raised by the hon. member for Nepean-Carleton (Mr. Baker) is one which engages a great deal of public sympathy. At the same time, I believe it raises a number of important questions of principle. It would, of course, be entirely inappropriate for me to comment on the particular facts of this specific case. It is my understanding and belief that the matter is presently under review by police investigation. As well, it has been the subject of a provincial inquiry under the chairmanship of Mr. Justice Dubin.

The hon. member, however, has quite properly raised the wider questions of principle and policy related to the general question of compensation for accused persons who are subsequently discharged or acquitted. As he noted in his question, "The Government of Ontario has a responsibility with respect to some compensatory arrangement in a case where an accused has been exonerated." I think that this is an extremely important point to consider, given the division of responsibilities in the field of justice under the terms of the Canadian Constitution.

As the hon. member well knows, the Parliament of Canada has the authority to enact legislation with respect to criminal law and procedure, under the terms of Section 91(27) of the BNA Act. The provinces, on the other hand, have the responsibility for enacting legislation related to the administration of justice, under the terms of Section 92(14).

The Criminal Code provides for provincial authorities to carry responsibility for the investigation and prosecution of almost all offences under the Criminal Code. Thus, police forces under the authority of the provincial attorney general or another provincial minister, and Crown prosecutors, also carried the burden of criminal investigation and prosecution in Canada. It is important to observe the division of responsibilities in the field of justice in order that appropriate accountability may be maintained, as well as in order to ensure the most effective use of resources in the important public task of discovering and prosecuting crime.

The hon. member for Nepean-Carleton went on to suggest that there may, as well, be a case for federal consideration of the general issues involved, and referred to a study paper published some nine years ago by the Law Reform Commission. The proposal set out in that study paper which, I might add, did not take the form of a formal recommendation from the commission, suggested that consideration be given to the establishment of a system to pay the costs of all acquitted and discharged accused persons based on economic need, with any such compensation system to be administered by provincial criminal injuries compensation agencies. I might add that no working paper or report has since been published by the commission recommending the adoption of that position, but the president of the Law Reform Commission of Canada has indicated that the general question will be examined again in the context of the criminal law review which has recently been initiated by the federal government in close co-operation with the provincial attorneys general.

[*Translation*]

ENERGY—EXPORT OF POWER BY HYDRO-QUEBEC—POSSIBLE DIFFICULTIES

Mr. Pierre Deniger (La Prairie): Mr. Speaker, may I refer the House to the question I directed to the Minister of Energy, Mines and Resources (Mr. Lalonde) last Thursday on the subject of Bill C-108, an act containing amendments to the National Energy Board Act. This bill has given rise to outrageous politicking on the part of Quebec and Newfoundland, on a subject that is purely a matter of economics. Only Lise Bissonnette, in her editorial in the newspaper *Le Devoir* of

May 20, published under the heading "The gnat and the camel", showed a clear understanding of the real problem, which is not the so-called corridor, which indeed Mrs. Bissonnette calls a "scarecrow", but an amendment that will allow the National Energy Board to revoke or suspend a licence if in the opinion of the Board, the public's convenience and necessity so requires. According to Mr. Joseph Bourbeau, Chairman of the Board of Directors of Hydro-Quebec, a neighbour of mine in Brossard, this amendment might jeopardize electric power sales worth nearly $10 billion, and it would not be very wise to allow, and I quote:

—the government unlimited discretion, let alone invite a specialized agency to go beyond its terms of reference.

• (2210)

The expression "public convenience and necessity" included in the bill also appears, for instance, in the Aeronautics Act; as counsel I have had occasion to argue this point of "public convenience and necessity" in connection with the Aeronautics Act, Mr. Speaker. It seems to me that this kind of amendment would grant far too extensive powers to the National Energy Board and to the governor in council, and could well draw business decisions into the political sphere. That is the contentious aspect of this bill, Mr. Speaker, and that is why I asked the minister to amend his bill and withdraw this provision, which according to Mr. Bourbeau would solve the problem because we would then revert to the original legislation.

As for Hydro-Quebec's concern about regulatory authority, more specifically with respect to the environment, which could very well cause some confusion in negotiations on export contracts and cause federal-provincial relations to deteriorate still further, I may remind Canadians, as our Minister of Energy, Mines and Resources did previously in the House, that the National Energy Board will have the power to issue a licence, but the licence holder will be governed by current provincial legislation, and as far as Quebec is concerned, this means environmental legislation and, of course, land protection legislation. This is already a daily occurrence in Quebec with respect to Trans Quebec & Maritimes PipeLine. Therefore, I do not think these concerns have any basis in fact. To get back to the corridor, the Parti Québécois can indulge in all the allegations and motions and press conferences and symbolic references it likes, the corridor is just a "scarecrow", to quote the editor-in-chief of *Le Devoir*. In fact, when he appeared before the Standing Committee on Energy Legislation last Wednesday, the Chairman of the Board of Directors of Hydro-Quebec made it quite clear, and I quote:

I could not care less about the corridor.

And that is because as a project, the corridor is technically and economically just not feasible and is not a viable proposition. First of all, it would be far more expensive to transport electricity and to build such a corridor from Newfoundland than to let Hydro-Quebec transport electric power via its own grid to Ontario, the United States and New Brunswick. Second, the corridor would require not just one line but two, to guarantee supply, which would double the cost. Third, it is clear that it is in the interest of Newfoundland to come to terms with Quebec.

The people of Quebec must remember that the present act does not contain any provisions that would oblige Hydro-Quebec to allow Newfoundland to use its grid, and that the power to expropriate for electric power exports is technically and economically feasible only if the expropriation takes place over a very short distance. Actually, the government included the expropriation clause at the request of Calgary Power, to resolve a regional problem, since, as the House is aware, Mr. Speaker, Newfoundland is far more interested in using the Hydro-Quebec grid to transport electricity than in building a corridor.

Finally, Mr. Speaker, the gist of Mr. Bourbeau's testimony was that the dispute between Newfoundland and Quebec could be negotiated without any trouble if the politicians withdrew from the scene and negotiations between Newfoundland and Quebec were handled, not on the basis of symbols, but in a businesslike fashion by businessmen, namely, by Hydro-Quebec and the Churchill Falls Development Corporation, and not by Mr. Peckford and Mr. Lévesque.

In concluding, I may remind the Parti Québécois caucus that as far as this case is concerned they are absolutely not aware of the facts.

• (2215)

[*English*]

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, when concern was expressed in this House on May 27 by the hon. member for Laprairie (Mr. Deniger) about a proposed amendment to the National Energy Board Act as embodied in Bill C-108, the Minister of Energy, Mines and Resources (Mr. Lalonde) stated that if a clause in that bill that would make it possible to modify a power export licence would cause problems in relation to an export contract, he would not hesitate to amend the bill to ensure that there was no prejudice to such a contract.

This matter refers to Section 84 of the National Energy Board Act. Currently under Sections 84(1) and 84(2) of that act, the board, with the approval of the governor in council, could not revoke or suspend an export licence unless any term or condition of the licence had not been complied with or had been violated. Under the proposed Section 84(1)(b) the board, with the approval of the governor in council, would be given the additional power to suspend or revoke a licence if, in the opinion of the board, public convenience and necessity so required.

The language of proposed Section 84(1)(b) is based upon a similar provision in the Aeronautics Act which has been interpreted by the Supreme Court of Canada.

I might say that there were objections to the application of proposed Section 84(1)(b) to exports by the Canadian Bar Association and by Hydro-Quebec. These objections were made on the ground that the exact meaning of the words "public convenience and necessity" could not be precisely defined. The proposed amendment, according to Hydro-Québec, could also raise doubts in prospective customers' minds as to the reliability of Canadian electricity exports and would therefore render negotiations of export contracts even more difficult than they are already. Even if contracts could be negotiated, the additional uncertainty might result in a lower border price than would otherwise be obtained. Hydro-Québec further argued that there would be an effect on existing contracts. This proposed change could, therefore, impact on export contracts worth several billion dollars.

After weighing these arguments, the minister agreed to consider modification of this proposed subsection in Bill C-108 relative to its application to electricity exports. Serious consideration is being given to this matter by the minister and, indeed, it is presently under review by the Standing Committee on Energy Legislation.

INDIAN AFFAIRS—JAMES BAY AGREEMENT—GOVERNMENT POSITION ON TAIT REPORT RECOMMENDATIONS. (B) SAFETY OF WATER SUPPLY

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, on May 18 I rose to ask the Minister of Indian Affairs and Northern Development (Mr. Munro) when he might expect a decision from the cabinet on the review of the implementation of the James Bay and Northern Quebec Agreement. His reply to me was, "Soon, very soon." I am here tonight to see if I can find out what "soon" means.

I have here a copy of the agreement, and it is 454 pages long. It was signed on November 11, 1975, by representatives of the Canadian government, the government of Quebec and representatives of the Cree and Inuit who live in northern Quebec. They gave up much of the territory they had inhabited for centuries—since time immemorial—for a cash settlement that is to be paid out over a period of 20 years and also for a number of benefits which are to accrue to them. Such benefits are housing, education, fire protection, roads, fresh and pure water in their villages, air strips and a number of other things. Unfortunately, many of these things have not been forthcoming.

Last March representatives of the Cree and Inuit came before the Standing Committee on Indian Affairs and Northern Development and told us of a great number of cases in which this agreement has been seriously breached. We heard of conditions that would make the Third World look pretty good. In one instance we heard of seven children dying in 1980 because of gastroenteritis which had been caused by unsanitary conditions. We heard of tuberculosis throughout the northern villages of Quebec. We heard a litany of complaints that it was a very bad situation.

• (2220)

At this point the committee made a report to the minister pointing out the terrible things that were going on in northern Quebec. He agreed that the situation should be reviewed and appointed an official from his department to go to the area. The official did so and presented an 87 page report to the minister, with recommendations. I understand that this report went before cabinet in January.

On February 18 the minister called a meeting of the Standing Committee of Indian Affairs and Northern Development to discuss the review. He thought that it would be through cabinet by February 18, but unfortunately that was not the case and so we could not discuss it. Every day since then we have expected the decision to be handed down.

On May 14 the chairman of the Standing Committee of Indian Affairs and Northern Development asked the minister when we could expect a decision from cabinet and the reply was that it would be available reasonably soon. I asked the same question a week later and the answer was "soon, very soon."

Today the fifth report of the Standing Committee on Indian Affairs and Northern Development was tabled. Item 12 of the report states as follows:

> Recalling your committee's earlier report to the Minister respecting the implementation of the James Bay and Northern Quebec Agreement, your Committee is dismayed by the delay of the federal Cabinet in reaching a just decision based on the recommendations of the department's review, providing for adequate funding according to the terms and conditions of the agreement.

This contract was entered into between the Cree, the Inuit and two governments. It has been broken. It was supposed to be the hallmark of future land claim settlements in Canada. It is a sad situation that we have not been able to honour the agreement. I put the question to the parliamentary secretary, when can this decision be expected?

Mr. Ray Chénier (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the member for Cariboo-Chilcotin (Mr. Greenaway) as well as other members of the Standing Committee on Indian Affairs and Northern Development have expressed concern regarding the time it has taken for cabinet to consider the report on implementation of the James Bay and Northern Quebec Agreement. It is unfortunate that it has taken longer than originally anticipated to adequately study this issue and to develop appropriate remedial measures. I am pleased, however, to inform the House that cabinet is in the final stages of considering this matter and I anticipate that the decisions made by cabinet will go a considerable way in resolving the difficulties being experienced by the Cree and Inuit.

The member for Cariboo-Chilcotin is rightfully concerned with the safety of the water supply in the Cree Community of Paint Hills. I assure him I share his concern and steps have been, and will be, taken to improve the situation as quickly as possible.

[*Translation*]

Far be it from me to try to minimize the situation in Paint Hills. However, to set the facts straight, I think I should inform the hon. member that, contrary to what he said in the House on May 18 of this year, the gastroenteritis epidemic which spread through Paint Hills in 1980 did not result in any deaths. A report on the epidemic prepared by Dr. Gary Pekeles in March, 1981, indicates that the number of cases of gastroenteritis in Paint Hills in the spring and summer of 1980 was not any higher than usual.

[*English*]

The hon. member made reference on May 19 to an apparent conflict between information contained in the minister's letter of March 19, 1982, and water tests conducted on March 9. The March 19 letter to Chief Hughboy of Paint Hills indicated that there did not appear to be any serious water quality problem at that time.

● (2225)

The March 9 test results, however, indicate a serious contamination problem. The fact is that when the minister wrote the letter on March 19, department officials had not yet been notified of the test results. In fact, correspondence from Chief Hughboy indicates that he himself did not receive an official "Notice to Boil" letter until March 19.

Last year, in an attempt to improve general health conditions in the community, a remedial measures program was put in place. I would like to point out that this program was designed and implemented by the Cree themselves with advice from DIAND. It included covering the spring used for drinking water, fitting it with a pump, instituting door-to-door water delivery in safe containers, and a general community clean-up. During 1981-82 our department spent $217,774 in funding this program. It is continuing this year and the department is working with the Cree to resolve the problem.

Although the program has improved conditions somewhat, it is clear that a very serious problem still exists and that the only long-term solution is the construction of permanent infrastructure facilities. A funding proposal for a total water and sewer system has been prepared by my department which will be seeking Treasury Board approval very shortly. The regional director and Chief Hughboy have met here in Ottawa to accelerate approval and construction.

[*Translation*]

New measures resulting from a study of the James Bay agreement now being considered by cabinet could also be expected to improve the situation very shortly.

[*English*]

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock.

At 10.27 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, June 2, 1982

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

THE ECONOMY

CONDEMNATION OF GOVERNMENT TAX MEASURES—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, the government is eating "crow" by giving back to the petroleum industry some $2 billion which it should never have taken in the first place, but so far the government has been unrepentant for extracting from consumers millions of dollars via the excise tax, the Canadian ownership tax, the tax on gasoline and heating oil, etc. Therefore I move, seconded by the hon. member for Mississauga South (Mr. Blenkarn):

That this House condemns the Liberal government for its greed in levying these taxes and thus killing much of the industry, and for its refusal to help consumers by returning some of the ill-gotten taxes extracted from the aged, the crippled, common workers, businesses, farmers, fishermen and others.

Will this government show no compassion for the poor?

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

CALL FOR INTRODUCTION OF PLANNED INCENTIVES—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, in the past three months the prime lending rate in Germany has dropped from 13 per cent to 11.5 per cent, in Japan from 7 per cent to 6.4 per cent, and in the United Kingdom from 14 per cent to 13 per cent, but our prime rate went up to 17 per cent. Interest rates in Canada are now 2 per cent to 4 per cent higher than they are in the United States and will probably go higher, yet our currency is even weaker on foreign exchange markets. I therefore move, seconded by the hon. member for Bow River (Mr. Taylor):

That the government produce a new fiscal plan for Canada involving incentives to investors, both Canadian and foreign, discontinue all programs prejudicial to new investment in the country, as in the National Energy Program and FIRA, and stop wasting foreign exchange to try to prop up, by artificial means, the exchange value of our currency.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADIAN NATIONAL RAILWAYS

REDUCTION IN RAIL ORDER PLACED WITH SYSCO IN CAPE BRETON, N.S.—MOTION UNDER S.O. 43

Mr. Rod Murphy (Churchill): Madam Speaker, in light of the fact that Canadian National has decided to reduce again its order of rails from the Sysco operation in Cape Breton, and since this latest cutback from 88,000 tonnes to approximately 44,000 tonnes will increase the number of jobs lost at both SYSCO and Devco, which latter supplies raw materials to Sydney Steel, I move, seconded by the hon. member for Beaches (Mr. Young):

That this House condemns CN for its callous disregard for the worker force and the economy of Cape Breton, and further condemns the laissez faire attitude of Cape Breton's three Liberal Members of Parliament, including the Minister of Finance, who continue to talk about economic growth and ignore the decline which is devastating the entire Canadian economy.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

POLITICAL PARTIES

STATEMENT MADE BY NEWFOUNDLAND PROVINCIAL LIBERAL LEADER—MOTION UNDER S.O. 43

Hon. John C. Crosbie (St. John's West): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that the Liberal Leader of the Opposition in Newfoundland, Stephen Neary, stated on May 13 in the House of Assembly that he would not trust his federal Liberal colleague, the Minister of Energy, Mines and Resources (Mr. Lalonde), "as far as I can throw him", and that every action of the minister justifies this observation, and in view of the fact that the actions of the Liberal government in Ottawa since May 13 show conclusively that federal Liberals cannot be trusted even as far as they can be thrown, I move, seconded by the hon. member for St. John's East (Mr. McGrath):

S.O. 43

That this House approves the statement made by the leader of the Liberal opposition in the House of Assembly of Newfoundland, with the addendum that the federal Liberals in toto cannot be trusted even as far as they can be thrown.

Madam Speaker: The hon. member for Burnaby.

* * *

HOUSE OF COMMONS

HIRING OF PARLIAMENTARY GUIDES—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that there is significant evidence of the Liberal patronage machine at work in the hiring process for parliamentary guides this summer, and in view of the fact that the merit system established to hire guides was bypassed to hire three candidates who were not recommended, but rather were supported by Liberal Members of Parliament, including the hon. member for Mount Royal (Mr. Trudeau), I move, seconded by the hon. member for Skeena (Mr. Fulton):

That this House respectfully requests the Speaker to appear before the Standing Committee on Management and Members' Services to explain fully the reasons for the apparent revival of the Liberal patronage system in the hiring process for summer jobs on Parliament Hill.

Madam Speaker: There are other ways of dealing with this, and I invite the hon. member to use those other channels.

* * *

• (1410)

EMPLOYMENT

CANADA MANPOWER INDUSTRIAL TRAINING PROGRAM—MOTION UNDER S.O. 43

Mr. Chris Speyer (Cambridge): Madam Speaker, the Canada Manpower Industrial Training Program which began in 1974 was originally designed to train both present and new workers in skills. On April 1 this year this program, which had a previous budget of $102 million, was severely restricted and now can only be used by a company if new workers are hired and subsequently trained. This month Butler Metal Products Co. Ltd., of Cambridge, Ontario, was refused funds for upgrading skills of present employees, making such employees less employable and more likely to have to resort to unemployment insurance benefits. Accordingly I move, seconded by the hon. member for Peterborough (Mr. Domm):

That the Minister of Employment and Immigration re-examine the effect that the changes to the Canada Manpower Industrial Training Program have had on skill training and direct his officials in the field to allow companies to upgrade the skill levels of their present employees if the result is increased productivity levels and a higher skilled work force.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

CANADA NON-PROFIT CORPORATIONS ACT

SUGGESTED DELETION OF CERTAIN PROVISIONS IN PROPOSED LEGISLATION—MOTION UNDER S.O. 43

Mr. Roland de Corneille (Eglinton-Lawrence): Madam Speaker, I rise under the provisions of Standing Order 43. I believe that hon. members of all parties are concerned about human rights in Canada and, for that matter, throughout the world. In view of their concern for establishing and securing rights to true worship and the rights to our religious practices, I should like to call upon them to give unanimous support to this motion.

It has been brought to my attention that there have been complaints by some church groups regarding certain aspects of Bill C-10, the Canada Non-profit Corporations Act. Specifically, these church organizations are concerned about the possible appeal to the courts by a member disciplined by his corporation. I move, seconded by the hon. member for Welland (Mr. Parent):

That the Minister of Consumer and Corporate Affairs delete Articles 114 to 116 inclusively from Bill C-10, the Canada Non-Profit Corporations Act, regarding the disciplining of members.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

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METRIC CONVERSION

OPPOSITION TO IMPOSITION—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, this is another motion that will pass! The "Mandate", a Canadian Federation of Independent Business survey released today, shows that 52 per cent of the businessmen and businesswomen surveyed favour an immediate halt to Canada's national program of metrication. Only 43 per cent of the business community want to go ahead with metric in any form whatsoever. These results repeat and confirm the results of several national polls and surveys conducted in the last year or two which show that all sectors of Canadian society oppose metrication on extremely good and reasonable grounds. I move, therefore, seconded by the hon. member for Cambridge (Mr. Speyer):

That this House acknowledge the results of the CFIB survey on national metrication and accept the topic as a suitable and pressing subject for immediate debate with a view to halting the enforced move to metric.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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FINANCE

CONDEMNATION OF MINISTER'S POLICIES—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, given the persistent attempts by the Minister of Finance to whitewash the government's dismal performance by chastising the United States for not bringing its deficit under control and for failing to bring interest rates down, and whereas the United States federal deficit is presently about half as large per capita as Canada's, U.S. mortgage rates are well below those available in Canada, and our dollar has crashed to less than 80 cents U.S. today. I move, seconded by the hon. member for Scarborough East (Mr. Gilchrist):

That the Minister of Finance be condemned for his skulking deceit in not having the decency to distinguish between President Reagan's successful attempts to cut taxes, to cut government spending and to restore incentives to private investors in contradiction to the failed experiment in MacEachenomics which translates into higher taxes, increased government squandering, and an outright attack on the integrity of Canadian business.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

EXCHANGE VALUE OF DOLLAR

Mr. Don Blenkarn (Mississauga South): Madam Speaker, you have before you some motions under Standing Order 26 which you will deal with later today, so my questions are directed to the Minister of Finance.

The minister will know that, one way or another, he spent about $1 billion last month propping up the dollar, at least another $225 million yesterday, and goodness knows how much today. He will know, from looking at the market, that his $750 million U.S. bond issue on the Euro-dollar market is now selling at a discount rate to yield 15 per cent. Can he tell this House what plans he has as Minister of Finance to improve the climate of confidence that the world might have in Canada?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has related his question to changes in the international currency market, and has talked about changes in the official reserves. I think I should point out to the hon. member a fact which ought to be borne in mind, namely, that yesterday and in preceding days the Canadian dollar did weaken against the United States currency. But that is not a phenomenon unique to Canada. Most other OECD currencies weakened against the American dollar, which has been very strong because of high interest rates in the U.S. That is the cause of the situation affecting Canada and other countries.

Yesterday the hon. member was making quite a number of dire predictions about the fate of the dollar. I should remind him that even though the dollar went through 80 cents early this morning, by noontime it had made a significant rebound to 80.34 cents.

Mr. Crosbie: How much did that cost you?

Mr. Broadbent: How much did you spend?

Mr. MacEachen: That shows how careful the hon. member ought to be in making these unjustified predictions.

REQUEST FOR STATEMENT OF POLICY

Mr. Don Blenkarn (Mississauga South): Madam Speaker, to keep the minister up to date, at two o'clock the dollar was 80.22 cents. We in this party would like to see a strong dollar. We would also like to see some action by the minister to improve the climate of confidence in Canada. Therefore I ask the minister when we might have a new financial statement of the aims of this government. We hope it would include some effort by the government to lessen the restrictions on foreign investment in Canada which would improve the climate of confidence for Canadian investors, and give entrepreneurs an incentive to invest in Canada so we can make it grow again and Canadians can have jobs again. When will the minister give us that kind of a statement? When can we have a new financial presentation from the government?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, when the government decides it is appropriate to make a financial statement, then of course I will be glad to tell the House about it. However, I should tell the hon. member that if he is again linking the necessity for a statement by the Minister of Finance to currency movements, then presumably he will be urging the President of France, the Chancellor of West Germany, and the Prime Minister of Britain also to make statements in their countries, because each of those currencies have had precisely the same experience as the Canadian dollar has had in the last two days.

The hon. member should understand that this is a phenomenon which is being forced on all the currencies of the major industrialized countries as a result of the strength of the American dollar, which in turn is the result of very high interest rates in that country which are having such a very

damaging effect on the economies of all countries of the industrialized world.

• (1420)

REQUEST THAT INTEREST RATES BE LOWERED

Mr. Don Blenkarn (Mississauga South): Madam Speaker, first of all the minister will know that the German currency in relation to the Canadian currency has strengthened by 3.8 per cent. The minister will know that we do not really worry about other currencies because 90 per cent of our trade is financed in American dollars.

In view of the fact that other countries have been able to have substantial reductions in their prime rates, for example, Germany from 13 per cent to 11.5 per cent in the past three months, and England from 14 per cent to 13 per cent, and in view of the fact that our T-bills are now selling for over 15.5 per cent, can we expect new high rates of interest in Canada tomorrow, or will the minister direct the Governor of the Bank of Canada to lower interest rates to give people in Canada a sense of confidence like people in other countries are getting from their governments and their central banks?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I can assure the hon. member that there is no person who is doing more to restrain interest rate movements in the country than the Governor of the Bank of Canada. In light of the circumstances, the Governor of the Bank of Canada has to maintain a balance between the exchange rate and the short-term interest rates, in light of the pressure that is being placed upon both these rates on the exchange market and in the short-term market by the very powerful economy which the hon. member has mentioned. When he talks about the very high proportion of our trade with the United States, he is obviously admitting that that economy and its operations have a very heavy impact on what happens in this country.

EURO BOND BORROWING

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is addressed to the Minister of Finance. In his insistence that the Canadian dollar is strong, he sounds like the "Charles Atlas" of the financial world trying to build economic muscle under the twin weights of his massive capital outflows and huge budget deficits. If the Canadian dollar is so strong, why did the government have to float a $750 million issue on the Euro bond market which, I understand, is the largest single maturity issue ever raised in that market? Why would the Minister of Finance have to borrow that much money to add to our international reserves?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, it is prudent to maintain one's international reserves in good shape. There was an opening in the Euro dollar market for a bond issue of this size—

Some hon. Members: Oh, oh!

Mr. MacEachen: —at a rate more favourable than that at which such borrowings could be made in the United States. It was my decision to make that borrowing at this particular time. It does not seem to be a very unusual step because we have moved on previous occasions to borrow on the foreign market.

Miss Carney: Madam Speaker, my supplementary question is also addressed to the Minister of Finance who has not answered the question: is this the single largest maturity issue ever raised in the Euro bond market? It is a massive amount of borrowing that he has had to undertake to support the dollar.

MINISTER'S FORTHCOMING ATTENDANCE AT VERSAILLES SUMMIT CONFERENCE

Miss Pat Carney (Vancouver Centre): Madam Speaker, the Minister of Finance recently went to Paris to learn that unemployment in Canada is at record levels. Is the minister going to the Palace of Versailles to learn that he is running the economy on the wrong economic track? The Prime Minister is also going to Versailles. Why is he going? Why is the Prime Minister not staying here to defend the dollar and his economic policy?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I want to tell the hon. member that I have been before the Standing Committee on Finance, Trade and Economic Affairs twice in the last two days, and I have not heard from her or from any other member of the Conservative Party a single policy option that could be implemented at the present time by the Canadian government.

Mr. Baker (Nepean-Carleton): You sure did today.

Mr. Crosbie: I will send you my speech of last week.

Mr. MacEachen: We know the policy that we are following, but members of the Conservative Party have been unable in these difficult times to articulate any consistent policy that could be considered. I believe in that circumstance they are failing miserably in their duty to the people of Canada.

Mr. Jelinek: Aren't you the government?

• (1425)

REQUEST FOR INTRODUCTION OF NEW BUDGET

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Minister of Finance. Indeed the dollar has fluctuated down to its lowest level since the Depression, during the past 24 hours. The minister knows that the major reason for the decline of more than 5 cents since last fall is to be attributed to our record balance of payments deficit which exceeds some $6.6 billion. The short-run problem has been compounded in recent days by the government's failure in the energy field and its associated megaprojects.

Will the minister at long last recognize that we are in a state of economic crisis in the Canadian economy, that last fall's budget is completely outdated, and that we need a new budget

now? Will he announce the date of a new budget which will be brought down before the summer recess?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I would like to co-operate as much as possible with the hon. member, but it is not possible to announce a new budget date today.

REDUCTION IN ENERGY TAX REVENUE

Hon. Edward Broadbent (Oshawa): Madam Speaker, I should like to put a different version of the same question to the minister. I point out in the same context that last fall's budget assumed that the federal government would have some $61 billion in revenue coming in over the next five years from its National Energy Program. As a result of the announcements made two days ago, that amount has dropped a full $25 billion. In that context, and given the immense negative implications for the people of Canada in terms of the economic impact of that data, will the minister at least assure us today that he will announce, within 24 hours, the date of a budget which will be brought down before we recess?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): No, Madam Speaker, I cannot give that assurance.

INCREASE IN UNEMPLOYMENT

Hon. Edward Broadbent (Oshawa): Madam Speaker, I should like to ask the minister once again, considering that since the budget came down in November, 58,000 men and women have been laid off in the province of British Columbia, unemployment in the province of Ontario in the first quarter has increased 111 per cent, and in the province of Quebec 75,000 men and women have been laid off in the manufacturing sector alone, will he acknowledge that he has some serious obligations to the people of the country and tell them, especially the unemployed, that they will have some prospect for jobs this summer because he will bring in a budget within the next month?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has correctly identified unemployment as a very serious problem in the economy. He knows that we are now in the midst of a world-wide recession and that unemployment levels are rising in every country of the world, or most countries in the industrialized world. In the next breath the hon. member goes on to suggest that there is some easy way out of this difficulty—

Mr. Broadbent: No, no.

Mr. MacEachen: —and that the magical wand is the presentation of a budget. The hon. member never tells us what policies he would recommend except policies which, if the Minister of Finance were unwise enough to accept them, would make the situation worse, would cause more inflation and more unemployment. That is the policy of the New Democratic Party which has been restated time and time again. It is not a policy which is followed by any government that I know in the industrialized world, including his socialist friends in Europe.

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[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF FOREIGN AFFAIRS OF POPULAR REPUBLIC OF HUNGARY

Madam Speaker: I wish to draw the attention of the House to the distinguished presence in our gallery of His Excellency Mr. Frigyes Puja, the Minister of Foreign Affairs of the People's Republic of Hungary.

Some hon. Members: Hear, hear!

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[*English*]

FISHERIES

GOVERNMENT ACQUISITION OF PROCESSING PLANT AT ST. ANTHONY, NFLD.

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans. I should like to ask the minister why the Government of Canada, in taking over the fish processing plant in St. Anthony, Newfoundland, is moving by way of the fisheries Prices Support Board. Why is it directly taking over the plant through the aegis of a Crown corporation, instead of providing the necessary assistance in concert with the Government of Newfoundland to the operator of the fisheries products plant, which is a much more sensible arrangement? Why is the government proceeding this way?

• (1430)

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, my colleague, the Minister of National Revenue and I went quite some distance in our efforts to try to find a solution. I met with the company in question. We had very lengthy discussions. There were negotiations between representatives of my department and the company. In the end it was agreed that this was the only approach which would work. I recognize that it is not a perfect approach but I had to try to find a solution so that the fishermen, whose season was about to start, would have a counter at which to sell their fish. I made it clear that it is a one-year agreement or understanding until we can come up with some longer-term solution.

Mr. McGrath: The minister did not address the crucial question of why he did not provide assistance to the operator in co-operation with the Newfoundland government, and why the Kirby task force was diverted from its principle function to put this deal together.

Oral Questions

GOVERNMENT POLICY

Hon. James A. McGrath (St. John's East): Madam Speaker, as welcome as the aid is, because it is an important plant, I have to ask the minister is it now the policy of the government to take over uneconomic plants directly and operate them in this way, or is this merely a move to bail out his colleague, the Minister of National Revenue?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I think that the hon. member's experience should really not allow him to get away that easily with that question. For example, he knows that we came to the assistance of the Grand Banks and the Gaultois operations when that company presented a business plan which was discussed with the bank and members of the Kirby task force. We found a solution. We made it very clear that it was a temporary solution while longer-term restructuring was taking place.

We met with the company and it made it very clear that it did not want to operate St. Anthony. We made it clear that we would come in with some form of assistance. They asked for something, I offered what they were asking for, and then they wanted something else. I simply had to find a solution to give the fishermen of that area enough hope that they could sell their fish as well as giving some plant workers some support for a year. We will see what happens in the restructuring.

CLOSURE OF FISH PLANT AT GEORGETOWN, P.E.I.

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is for the Minister of Fisheries and Oceans. It also relates to the catastrophic state of the Canadian Fisheries industry. For example, H.B. Nickerson and Sons Limited of Prince Edward Island have shut down their Georgetown Seafoods Plant, eliminating nearly 400 jobs at one fell swoop.

The Prince Edward Island government has devised a strategy, and proposed it to the federal government, that would require the federal government to permit a fish quota for the plant in question large enough to make it profitable. Is the minister planning to accept the Prince Edward Island government's proposal since it is a reasonable one? If not, why not?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, in 1969 there were licensed vessels which brought fish to this plant which were sold to H.B. Nickerson Limited. They were moved to another part of the Maritime provinces. This policy was accepted at that time and there was, in fact, no absolute limitation of licences even on that size of vessel.

I made it clear in 1974 or 1975 that the dislocation of traditional landing patterns would not be allowed by a wholesale move of licences from one area to another. Unfortunately, the proposal made to me by the Prince Edward Island government would have implied dislocation to another area in the Maritime provinces. This left no room for substantive negotiations with the company which has the control of those licences at the present time.

In light of that proposal, which simply was not workable, I have been waiting for other proposals. I have been willing to try to sustain Georgetown if serious negotiations were to take place with H.B. Nickerson in an attempt to divert some fish to Georgetown. That proposal has not been brought forth yet.

ROLE OF GOVERNMENT

Mr. Tom McMillan (Hillsborough): Madam Speaker, if the minister is not prepared to accept the eminently reasonable proposal of the P.E.I. government to keep the Georgetown Seafoods plant open, even though that proposal is approved by Nickerson and Sons Limited, the company concerned, does the minister have an alternative plan to protect the jobs at Georgetown Seafoods? Does he at least accept the principle that such plants in the region must be kept open and that the federal government has a vitally important role to play toward that end?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I very much hope that the information which those questions appear to convey is very carefully examined. The fact is the proposal which was presented to me would have, or could have meant serious dislocation to plants in another area of the Maritime provinces, in this case Cape Breton.

I made it very clear that I was willing to exert some authority to ensure that the normal flow of fish which had been coming to Georgetown over a number of years would continue. Unhappily, the proposal which I had before me would have meant taking licences away very arbitrarily from one area to put them into another area of the Maritimes. I am afraid I could not do that.

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HAZARDOUS SUBSTANCES

STUDY OF LONTREL

Hon. Bud Cullen (Sarnia-Lambton): Madam Speaker, my question is for the Minister of National Health and Welfare. As commendable as the agreement is between the Minister of Agriculture and the Minister of National Health and Welfare to protect Canadians from the impact of chemicals and certain herbicides, has the minister had an opportunity to study with her department the product called Lontrel which was developed by Dow Chemical, and which increases the yield of a field by some 30 per cent? This product is being used by our competitors in other countries. People who use this product would be quite prepared to sign any kind of release required. Has the minister had an opportunity to study whether or not this particular product might be made an exception?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, with respect to this problem which the hon. member has raised with me on several occasions, according to the actual rules of the game in the department

with regard to health protection it would be very difficult for us to recognize changing the procedure to determine the validity of the product that the industry and the producers would enjoy. I am sorry that I have to give a negative answer up to now. We are not in a position to give the necessary certification immediately. Some tests are still not completed or ready.

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TRADE

COMMITTEE RECOMMENDATION TO ESTABLISH NATIONAL TRADING CORPORATION

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is for the Minister of State for International Trade. Yesterday he made an announcement that he was shelving the idea of establishing a national trading corporation. He does that despite the fact that an all-party committee recommended last year, in a very large and comprehensive report which was made after 270 meetings, that we needed such a corporation in Canada to promote trade for small and medium-size businesses. It also stated that this corporation could also increase exports by some $14 billion per year. In light of that, and the fact that the committee said this was critical and crucial, can the minister explain to the House why he is rejecting the idea of establishing such a trading corporation for Canada?

Hon. Ed Lumley (Minister of State (International Trade)): Madam Speaker, as the hon. member knows, the recommendation from the parliamentary committee indicated that initial capitalization of approximately $300 million is needed; 50 per cent to be made up by the private sector and 50 per cent from the government. As you know, our greatest priority right now is export financing. That is the quickest way to create jobs in Canada. I am sure that the hon. member would agree that our number one priority now with respect to the current situation is to reduce inflation and create jobs for Canadian industry. Therefore, all the financing which is available to me goes to our number one priority, which is export financing.

We did not shelve the idea of a national trading corporation. We postponed the decision for now until such time as the private sector which, at this point has not come forward with any kind of proposal to put up $75 million or $100 million toward the corporation, decided to do so. If they decide it is a priority in the future we will be happy to consider the proposal.

REASONS FOR NOT COMPLYING WITH RECOMMENDATION

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, how much longer will the minister wait? Twenty-five per cent of our GNP is dependent upon exports. Most other countries have trading corporations and trading houses. There is a decrease of our share in world trade. We have a $21 billion deficit in manufactured goods trading. In light of all those things I want to ask the minister very precisely what proof does he need before he establishes a national trading corporation to help the small and medium-size companies.

• (1440)

Hon. Ed Lumley (Minister of State (International Trade)): First of all, Madam Speaker, we do not derive 25 per cent of our GNP from trade; we derive 33 per cent from trade. Second, is the hon. member interested in jobs being created now in light of the high unemployment in this country? There is no guarantee whatsoever that one single job would be created with the establishment of a national trading corporation. With export financing there is a guarantee from the day we sign a contract that jobs will be created right here in this country, and I think that is our priority now.

Some hon. Members: Hear, hear!

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FARM CREDIT CORPORATION

REQUEST THAT BORROWING POWER BE ENLARGED

Hon. George Hees (Northumberland): Madam Speaker, my question is directed to the Minister of Agriculture. As lack of enthusiasm by the banks has caused the Small Business Bond to be of very little value to farmers seeking additional funds with which to meet the very serious financial problems they are faced with today, has the minister approached his colleague, the Minister of Finance, and strongly urged him to allow the Farm Credit Corporation to enlarge its borrowing power so that our farmers may obtain the additional financing they need at 10 per cent interest in order that they may deal successfully with the great financial problems they are faced with at this time?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, to answer the hon. member first of all concerning the small business bond, I believe about $2.5 billion in total has been loaned under that program to small business people, so, to some, it has been a big success. We have worked very closely with many farmers, with the Farm Credit Corporation and with lending institutions. Arrangements were made between the Farm Credit Corporation and the lending institutions to use the combination of a Farm Credit Corporation loan and a small business bond. It is true that there have been many turn-downs. We are reviewing how far the Farm Credit Corporation can go with the new legislative power which has been vested in that corporation. We are moving as rapidly, as fast as we can. We hope that we will be in a position within two or three weeks to make a recommendation to the Minister of Finance.

CANADIAN FEDERATION OF AGRICULTURE REPRESENTATIONS

Hon. George Hees (Northumberland): My supplementary question is directed to the Minister of Finance, Madam Speaker. As the minister knows very well, the Canadian Federation of Agriculture has brought an urgent plea before

the government that additional borrowing power be given to the Corporation so that it can make this additional money available at 10 per cent to farmers who are faced with very serious financial problems. Is the minister giving this serious consideration, and when does he expect to be able to make an announcement on this matter?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, as the Minister of Agriculture has indicated, we have already indicated our approval in principle that the Farm Credit Corporation might be able to extend its capacity to borrow in private markets.

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MINES AND MINING

REQUEST FOR ASSISTANCE

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, in the absence of the Minister of State for Mines and of the Minister of Energy, Mines and Resources, I would like to direct my question to the Prime Minister. In view of the near crisis state in Canada's mining industry, with shutdowns and labour disruption now affecting more than 34,000 mine, mill and smelter workers across Canada, which multiplies to at least 160,000 employees when service jobs are included, and whereas these unprecedented cutbacks are a consequence of economic conditions which prevailed several months ago, not the current economic conditions, what specific proposals has the Minister of State for Mines offered, and what actions is the government prepared to take to remedy this serious crisis which is having a devastating impact on communities all across Canada?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the concern of the Minister of State for Mines has been quite obvious, and she is in Calgary today addressing the Business Outlook Conference. I am sure she will be happy that I pass on to her the representation of the hon. member.

Mr. Siddon: Madam Speaker, I think the matter is so urgent that it needs a more direct answer than that.

LABOUR RELATIONS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I am sure that the Prime Minister, being chairman of the cabinet, has some idea of what specific initiatives we can expect the government to take. What will the minister and the government do for the 10,000 striking steel workers at Inco, the 3,000 iron workers laid off in Labrador, the 6,000 unemployed asbestos and iron miners in Quebec, the 3,000 miners in Ontario, the 3,000 on the prairies and another 2,000 in Atlantic Canada—

Madam Speaker: Order!

Mr. Siddon: —and the 10,000 laid off mine workers in British Columbia? What will the government do, Madam Speaker?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member refers to my role as chairman of the cabinet. He will know that if the cabinet wants to make an announcement, it does so. I will tell the hon. member that he can expect that when we have an announcement to make, we will let the House know about it.

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PUBLIC SERVICE

REQUEST THAT PARLIAMENTARY COMMITTEE DEFINE POLITICAL RIGHTS OF PUBLIC SERVANTS

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I would like to ask the President of the Treasury Board a question involving employee-employer relations in the public service, specifically the Public Service Staff Relations Board decision involving Neil Fraser, and the Supreme Court of Canada decision concerning the air traffic controllers. With respect to the first case, the Public Service Staff Relations Board case, the judgment appeared to leave unanswered the question of what is appropriate political action, excepting the case involving Neil Fraser himself. This speaks to the use of parliamentary committee to explore the matter. Has the minister considered the establishment of a parliamentary committee to see whether there could be a better definition of the political rights of public servants, involving their ability to speak out?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I thought the Public Service Staff Relations Board was quite helpful in that it really confirmed what has been the view expressed by myself and, I believe, by the hon. member for Nepean-Carleton, that we are very much involved in an area of judgment and black and white lines cannot be drawn. Nevertheless, I have followed up the suggestions which have been made.

I indicated in the past that I personally had no great objection to parliamentary committees but that I really did not feel that their deliberations would be terribly helpful in this particular case. I raised some suggestions in a letter to the Prime Minister and discussed the matter with a number of other colleagues. I understand that the Prime Minister has looked at the matter and, in fact, has responded, but I have not yet seen his letter.

ARBITRATION PROCEDURES

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, my supplementary question is also directed to the President of the Treasury Board. Will the minister undertake to table the letter? I call to his attention my concern because his counsel said at the hearing that if public servants speak out at all, they do so at their own risk. There is no guideline whatsoever with respect to that matter, and that causes me some distress.

With respect to the judgment of the Supreme Court of Canada in the case of the air traffic controllers, it does blunt the efficacy of the strike route, I think we must say, and may also raise the importance of the arbitration route. If a parliamentary committee is established, would the minister consider referring the question of improving the methods of arbitration in the public service to that committee? I ask this because it seems to me that the situation may well give way to a greater and greater use of the arbitration route in settling disputes, or questions involving the relationship between the public servant and the employer.

Hon. Donald J. Johnston (President of the Treasury Board): I tend to agree with part of the question raised by the hon. member for Nepean-Carleton. There may, indeed, be ways of improving the arbitration route. We are constantly looking at ways to improve the arbitration route and, for that matter, other measures under the Public Service Staff Relations Act. I am raising those matters with my colleagues. But with respect to the judgment of the Supreme Court of Canada, it seems to me that it simply confirmed the intention of parliamentarians, many of whom were probably here in 1967 when the act was adopted and when the designation process was established.

* * *

[*Translation*]

TRADE

INQUIRY WHETHER MODIFICATIONS TO FOOTWEAR IMPORT CONTROLS ARE CONTEMPLATED

Mr. Marcel Ostiguy (Saint-Hyacinthe-Bagot): Madam Speaker, my question is directed to the Minister of State for International Trade. In view of the many representations that have been made by members on this side of the House and by the Canadian footwear industry, could the minister inform the House whether and when he expects any changes in the current policy on footwear import quotas in Canada?

Hon. Ed Lumley (Minister of State (International Trade)): Madam Speaker, we shall make a decision on the footwear question during the last week of June or the first week of July, after the federal-provincial conference of Trade and Commerce Ministers on June 21 here in Ottawa.

• (1450)

INQUIRY WHETHER STATEMENT ON FOOTWEAR INDUSTRY WILL BE MADE BEFORE SUMMER RECESS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a supplementary. Could the minister give us any guarantees today that a statement regarding the footwear industry will be made before the summer recess, while the members are still here and not after they have left?

[*English*]

Hon. Ed Lumley (Minister of State (International Trade)): Madam Speaker, my colleagues on this side of the House have already requested that we make a statement before the parliamentary recess. It is my hope that, after we have had discussions on the shoe issue and other issues with my provincial colleagues, we will have an announcement to make, prior to the ending of the session.

[*Translation*]

ASSURANCE SOUGHT THAT FOOTWEAR ANNOUNCEMENT WILL BE MADE BEFORE SUMMER RECESS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I am not asking for hope, I am asking for a commitment. Could we have a commitment from the minister today that there will not be a statement on the footwear question after the House has adjourned, as was unfortunately the case with VIA Rail?

[*English*]

Hon. Ed Lumley (Minister of State (International Trade)): Madam Speaker, as I said, what happens in this House on our side is the responsibility of our House leader. I will discuss it with him. We hope to have a decision made prior to the end of the session.

* * *

THE ECONOMY

INDUSTRIAL STRATEGY—GOVERNMENT POSITION

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, my question is for the Minister of Finance. He has indicated that a new budget is in the offing. He will be well aware of the $21 billion deficit in manufacturing which has resulted in the loss of 200,000 jobs. The cost to every man, woman and child in Canada is $1,000 each, annually. Will the minister state to the House today that in the new budget the government will be moving off its disastrous resource megaprojects strategy and into a manufacturing-oriented strategy in terms of economic recovery and job creation?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, to clear up the first point, I have not stated, either directly or indirectly, that a new budget is in the offing. When that decision is made it will be announced to the House.

I would direct the hon. member's attention to the document tabled at the time of the budget, entitled "Economic Development for Canada in the 1980s", in which was laid out the economic approach of the government. If he looks at the document carefully he will find that the manufacturing sector did receive very strong support as a major element in the future growth and development of the Canadian economy. For that reason I do not believe that the hon. member is asking us

to do anything that we have not fully acknowledged presently in our approach to economic development.

REQUEST FOR INTRODUCTION OF NEW BUDGET

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, the Minister of Finance knows absolutely clearly that it was the megaprojects that the government was counting on to be its economic saviour in the 1980s and the 1990s.

Miss Jewett: That is right.

Mr. Riis: Will the minister send a clear signal to Canadians today that he will be bringing in a new budget before the end of June?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I attempted to answer that question earlier, in reply to the hon. member's leader. I want to tell the hon. member that when a decision is taken to bring in a new budget, when the circumstances are appropriate—

An hon. Member: They are appropriate now.

Mr. MacEachen: —I will advise the House and take my hon. friend into my confidence at the earliest possible time.

* * *

AUTOMOTIVE INDUSTRY

CANADIAN CONTENT IN JAPANESE MANUFACTURED VEHICLES

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, I wish to address an important question to the Prime Minister on a matter which was raised on Monday in this chamber, the subject being Canadian parts content in Japanese manufactured vehicles, to protect Canadian jobs and give opportunity to our vital automotive industry which employs 101,000 Canadians. On Monday he took the question under advisement. I expect that with a five o'clock departure tomorrow to Versailles there is no more time to consider it. Would the Prime Minister assure the House that he will meet with Premier Suzuki of Japan and insist on a much higher Canadian parts content, much higher than the one half of 1 per cent which the Minister of Industry, Trade and Commerce admitted was the Canadian parts content in Japanese cars?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member will remember that I took notice of that question in the absence of the Minister of State for International Trade. Of course the subject has been discussed between us before and since then. I will keep in mind the negotiating strategy of the minister when I meet Premier Suzuki in Versailles.

REQUEST FOR ASSURANCE ON ISSUE

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, that is a far cry from an assurance, at a time when the automotive industry is in the dire straits the Prime Minister talks about. One half of 1 per cent parts content is a long way from 85 per cent. Some 101,000 direct jobs,—625,000 jobs in the industry in total—are dependent upon this kind of decision. I wonder if the Prime Minister would reconsider and give us an assurance that a much higher parts content will come about, rather than the Mickey Mouse tactics of slowing down the import of Japanese cars through inspections on the west coast.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I repeat that the strategy we are employing in regard to negotiations with the Japanese is not something I would want to discuss with the hon. member across the aisle of this House. He does recall himself that on Monday there seemed to be division within his own Conservative caucus as to whether we should be encouraging the entry of Japanese cars or discouraging that entry. I had hoped that in the last three days they might have got their act together, but I see that they have not.

* * *

SHIPBUILDING

GOVERNMENT ASSISTANCE FOR INDUSTRY

Mr. Howard Crosby (Halifax West): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce that is prompted by the concern expressed by the Canadian shipbuilding industry. When the government reduced the shipbuilding subsidy from 20 per cent to 9 per cent, approximately two years ago, it promised the industry a revision in its policy. To date that program has not been forthcoming. What is the current situation? Is the minister now ready to tell the Canadian shipbuilding industry what the government is willing to do to assist the industry?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, contrary to what was suggested by my hon. friend, the government did not reduce the subsidy. That subsidy of 20 per cent was a temporary measure. Once its term ended, the subsidy was allowed to revert to the basic 9 per cent. However, we also set up a task force to consult with the shipbuilding and ship repair industries, with the trade unions, and with the users of Canadian ships. We are looking at the results of this consultation very actively, as a basis for decisions on a new policy. I think we are fairly advanced in our consideration, at the cabinet level, and I hope to be able to make announcements, together with my colleagues, on this matter before too long.

QUERY RESPECTING SPECIFIC PROJECTS

Mr. Howard Crosby (Halifax West): Madam Speaker, I think the Minister of Industry, Trade and Commerce knows that the international shipbuilding industry is heavily subsidized by national governments, and there is a real question of whether our Canadian shipbuilding industry can carry on without help from the government. I want to know more specifically what the government is willing to do about specific projects, like the new Canadian National marine ferry that is to be constructed, and what assistance it is going to give to the shipbuilding industry to aid in the construction of icebreaking vessels to open up the Arctic—which is part of the government's program in terms of the energy policy.

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, we recognize the importance of the shipbuilding and ship repair industry to the Canadian economy generally, and to a number of areas of our country specifically. Just in the past year or so, we have taken some very important actions to help that industry. There is our support for the expansion of the Saint John Shipbuilding and Drydock Company in Saint John, New Brunswick. There is the very substantial support to enable the expansion and updating of the Halifax shipyards in Halifax, Nova Scotia. We will be making announcements, as time goes on, about our further measures of assistance and support to recognize the capacity for productive activity of the workers and management in our Canadian industry.

* * *

FINANCE

TAX ON FUEL USED IN PRODUCTION OF FOOD

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I have a question for the Minister of Finance. Some time ago he gave assurance to my colleague, the member for Vegreville, that his government would be looking at removing some portion of the 60 cents a gallon tax this government takes on fuel used in the agricultural production of food. Has the minister had an opportunity to look at this?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Yes, Madam Speaker.

• (1500)

Mr. McKnight: Madam Speaker, people in the farming industry will certainly appreciate that answer.

REQUEST THAT TAX BE REMOVED

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, the Minister of Energy, Mines and Resources has complimented the two provinces which have removed their taxes on gasoline. Those two provinces are Saskatchewan and Alberta. Will this government do equally as well and remove

taxes on the production of food? That would benefit not only to the agricultural community but also the consumers of Canada who now have to pay for this grab by the federal government.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): No, Madam Speaker, it is not my intention to announce the tax changes suggested by the hon. member.

* * *

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by hon. members on Tuesday, June 1, 1982, and finds that the petitions meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. SIDDON—PARKING LOT EMPLOYEES AT VANCOUVER INTERNATIONAL AIRPORT

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, it is my duty and privilege to table a petition on behalf of the employees of Canpark Services at Vancouver International Airport. This petition arises out of a recent decision taken by the Ministry of Transport to reject the lowest and all bids for the provision of parking lot attendant services at Vancouver International Airport, a decision which led to the heartless termination this week of employment for 20 persons including a number of new Canadians and middle-aged women supporting unemployed or handicapped husbands and their children. These employees have given dedicated service to the public at Vancouver International Airport for as long as ten years in some cases.

The petition recommends that the Minister of Transport (Mr. Pepin) be urged by this House to grant the parking lot employees at Vancouver International Airport a minimum six-month extension of work at the airport or that the minister arrange alternative employment for them in these difficult times so that they may continue to support their dependent families.

MR. ROBINSON (BURNABY)—OAKALLA, B.C.—CONSTRUCTION OF PRISON FACILITIES

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I have the honour and the duty to present a petition on behalf of

hundreds of my constituents who are calling upon the federal government not to co-operate in any way in the construction of prison facilities on the Oakalla lands in Burnaby and to ensure that the government lives up to its previous promises to remove completely all correctional facilities from the Oakalla lands.

MR. CROSBIE—YUGOSLAVIA—PRISONERS OF CONSCIENCE

Hon. John C. Crosbie (St. John's West): Madam Speaker, I rise to present a petition signed by 29,277 citizens of Canada who are deeply concerned about the plight of seven prisoners of conscience now being held by the government of Yugoslavia in defiance of that country's obligations—

Madam Speaker: Order, please. Would the hon. member please remove that basket from his desk. I have never seen a petition presented in a basket with an inscription on it.

Mr. Crosbie: —in defiance of that country's obligations under the Helsinki Final Act to which it is a signatory. The seven individuals named in this petition have been recognized as prisoners of conscience not only by Amnesty International but also by the Secretary of State for External Affairs (Mr. MacGuigan), who has referred to them as "classical cases of dissidents". Therefore, the petition asks the House to urge the Government of Canada to make representations to the government of Yugoslavia in order to obtain the early release of these seven individuals.

I have the petition here, and there are so many names I am afraid the petition had to be put into a basket.

Madam Speaker: Order, please. I am not able to accept that.

Mr. Crosbie: You can pick them up by hand if you want.

Madam Speaker: The hon. member can present his petition in the usual way. If we allow this, we will have all sorts of things being exhibited in the House.

Mr. Clark: Madam Speaker, I rise on a point of order. Just so that we may be clear on this question, I take it your ruling is not to be construed in such a way as to deny the right of the hon. member for St. John's West (Mr. Crosbie) to represent—

Mr. Campbell (LaSalle): Sit down, Joe.

Mr. Clark: I am sorry I am being shouted at by hon. members across the floor who do not want to have the views of some 29,000 Canadians on this question of prisoners of conscience heard.

I take it, Madam Speaker, you are not ruling in such a way as to prevent—

Mr. Cousineau: You are not fair at all.

[*Translation*]

Mr. Clark: I am sorry, Madam Speaker, but the hon. member for Gatineau (Mr. Cousineau) is continuing his harassment, and I wonder whether he is against petitions by Canadians. I hope that the Chair's ruling does not deny the hon. member for St. John's West (Mr. Crosbie) the right to submit his petition in any form he likes.

[*English*]

Madam Speaker: Of course not. This is quite elementary. Petitions are to be presented in the usual form. In the case of this particular petition it is quite obvious that it can be carried in the usual way. If I allow a basket or anything else, someone might bring in a petition in a baby carriage.

Some hon. Members: Hear, hear!

Madam Speaker: Hon. members must know that decorum in this House is a necessity. I do not understand how on one word from the Speaker it can be taken that a petition is not accepted.

Mr. Crosbie: Madam Speaker, have you made a ruling that this petition is not accepted?

Some hon. Members: Oh, oh!

Mr. Cousineau: You are worse than Joe.

Mr. Crosbie: If you have, I certainly want to object. If you have not, fine.

Mr. Cousineau: You and Joe should jump into the basket.

Mr. Clark: Madam Speaker, have you ruled that this petition is not acceptable?

Madam Speaker: Of course not. The Speaker just receives petitions, and that is why I have not pronounced a word about the petition except to disallow the display.

Introduction of bills. The hon. member for Victoria.

Hon. Allan B. McKinnon (Victoria): Madam Speaker, the purpose of this bill is to limit the extraordinary discretion of the Treasury Board under the Canadian Forces Superannuation Act to reduce radically the pensions of Canadian forces personnel on the basis of—

Madam Speaker: Order. I am a bit confused. I have had no notice of this bill. I do not think the hon. member is following the proper procedure. Do we have notice of this bill?

Mr. McKinnon: Madam Speaker, I submitted copies to the Clerk of the House this morning.

Madam Speaker: Forty-eight hours' notice is required, and we will receive the bill when the hon. member satisfies the procedure.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,879, 2,880, 2,881 and 4,288.

[*Text*]

FIRA—OTHER TYPES OF SERVICES

Question No. 2,879—**Mr. Clarke:**

With reference to the professional and special services recorded by the Department of Industry, Trade and Commerce for the Foreign Investment Review Agency at page 32.17, volume II of the 1979-80 Public Accounts of Canada, with particular reference to other types of services (a) how does the agency explain the 8986 per cent increase in expenditure for the item over that for 1978-79 (b) what was the name of each type of service (c) what was the amount paid for each service and, for contracts over $2,000, to whom was it paid?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Foreign Investment Review Agency is concerned:

(a) The reason for increase is not volume of expenditures but presentation format. In 1978-79 all expenditures over $2,000 were listed in the public accounts for professional and special services. In 1979-80, only items over $25,000 were listed as per Receiver General Directive 1980-2, therefore a greater number of items were included in the other types of services category.

(b) Account—Other Types of Services 1979-80	Amount
Accounting and auditing services	$16,700
Legal services	5,786
Management consulting services	4,400
Training fees	2,018
Protection services	12,257
Research services	14,100
Miscellaneous other business services	11,079
Registration fees—conferences	325
Hospitality	679
Service fees—Supply and Services Canada	1,331
Membership fees	5,375
	$74,050

(c) Contracts over $2,000.

Accounting and auditing services—Supply and Services Canada, Hull, Qué.—$16,700; Legal services—Connolly, Bove and Lodge, Wilmington, Delaware, U.S.A.—$3,746; Protection services—Canadian Corps of Commissionaires, Ottawa, Ont.—$12,257; Miscellaneous other business services—Dunn and Bradstreet, Toronto, Ont.—$7,936; Research services—Statistics Canada, Ottawa, Ont.—$10,000; University of Western Ontario, London, Ont.—$10,000; Management consulting services—Technovation Consultants, Ottawa—$4,000.

PUBLIC ACCOUNTS—OTHER TYPES OF SERVICES

Question No. 2,880—**Mr. Clarke:**

With reference to the professional and special services recorded by the Department of Industry, Trade and Commerce at page 32.17, volume II of the 1979-80 Public Accounts of Canada, with particular reference to other types of services (a) how does the department explain the 1205 per cent increase in expenditure for the item over that for 1978-79 (b) what was the name of each type of service (c) what was the amount paid for each service and, for contracts over $2,000, to whom was it paid?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Department of Industry, Trade and Commerce is concerned:

(a) The reason for increase is not volume of expenditures but presentation format. In 1978-79 all expenditures over $2,000 were listed in the public accounts for professional and special services. In 1979-80, only items over $25,000 were listed as per Receiver General Directive 1980-2, therefore a greater number of items were included in the other types of services category.

(b) and (c) Account—Other Types of Services 1979-80	Amount
Tourism Program	
Bilingual training expenses	$ 3,522
Foreign language training expense	5,764
Training fees	8,006
Protection services	136
Medical and health care expenses	4,864
Registration fees—conferences	17,210
Promotional gifts	200
Membership fees	17,295
Service fees—Supply and Services Canada	1,468
	$58,465

Contracts over $2,000.

Membership fees—Bureau International du Tourisme Social, Brussels, Belgium—$2,565. Training fees—Public Service Commission, Ottawa, Ont.—$3,870.

Grains Program	Amount
Accounting and auditing services	$12,916
Simultaneous interpretation costs	194
Training fees	1,100
Registration fees—conferences	1,067
Promotional gifts	228
Official hospitality	7,190
Hospitality on travel status	628
Data processing services	8,025
	$31,348

Accounting and auditing services—Supply and Services Canada, Hull, Que.—$12,916; Data processing services—Statistics Canada, Ottawa, Ont.—$8,025.

PUBLIC ACCOUNTS—TRADE INDUSTRIAL PROGRAM

Question No. 2,881—**Mr. Clarke:**

With reference to the professional and special services recorded by the Department of Industry, Trade and Commerce under the Trade Industrial Program at page 32.16, volume II of the 1979-80 Public Accounts of Canada, with particular reference to other types of services (a) how does the department explain the 10,430 per cent increase in expenditure for the item over that for 1978-79 (b) what was the name of each type of service (c) what was the amount paid for each service and, for contracts over $2,000, to whom was it paid?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so

far as the Department of Industry, Trade and Commerce is concerned:

(a) The reason for increase is not volume of expenditures but presentation format. In 1978-79 all expenditures over $2,000 were listed in the public accounts for professional and special services. In 1979-80, only items over $25,000 were listed as per Receiver General Directive 1980-2, therefore a greater number of items were included in the other types of services category.

(b) Account—Other Types of Services 1979-80	Amount
Fees—private schools	$ 13,256
Simultaneous interpretation costs	1,635
Translation services contracts	21,495
Bilingual training expense	20,417
Medical and health care expenses	7,766
Special health care expenses	16,615
Credit reports	29
Safe storage of effects	723
Long-term storage—effects	257
Research services	3,891
Public relations services	9,348
Promotional gifts	14,181
	$109,613

(c) Contracts over $2,000.

Public relations services—Procom, Toronto, Ont.—$4,988; Translation services contracts—Hexacom Corporation, Ottawa, Ont.—$18,055; Research services—Bowden's Information Service Inc., Toronto, Ont.—$2,213; Promotional gifts—Clark Irwin and Co. Ltd., Toronto, Ont.—$5,000; Smith Advertising Specialties, Mississauga, Ont.—$2,008.

PREPARATION OF PUBLICATION

Question No. 4,288—**Mr. Mazankowski:**

1. Was a contract awarded to *Les Éditions Sociétales CL Ltée* by the Department of Industry, Trade and Commerce to prepare camera-ready copy of a 32-page publication and, if so (a) how was the contract value determined (b) what was the cost breakdown of the Company's proposal?

2. Was the contract tendered and, if so, how many bids were submitted?

Hon. J.-J. Blais (Minister of Supply and Services): 1. The Department of Supply and Services awarded a contract, on behalf of the Department of Industry, Trade and Commerce, to Les Editions Sociétales CL Ltée, for the provision of work, identified in part (b), related to the design and development of a booklet on small business.

(a) The value of the contract was determined by the client department as a result of an unsolicited proposal submitted directly to Industry, Trade and Commerce.

(b) The cost breakdown is as follows:

Creative concepts	$30,790
Project management	39,500
Circulation/distribution	20,368
Research	3,659
Writing/Editorial	4,574
Translation/typesetting	5,675
Design layout	5,934
Overhead and profit	15,060

2. No. Contract was awarded as a result of an unsolicited proposal.

[*English*]

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

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

MOTIONS TO ADJOURN UNDER S.O. 26

[*English*]

THE ECONOMY

CRISIS IN VALUE OF CANADIAN DOLLAR

Madam Speaker: I have notice of a motion under Standing Order 26 in the name of the hon. member for Oshawa (Mr. Broadbent).

Hon. Edward Broadbent (Oshawa): Madam Speaker, I ask leave, seconded by the hon. member for Kamloops-Shuswap (Mr. Riis), to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the crisis in the Canadian dollar, which has reached its lowest point in history in comparison with the U.S. dollar, a fact which is directly related to the failure of the government to announce its intention not to proceed with measures related to last fall's outdated budget, the collapse of the government's energy program and the related failure of the government to produce a new economic policy for Canada.

Madam Speaker: I have another notice for an urgent debate under Standing Order 26 in the name of the Right Hon. Leader of the Opposition (Mr. Clark).

• (1510)

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I rise to ask leave, seconded by the hon. member for Mississauga South (Mr. Blenkarn), to move the adjournment of the House under the provisions of Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the dramatic and dangerous drop in the value of the Canadian dollar.

There are two reasons why a debate is urgent. The first is that our dollar has fallen to a record low. The second is that the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. MacEachen) depart tomorrow for an economic summit at Versailles. The Parliament of Canada has a right and an urgent responsibility to advise the government and to

hold the government accountable, before it enters into any undertaking at Versailles.

If you accept this application for an emergency debate, I am ready to move the appropriate motion.

Madam Speaker: Both motions under Standing Order 26 relate to the crisis in the value of the Canadian dollar and its effect internationally.

The Chair recognizes the importance of these matters but the report that the dollar has reached its lowest point in history in comparison to the United States dollar does not alter the fact that the problem is of a continuing nature and not in the nature of a genuine emergency calling for immediate and urgent consideration, as provided for in paragraph 16(a) of the Standing Order.

Paragraph (d) of the same section of Standing Order 26 states:

(d) The motion must not revive discussion on a matter which has been discussed in the same session pursuant to the provisions of this Standing Order—

I must point out that on December 18, 1980, in a similar situation, I allowed a request to discuss a matter under Standing Order 26. In my decision that the matter was proper to be discussed, I stated, in part:

In this case both hon. members have drawn my attention to the juxtaposition of circumstances of rising interest rates, the rising cost of living index, the rising rate of inflation, and the decline in the dollar.

I also said that the matter could not be debated at an early opportunity and probably not at all, since the House was about to adjourn.

It would not be reasonable to expect the Chair to agree that the matter proposed today is different simply because the dollar has registered a further decline.

The Right Hon. Leader of the Opposition has indicated in his statement that the Right Hon. the Prime Minister (Mr. Trudeau) and the Hon. Deputy Prime Minister and Minister of Finance (Mr. MacEachen) will depart tomorrow for an economic summit at Versailles and suggests that Parliament has a right and urgent responsibility to advise the government and hold the government responsible.

We are all aware, of course, of the importance of that meeting, but the provisions of Standing Order 26 do not permit me to allow an emergency debate on that basis.

It is therefore with regret that I cannot accept these applications for an adjournment motion under Standing Order 26.

ROUTINE PROCEEDINGS

MOTIONS FOR PAPERS

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, Notice of Motion for the Production of Papers No. 99 in the name of the hon. member for Vaudreuil (Mr. Herbert) is acceptable to the government, subject to the usual reservations concerning internal departmental memoranda.

[*Text*]

ALL COMMUNICATIONS BETWEEN AMBASSADOR WILLIAM BROCK AND MINISTER OF INDUSTRY, TRADE AND COMMERCE CONCERNING FIRA

Motion No. 99—**Mr. Herbert:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all letters, memoranda, minutes of meetings and other forms of communication since January 1, 1981 between the United States trade representative, Ambassador William Brock, and the Minister of Industry, Trade and Commerce relating to foreign investment and the Foreign Investment Review Agency.

Motion agreed to.

[*English*]

Mr. Smith: I ask, Madam Speaker, that the other notices of motions be allowed to stand.

Madam Speaker: Shall the other notices of motions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

DEPARTMENT OF ENERGY MINES AND RESOURCES ACT

MEASURE TO AMEND

The House resumed from Wednesday, May 19, consideration of Bill C-102, to amend the Department of Energy, Mines and Resources Act, as reported (with an amendment) from the Standing Committee on Energy Legislation, and the motion of Mr. Pinard (for Mr. Lalonde).

Madam Speaker: The hon. member for Vancouver-Kingsway (Mr. Waddell) had the floor.

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I understand that we are again debating Bill C-102 and that I had the floor the last time the bill was considered. This is report stage of Bill C-102, which is a bill to create energy Crown corporations exclusively by order in council rather than by legislation.

When we left the bill I was on my feet responding to an amendment proposed by the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty), and I said I would conclude my remarks on that amendment when the bill was next before the House, and that is today.

There are two amendments to Bill C-102. I think I have already said that we had no trouble with the other amendment proposed by the Conservative Party and that it should be accepted to further democratize, so far as that is possible, the working of this bill. Then there is the amendment I have referred to and I have something to propose which I have not

been able to show to the hon. member for Wellington-Dufferin-Simcoe, although I have shown it to his House leader and to the parliamentary secretary. I think it would help to make Crown corporations publicly accountable.

Before I seek leave to introduce that amendment, I understand the government has a small amendment as well. We are certainly prepared to give consent for the parliamentary secretary to introduce that amendment. I want to make some comments, however, with respect to the speech of the hon. member for Wellington-Dufferin-Simcoe, but before I do I wonder if I might inquire if he has a copy of the amendment I propose to introduce.

Mr. Beatty: A point of order, Mr. Speaker, I believe I have a copy of the amendment that the hon. member will propose. But I think there is some confusion. It is my understanding that when the House recessed at six o'clock on May 19, it was dealing with motion No. 3 in the name of the government House leader. That motion deals with the issue of negative resolutions in the House. I do not think my colleague can move another amendment until we dispose of the discussion on motion No. 3 currently before the House. It would be my intention to speak briefly to that motion if the hon. member has finished his remarks.

The Acting Speaker (Mr. Blaker): Perhaps the Chair should recognize the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. Dingwall).

Mr. Dingwall: On the same point of order, Mr. Speaker, it is also my understanding that the hon. member for Vancouver-Kingsway was speaking to an amendment introduced by the government and that he would continue his remarks. I will seek unanimous consent of the House to introduce another amendment later. I believe the hon. member for Vancouver-Kingsway will also seek the unanimous consent of the House to introduce an amendment.

As the hon. member for Wellington-Dufferin-Simcoe suggested, I think we should proceed with disposition of the government amendment which is now before the House.

Mr. Waddell: Mr. Speaker, naturally I am prepared to follow that order. Before I do, I should like an indication from the hon. member for Wellington-Dufferin-Simcoe if he would grant consent on behalf of his party that I may introduce an amendment. When speaking to my amendment I intend to try to address again some of the points he made in a rather good speech on his own amendment. At that time I was not in a position to reply but I have had time to think about the matter and I have introduced another amendment. I should like to know his position on that.

Mr. Beatty: Mr. Speaker, I think the hon. member is looking for an assurance from this party that at a later date he would have the unanimous consent of the House to introduce an amendment. I gather he is concerned that if unanimous consent were not given he would have to contrive some other way to get his remarks on record on the motion that is before the House now.

I believe there was an agreement among all parties that any amendments proposed on any side would be allowed and debated. On behalf of my colleagues I can certainly give the assurance that we are prepared to allow the hon. member to dispense with notice in moving his amendment at a later time.

Mr. Waddell: Of course, Mr. Speaker, I would never contrive to get in remarks on another motion! I am prepared to sit down now so that we can get on with basic matters.

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, I infer from those remarks that the hon. member has just finished his speech on motion No. 3, Mr. Speaker.

I should like to make some brief remarks on motion No. 3 proposed by the President of the Privy Council (Mr. Pinard) to amend the provision in the bill for negative resolutions. It provides that there be either a negative resolution or, conceivably, an affirmative resolution which would be the sole parliamentary control of the incorporation of these new Crown corporations.

• (1520)

I think when members of the House deal with this, they should keep in mind that the central issue is how Parliament controls these emanations of the Government of Canada. Ostensibly, Bill C-102 is designed to provide a framework whereby there would be some parliamentary control over the proliferation of new Crown corporations. At the present time it is possible for three public servants to go out this afternoon and incorporate a new Crown corporation under provincial, federal or foreign legislation.

The government's argument about Bill C-102 is that it would bring in a regime and system for incorporating new Crown corporations in the energy field. Well, Mr. Speaker, I have already expressed our party's concerns, and I intend to reiterate them, possibly later this afternoon, about this whole concept of giving the government a blank cheque and saying go out and incorporate as many corporations as you want. There is no requirement to come back to Parliament and explain their purpose or potential cost; just go ahead and do it. Parliament's sole control over this would be through a negative resolution or through an affirmative resolution as contained in the amendment before us right now.

Our party will accept the proposed government amendment, Mr. Speaker, on the ground that it is preferable to what is there today. As I pointed out on second reading, the negative resolution provisions are probably unconstitutional. Under the Constitution, the Senate is expressly forbidden to authorize the government to spend money. But the government, in the existing provision, would give the Senate the right to overrule the House of Commons. You would then have the ludicrous situation where members of the House would vote on a negative resolution and say to the government: No, we do not want you to go out and spend, say, $2 billion to buy another Crown corporation. The House would have expressed the will of the

people of Canada and exercised its responsibility as custodian of the public purse. Then, under the current provisions of the bill, we would find that unless the Senate passed a similar negative motion, they would have in essence a veto. The Senate's failure to veto also the government's decision, its failure to reiterate a House of Commons vote, would give the government the authorization to go ahead over the express opposition of the House of Commons. My guess is that the only reason we see a somewhat improved provision here for a negative resolution is that the government recognized the very real prospect that the incorporation of a Crown corporation under that sort of procedure could very well be struck down in the courts. The government does not want to run that risk and consequently is proposing a whole new procedure here for negative resolutions.

There was a rather amusing exchange of letters between the chairman of the Standing Joint Committee on Regulations and Other Statutory Instruments and the Minister of Energy, Mines and Resources (Mr. Lalonde), where the chairman expressed very serious concerns about the negative resolution procedures in the bill. The government then put down this amendment which they were proposing. However, last week we received from the minister a letter stating that he rejected the concerns of the committee. As far as he was concerned, the procedure was adequate, notwithstanding the fact he had already moved an amendment to change it. It was a curious action on the part of the minister because he indicated that he simply was not aware of what he was doing.

What do we have now, Mr. Speaker? We have a provision which is infinitely preferable to the existing one. The Senate will not have the ability to overrule the House of Commons and authorize the creation of new Crown corporations which the House has specifically rejected. However, we have a curious lack of symmetry in the bill. There is the belief, which most of us in the committee have cherished for some time, that where you have a negative resolution procedure, either House passing a negative resolution should be enough to cast a veto on a statutory instrument. Yet what we have is a provision in this amendment whereby those negative resolutions can be initiated here but not in the Senate. By the same token, there is a provision where if the minister, under some unexplained circumstances, chose to put forward an affirmative resolution, he could do so, but it would have to be initiated in the House of Commons.

It makes sense to me, Mr. Speaker, and I am sure it would to all members of the House, that if the government is going to go to the trouble of putting down an affirmative motion, it should be entitled to do so in either the House or the Senate. Indeed, because of the legislative demands on our schedule here in the House, it often makes sense that other actions such as this should be initiated in the Senate where the schedule is less intense.

It is surprising that the government proposed an amendment which goes some way to addressing the House's concern, but creates a complete lack of symmetry and a situation where action cannot be initiated in the Senate to strike down or affirm the statutory instrument. It would have been our strong preference to give the option to the Senate to initiate that action there instead of having to wait until the House had disposed of the matter.

Having said that, the proposal before the House today is infinitely preferable to what is in the bill at the present time. This amendment, if passed, may result in a bill which was unconstitutional again coming into conformity with the Constitution of Canada. Consequently, we are prepared to accept that although we feel the measure proposed by the government only goes half way to meeting the concerns of members of the House.

The other point is that a negative or affirmative resolution procedure is no substitute for the government coming back to Parliament and putting down a bill to create a new Crown corporation and having it debated. Anyone who has had the opportunity to read the reports of VIA Rail Canada is aware of the fact that on two separate occasions the president of VIA Rail has said that perhaps the greatest problem facing that company is that their mandate was never spelled out by the Government or Parliament of Canada. They find themselves charged with the responsibility of running a passenger system which has never been properly mandated by Parliament; they have never been told by Parliament what is expected of them.

We have had no explanation whatsoever from the government as to the need for these new energy Crown corporations. Surely, if it was setting up the mechanism for them, one would have thought it would take the House of Commons into its confidence and explain why the government feels it may need to create an unlimited number of Crown corporations. Surely it would be preferable to deal with them on a case-by-case basis, and that in each instance where the government felt it was necessary to intrude in the marketplace and set up a new Crown corporation, it would have come back to Parliament with legislation to be debated in the same way as PetroCan. Instead, the sole parliamentary control will be through the procedure included in this amendment before us today. There will be, I believe, three hours of debate in the House and three hours in the Senate on what could be the setting up of a Crown corporation worth perhaps $2 billion and with enormous consequences for industry. Yet our sole involvement in this House will be a three-hour debate.

I suggest to you, Mr. Speaker, that Parliament is irresponsible if we accept the proposition that a three-hour debate is adequate when the government is considering making a major intervention in the marketplace and possibly committing billions of tax dollars to a new Crown corporation. The issue is not whether or not there should be Crown corporations. That is an issue for another day, and we should be able to look at it on a case-by-case basis. The issue is not whether the government should be forbidden to incorporate a new Crown corporation in the future. How do we as trustees for the taxpayers of Canada discharge our responsibility and make sure that their tax dollars are spent in a way that is prudent and wise?

• (1530)

I say to you, Mr. Speaker, that where sums of that sort are involved and new Crown corporations could have the potential for very seriously interfering in the markets of the country, to discharge our responsibilities we deserve and we require more than a three-hour debate in the House of Commons and three hours in the Senate.

It is obvious that the government has made the decision that we will be denied more than that. Parliament will not have acts brought to it in the future respecting energy corporations for debate in Parliament. There will not again in the future be something equivalent to the Petro-Canada Act being debated in Parliament which was the case before that corporation was set up. In the future, the government will use this very easy procedure which it has proposed in this bill which will allow it to incorporate new Crown corporations. Parliament's control over this procedure will come in the form of a three-hour debate either on an affirmative motion authorizing what the government is doing or on a negative motion put down in the House of Commons. We believe that is unacceptable. We believe though that the amendment before the House today is better than the unconstitutional and unwise provisions contained in the bill as it stands today.

I want to indicate that we will be voting against this bill, even after it has been amended. We would be voting against it even if the government were to accept the amendments moved by our party, because we believe it is a dangerous bill. We are, however, prepared to allow this motion to go forth. While it is inadequate, it does something to ameliorate the damage that is done by the present negative proposal which is in the bill at the present time.

The Acting Speaker (Mr. Blaker): My understanding is that I will put the question on motion No. 3. Following the usual practice of five or more members standing in their places, the division will then be deferred. I will then look to the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. Dingwall) for what I understand is a government amendment, about which I have been advised there will be just a short debate. I will then look to the hon. member for Vancouver-Kingsway (Mr. Waddell), who has been so kind as to forward a copy of his amendment to the Chair. When those matters are disposed of and if there are no further amendments, I will then call in the members to deal with the ensuing divisions.

Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): The question is on motion No. 3. Is it the pleasure of the House to adopt the motion?

Some hon. Members: On division.

Motion No. 3 (Mr. Pinard, for Mr. Lalonde) agreed to.

Mr. Dave Dingwall (for the Minister of Energy, Mines and Resources) moved:

That clause 1 of Bill C-102 be amended by striking out line 29 on page 1 and substituting the following:

"(f) acquire, hold, dispose of or otherwise deal in securities or assets of"

He said: Mr. Speaker, this amendment is primarily technical in nature. The amendment is drafted to deal with two possible problems. It could arguably be read that if there were no amendment it could prevent a Crown corporation from disposing of any of the shares or assets that it might be set up to acquire and hold. This would put an undesirable limitation on the ability of a Crown corporation to carry out its responsibilities as a Crown corporation. I am referring, of course, to Schedule D of the Financial Administration Act.

On that basis, it is proposed to add to the words "acquire" and "hold" the words "dispose of or otherwise deal in". The words "shares or assets" are too limited. The oil and gas industry is an industry in which there are a wide variety of different kinds of instruments. While some would arguably come within the normal interpretation of shares, there are many that would not. Again, it would unnecessarily limit the flexibility of a Crown corporation operating in that industry if it were limited to shares and assets alone. For that reason, the word "securities" is proposed in the amendment.

I said at the outset that this particular amendment is primarily technical in nature.

The Acting Speaker (Mr. Blaker): The parliamentary secretary to the Minister of Energy, Mines and Resources has sought unanimous consent for leave of the House to present an amendment. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Beatty: Mr. Speaker, would the parliamentary secretary permit a question of clarification? He may have explained the point but I missed it when one of my colleagues was speaking to me about procedure.

I can understand the provision dealing with "dispose of". Obviously the concern is that the bill as currently worded could prevent the government from disposing of securities that it has acquired through the bill. Could the parliamentary secretary elaborate on the words "otherwise deal in"? Could the parliamentary secretary give us examples of the sorts of actions that would be covered by that portion of the amendment?

Mr. Dingwall: Mr. Speaker, I wonder if the hon. member would clarify what he is seeking. Is he seeking an explanation of the words which were contained in the previous draft legislation, or is he seeking a greater clarification of "security and assets"?

Mr. Beatty: Mr. Speaker, I was looking for a clarification of "or otherwise deal in". I would like clarification as to how the government sees Crown corporations otherwise dealing in securities or assets.

Mr. Dingwall: Mr. Speaker, briefly, I believe it has been stated in testimony given before the Standing Committee on Energy Legislation that there are a variety of instruments which are put into effect, if you will, in the oil and gas industry. They may take on a number of descriptions. There are joint ventures of various kinds intertwined and intermingled. Therefore, it provides for some flexibility within the act so that those particular measures will not impede the success of any Crown corporation in its dealings in trying to get something off the ground or in the ground. It is a measure of flexibility given to the Crown corporations which, I believe, is part and parcel of most, if not all, corporations in the oil and gas industry.

Mr. Beatty: Mr. Speaker, I appreciate the efforts made by the parliamentary secretary to expand on that, but could he give us a specific example of an action that some company might take that would be covered by this provision? He indicates that the government is trying to give the companies more flexibility. Could the parliamentary secretary give a specific example of some action that would be taken, whether it would be otherwise dealing in securities or assets? How specifically would this particular provision come into force?

Mr. Dingwall: Mr. Speaker, the hon. member has asked a question but if I had had notice of it, I could have provided him with several examples. If he wishes, I could give the hon. member an undertaking to provide him with them. However, I do not have any at my fingertips at the moment.

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the amendment?

Some hon. Members: On division.

Motion (Mr. Dingwall) agreed to.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I seek unanimous consent to introduce the following amendment:

That Bill C-102 be amended by the addition of a clause as follows:

"8. (1) The activities of Crown Corporations created under Section 6, both in terms of the public policy responsibilities and financial accountability be referred annually to the appropriate standing committee of the House of Commons.

(2) The appropriate standing committee referred to under Section 8(1), at its first meeting after reference do establish a review committee made up of members of the Board of Directors, consumers and employees of the Crown Corporation, the appointees of that committee to serve on a voluntary basis and to report periodically to the standing committee on the functioning of the Crown Corporation".

The Acting Speaker (Mr. Blaker): Is there unanimous consent that the amendment proposed by the hon. member for Vancouver-Kingsway be presented to the House?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): Agreed and so ordered.

• (1540)

Mr. Waddell: Mr. Speaker, we are debating one of the energy bills which resulted from the splitting of the omnibus energy bill after the famous or infamous bell-ringing episode. The omnibus bill was divided into eight bills and Bill C-102 is one of them. The result of the division of the former bill is that we have had time to look at individual issues in the omnibus bill. Some very fascinating and modern problems have surfaced which perhaps we would not have debated if we had debated the omnibus bill.

I should like to deal with the creation and operation of Crown corporations. We have a strange alliance in the House. My friends on my right have quite a different attitude to Crown corporations than we in the New Democratic Party, but we seem to come up with some of the same conclusions though for different reasons. One such conclusion is that Crown corporations must be accountable. I should like to speak briefly on why they should be accountable, and on my amendment which includes a rather novel way of making Crown corporations accountable.

We in the New Democratic Party take the position that regulation-making is a necessary part of our system of government. It is inconceivable to us that governments in a western democracy could function if every decision required legislative approval. However, what is at issue is the degree of regulation under which we live. As I understand it, much of the regulation making in the United States during the 1960s and the early 1970s resulted from the desire to satisfy democratically sanctioned goals within an economic system which otherwise would be motivated exclusively to turning a profit. The present anti-regulation mood in the United States is an attempt to ease the economic burden of regulations. In the United States they deal with the economic productivity argument versus the social responsibility argument.

More sharply, of course, are the efforts to deregulate much of the environmental protection which has been set in place, an effort which Canadians sometimes find hard to understand. If our society allows deregulation in areas which one can describe as socially beneficial in order to aid the economic productivity side of the equation, we believe the whole area of advancing technology will be opened up to less democratic control. In other words, the limits of technological growth may not be in the area of energy and resources as many environmentalists would have us believe. Rather, the limits may apply to our democratic process to control the effects of technology. Clearly regulation-making power is an extension of government and therefore is a vital tool on the side of democracy; but it is a tool which cannot be abused.

In Canada we have regulation-making which was abused in the issue of the pre-build of the Alaska gas pipeline where the government, by order in council, made the wrong decision without really going to Parliament. It agreed to pre-build the pipeline and as a result, lost the financing for the entire pipeline.

Also we in Canada have advanced in the area of Crown corporations which are not really a form of regulation but are related to it. I should like to refer to two recently published books. One is entitled "Public Corporations and Public Policy in Canada" which was published by the Institute for Research on Public Policy. The second one is entitled "Government in Business", which was published by the C. D. Howe Institute. They deal with both provincial and federal Crown corporations.

I have been acquiring an interest in this field, and it is a fascinating one. One problem is corporate profitability versus the policy role of Crown corporations. This issue is a very central one because it raises the dichotomy facing Crown corporations. Do those which have commercial functions exist to make a profit or do they have some public policy responsibility? If they do, how can that responsibility be measured? If they do, what sanctions could be set in place to regulate entities which do not meet that measured responsibility?

I am sure I do not have to remind Conservative members to my right that their party got into trouble over its abortive efforts to privatize Petro-Canada. I think that resulted, among other things, from not having really established that Petro-Canada had failed. Beyond that, Canadians accepted the need for a Crown corporation in the oil and gas industry. In effect, Canadians expected that Petro-Canada would have some responsibility in the area of public policy. It will be interesting to hear the debate in the months ahead over the Canada Development Corporation in order to discover whether Canadians have decided if it should be privatized or whether it has a public policy role.

The measure of Crown corporations, however, is undeveloped. Politically it seems to me that it is a quagmire and requires some very careful examination before coming up with a policy. Merely calling for greater accountability of Crown corporations is too facile since it loops back into the basic question of profitability versus public policy responsibility. There are some things we can do if we accept the fact that we must have greater accountability.

The hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) is one of the few members of the House who pays particular attention to this area. I congratulate him for that. I have learned quite a bit from reading his speeches.

I should like to put the problem as I see it. Both parties in opposition are advocating that a Crown corporation should be created through Parliament. I think we both agree that it should not be created by order in council. If the government says that it cannot do that because Parliament takes too long, the answer is to reform Parliament, not to say that it cannot be done.

The hon. member for Regina West (Mr. Benjamin) told me that VIA Rail was formed by a one dollar item in the supplementary estimates. What kind of scrutiny does that give Parliament? My point is that even if a corporation is created by Parliament—and Petro-Canada is an example—we still have the problem of ongoing accountability.

During the debate on Bill C-101 the hon. member for Winnipeg-Birds Hill (Mr. Blaikie) gave a very thoughtful speech on the role of Crown corporations. He pointed out that while we on this side support Petro-Canada and would not privatize it, we still have some questions as to the thrust of its development in the north, its role with environmental and native groups and indeed its board of directors. I must be charitable in describing its board of directors. There are Liberals on its board of directors; it is patronage-ridden. We do not really have much accountability even after we have created a Crown corporation. This is what I want to talk about today.

There are two other issues facing Crown corporations. One is the relationship between public and private corporations and the other is the privatization of Crown corporations. The hon. member for Wellington-Dufferin-Simcoe does not have the privilege of coming from British Columbia as I do. He has not seen—and it is not a privilege—the breakup of many Crown corporations in that province through BCRIC, the BCRICing of Crown corporations or transferring them to the private sector. This has been a disaster in British Columbia. If the hon. member ever gets into power again and he has the same idea of privatizing Crown corporations, I suggest he should take a look at the way BCRIC has failed. Those are issues for another day.

I should like to focus my attention on the amendment because I think it covers some of the issues. I have suggested in the amendment that in the activities of Crown corporations they have a responsibility. My amendment suggests that it should be referred to the appropriate standing committee. Ideally we should have a special committee on Crown corporations. I understand Tommy Douglas, when he was the leader of our party in Saskatchewan, established a special committee. I understand that in Britain there is a special committee of the British House of Commons that deals with this. I think it was called the statutory regulations committee in Saskatchewan which specifically dealt with Crown corporations.

• (1550)

I have not had the honour of serving on the Standing Committee on Public Accounts and therefore it is new to me in many respects. I am sure that if my understanding of it is wrong the hon. member for Wellington-Dufferin-Simcoe will correct me. It is my understanding, however, that it has made recommendations to have an ongoing review of Crown corporations. I am told, for example, that it was proposed to make the Auditor General the auditor or co-auditor of a Crown corporation with the authority to conduct a comprehensive audit. I understand that this happened with respect to the Post Office for a period of two years, but when the Auditor General wanted to get his mandate reviewed the Prime Minister (Mr. Trudeau) wrote to him and said no. Therefore, they have really been denied any authority.

I am also told that the hon. member for Regina West proposed an amendment a few years ago, which was accepted by the government, which would require the annual reports of

Air Canada and the CNR to go to the committee. I believe that the committee has spent some time during the last month questioning the appropriate officers from Air Canada and the CNR, thereby setting a true example of scrutiny and parliamentary accountability.

Of course, I would have moved that this go to a special committee, such as the Standing Committee on Energy Legislation, but I believe it would not be proper to specify that directly in terms of House procedure. My amendment is general and simply moves that the activities be referred to the appropriate standing committee. A House order could then be entered as to which committee would consider it.

I would like to make it clear that the first part of the amendment is to establish ongoing legislative accountability, both in meeting public policy commitments as well as being financially responsible for Crown corporations. The second part of my amendment calls for the establishment of a joint management-employee-consumer review committee. This committee would keep an ongoing brief. It would not be paid because of the obvious problems it would present. It could serve on a voluntary basis and act like a watchdog over the committee.

This amendment goes farther still. It involves an area about which Canadians should start thinking. It is called economic democracy. This term is not only used by Tom Haydon, Jane Fonda's husband, but is also used by social democratic parties in Europe. Economic democracy is a very big issue there and has been debated by my party's counterparts in Europe, the socialist party in France and the social democratic party in West Germany, which are the governments in those countries, incidentally.

As I understand it, the parties want to move to make Crown corporations more accountable. The reason for that is simple. People want to have some control over the institutions that control their lives.

One of the first successful cases I had when I was a young lawyer in Vancouver was against British Columbia Hydro, which was a rather monolithic corporation. I challenged that corporation to pay security deposits back to poor people because I thought it was illegally keeping the security deposits. The Supreme Court of British Columbia subsequently held that this was true and it ordered $400,000 in security deposits returned to those people.

At that time people asked me what I was doing by trying to take on a big Crown corporation like B.C. Hydro. I remember saying that I did not have any qualms about doing that since by taking on a large Crown corporation it seemed to me we were trying to make it more accountable. B.C. Hydro is a good example of a Crown corporation that is very unaccountable to the British Columbia legislature and to the people of British Columbia.

My amendment begins to deal with this problem. It deals with economic democracy. I believe it is the beginning of a movement to put some of the workers and some of the people who consume the services of a Crown corporation on the boards of directors. The board of directors of Petro-Canada should be made up of an environmentalist, someone from the small oil industry and the large oil industry, and some Inuit or Dene native people since Petro-Canada operates in the North. It should not only be comprised of deputy ministers from Ottawa and political patronage appointments. Since I cannot yet change the manner in which appointments are made to the board of directors of Petro-Canada, the problem which confronts me is to open up the process for these appointments.

One way of opening it up is to propose this amendment. This is not a complicated amendment. The government believes in accountability, economic democracy and people being able to have some control over their lives. As well, if the government believes in making Members of Parliament more active in scrutinizing these corporations, why not accept this amendment? It simply allows a reference to a standing committee in order to enable that committee to examine these Crown corporations. For example, assume that Dome Petroleum is made a Crown corporation and a special corporation is made for the Beaufort Sea. A year from now an appropriate committee could review what those corporations have been doing and how they were managing their finances. The hon. member for Wellington-Dufferin-Simcoe could ask many probing questions on behalf of the taxpayers to find out what was happening in those corporations.

The second part of my amendment would provide for a voluntary review committee to be appointed by a parliamentary committee. It would be a broad-based committee comprised of consumers and employees of the Crown corporation. Although it is a novel idea, it is a small step toward greater economic democracy. Therefore, I would urge the House to accept the amendment.

In relation to this matter, I did have the opportunity to review the problem of accountability of Crown corporations in terms of "agent of Her Majesty". This relates to some of the amendments introduced the other day by the hon. member for Wellington-Dufferin-Simcoe. The law is confusing because it applies both ways. It may be argued that even if you do not stipulate "agent of Her Majesty", Crown corporations are still agents of Her Majesty because, if you read the rest of the act, the government has a type of direction in the Crown corporation. These facts are probably only understood by lawyers. In any event, it may not matter one way or the other whether you stipulate an agent of Her Majesty or not. The Air Canada Act specifically states that Crown corporations are not agents of Her Majesty. Does that make all other Crown corporations agents of Her Majesty? That could be argued. I believe the better argument is that we must review the whole scope of how Crown corporations are set up.

That brings us back to Members of Parliament because we are the ones who are literally creating the law on these energy corporations. While this is a serious matter which sounds technical, it is really quite a simple issue. It is to give the people control over their lives and over some of the instruments that affect their lives. I believe there is great support in the

country—certainly from the left wing of the country—as well as from our party for an amendment such as this.

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, I will be very brief in discussing the hon. member's amendment. I do not know whether the parliamentary secretary intends to put the government's position on the record. I can indicate my general support of the amendment although I do have some reservations about it.

He first proposes to ensure that the appropriate standing committee in Parliament would have the opportunity to review the activities of a Crown corporation on a regular basis. The other novel proposal is to give the appropriate standing committee itself the responsibility of striking a review committee. I have never heard of a review committee before. I am not aware of any in place at the present time which report in any way to a standing committee of Parliament made up of members of the board of directors, consumers and employees of the Crown corporation and that those appointees of the committee would serve on a voluntary basis and report from time to time to the appropriate parliamentary standing committee. He says he sees this, in essence, as a foot in the door for economic democracy, that in time we would find that workers and other affected groups would find their way into the boards of Crown corporations, and that because he cannot do that at this point, what he is doing is trying to accept a second best solution. I do not see it as particularly advancing that cause. I do see the value of it in that the hon. member appears to be attempting to improve some element of accountability between the Crown corporation and Parliament, and that, in itself, is constructive.

● (1600)

There are problems posed by the fuzziness of the amendment. How many people would there be on such a review committee? When would it hold its meetings? How would it be financed? How would the reports be prepared? How, in fact, would a parliamentary committee be able to reach into a corporation where it perhaps did not know the employees to choose or which one of the employees would be appointed to serve on the review committee? What, in fact, would be the action taken by Parliament as a result of the review committee's report? There are a number of questions here which leave the amendment somewhat fuzzy, but I do not believe this is insurmountable. I believe the intention of the hon. member, in terms of improving accountability between Crown corporations and Parliament, is basically sound.

I do, perhaps, want to use his amendment, however, as a vehicle for very briefly dealing with one issue that he raised, the question of the appropriate relationship between Crown corporations, Parliament and the committees of Parliament. I think he quite correctly mentioned the fact that the Public Accounts Committee has proposed that there be one committee on Crown corporations which could hold Crown corporations accountable in the future. Indeed, this is done in several other jurisdictions.

The real issue here is really a fifty-fifty proposition, whether that is the better way to proceed or whether it is better to have regular standing committees taking the responsibility for appropriate Crown corporations involved in their fields. By and large, the argument in favour of having a committee on nationalized industries or on Crown corporations would be most forceful in instances where the responsibility of the government was essentially that of monitoring the financial activities of the Crown corporations, ensuring, for example, that annual reports were made, that the corporate plan was properly spelt out from time to time and that proper procedures were followed to allow for accountability.

Where there might be some difficulty in setting up one committee of Parliament to which all of the Crown corporations would report, amounting to 171 at the present time, I believe, is where there were very specialized areas of activity. There are several different types of Crown corporation, but perhaps for the purpose of simplicity I could divide them into two categories. The first is one which operates as a business corporation. It may very well be, for example, that if a company were in some trouble, the government would make the decision to take it over and become the 100 per cent owner; it was then nursed back to health and operated on a business-like basis. There is no particular public policy concerned there other than that of ensuring that the company continue, and perhaps protecting the jobs of the workers. The government would not be involved on a day to day basis in overseeing the activities of the company, giving instructions that it must get into a particular field or not get into a particular field.

Companies such as de Havilland, which are not created as instruments of government policy—the government thought it was essential that it have an aircraft company—could very easily report to a committee on Crown corporations in Parliament. The role of that oversight committee would largely be to ensure that the company was functioning on a sound basis, that its finances were well run and that it was properly managed. By and large, it would not get into issues related to the role of the government in that aircraft industry per se. The only question which would have to be asked from time to time, other than questions concerning the soundness of the management of the company, would be whether it was still necessary that this function remained under government control or whether it should be returned to the private sector.

There are, however, other Crown corporations which are very clearly instruments of government policy. The Canada Mortgage and Housing Corporation is one that springs to mind. That is a departmental Crown corporation. Perhaps most Canadians are not aware of the fact that it is a Crown corporation. It is inseparable from government policy. It does not function on its own. It is an integral part of the government's policy on housing. There is an instance where the considerations of Parliament are essentially policy considerations. What is the role of the government in the provision of housing in Canada? What should it be in the future? The argument against having such a company report to a committee on Crown corporations in Parliament is that that committee would have good expertise on financial management and on accountability in general, but it might not have the special-

ized expertise necessary properly to scrutinize the activities of a Crown corporation in a specific field.

Air Canada comes to mind again. Is it better that Air Canda should report to a committee on Crown corporations or that it should report to the transport committee? The CBC is another example. It is set up as a direct instrument of government policy. It was not that the government felt it was financially necessary to get into this area to rescue private broadcasters in some way, but, rather, that the government decided that the CBC would be a useful instrument in fostering Canadian culture in Canada. It recognized that it would be run at a loss and that there was a role for the state to play on a continuing basis. In my judgment, the policies and actions of the CBC are an integral part of broadcasting policy in Canada. If there were to be one central committee on Crown corporations, my hon. friend would have to ask himself whether it would be appropriate that the CBC, Air Canada and the other corporations report to that one committee or whether they should report to an appropriate standing committee, such as ones dealing with broadcasting, transportation and so on. But I should point out that while my hon. friend said he would like to move in that direction, the amendment he has put before the House today would not create a committee on Crown corporations. It makes reference to appropriate standing committees and would mean that Air Canada would continue to report to the Standing Committee on Transport, the CBC to the Communications and Culture Committee, and so on.

In sum, then, what we have is a proposal that Crown corporations would report on a regular basis to the appropriate standing committee. My friend has made a proposal which is imaginative and novel. I think there is some precedent for a parliamentary committee to strike a review committee which would report to it from time to time. I do not see it as the answer to the problem of the need for more accountability, nor do I necessarily feel it is desirable in some instances that Parliament should always be looking over the shoulders of the Crown corporations. A case in point is de Havilland. I am not sure that Parliament should be involved in the day to day activities of de Havilland. The real issue of concern to Parliament, first of all, is whether de Havilland should be well run and, second, whether it should be owned by the government or by the private sector. It is not an instrument of government policy.

If we had an appropriate Crown corporations omnibus bill, as was previously promised to us on numerous occasions by the President of the Treasury Board (Mr. Johnston) but which is now dead, then I would say that the proposal by my hon. friend might be far too restrictive. But in the absence of that legislation and other measures being taken by the government to enhance accountability to Parliament, I suggest that any measure proposed by hon. members of the House which would improve the accountability of Crown corporations to Parliament should be supported by hon. members of the House of Commons. Consequently, we are prepared to offer our support to the hon. member for his amendment.

Mr. Jarvis: Question.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Blaker): The Chair will now call in the members, not only with respect to the present amendment, but also with respect to motions Nos. 1 and 2 related to Bill C-102. Call in the members.

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

● (1610)

(*Division No. 181*)

YEAS

Messrs.

Althouse	Gilchrist	McKnight
Anguish	Greenaway	McMillan
Baker (Nepean-Carleton)	Gustafson	McRae
Beatty	Halliday	Mitchell (Mrs.)
Benjamin	Hamilton (Qu'Appelle-Moose Mountain)	Murphy
Blackburn	Hargrave	Murta
Blenkarn	Hawkes	Neil
Broadbent	Heap	Nickerson
Cardiff	Hnatyshyn	Nystrom
Carney (Miss)	Hovdebo	Oberle
Clark (Yellowhead)	Howie	Ogle
Coates	Jarvis	Orlikow
Cook	Jelinek	Paproski
Corbett	Jewett (Miss)	Riis
Crosbie (St. John's West)	Keeper	Rose
Crosby (Halifax West)	Kempling	Schellenberger
Crouse	Kilgour	Scott (Victoria-Haliburton)
Deans	Kristiansen	Siddon
Dick	Kushner	Skelly
Dinsdale	Lambert	Speyer
Domm	Lawrence	Stewart
Ellis	Lewis	Taylor
Elzinga	Lewycky	Thacker
Fennell	MacDonald (Miss)	Thomson
Fraser	MacKay	Vankoughnet
Fretz	Malone	Waddell
Friesen	Manly	Wenman
Fulton	Mayer	Wise
Gamble	Mazankowski	Wright
Gass	McCain	Young
	McKinnon	Yurko—92.

NAYS

Messrs.

Allmand
Axworthy
Bachand
Baker
(Gander-Twillingate)
Beauchamp-Niquet
(Mrs.)
Bégin (Miss)
Berger
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Bussières
Campbell
(LaSalle)
Campbell
(Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dubois
Duclos
Dupont
Dupras
Duquet
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Gauthier
Gendron
Gimaïel
Gingras
Gourde
(Lévis)
Guilbault
Harquail
Henderson
Hervieux-Payette
(Mrs.)
Isabelle
Joyal
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe
(Beauce)
LeBlanc
Leduc
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
Munro
(Hamilton East)
Nicholson
(Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Peterson
Pinard
Prud'homme
Regan
Roberts
Robinson
(Etobicoke-Lakeshore)
Rooney
Roy
Schroder
Simmons
Smith
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—112.

● (1650)

Madam Speaker: I declare the motion lost.

The question is on the motion of Mr. Beatty. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion, the nays have it.

And more than five members having risen:

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

(*Division No. 182*)

YEAS

Messrs.

Althouse
Anguish
Baker
(Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blenkarn
Broadbent
Cardiff
Carney (Miss)
Clark
(Yellowhead)
Coates
Cook
Corbett
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Deans
Dick
Dinsdale
Domm
Ellis
Elzinga
Fennell
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gustafson
Halliday
Hamilton
(Qu'Appelle-Moose
Mountain)
Hargrave
Hawkes
Heap
Hnatyshyn
Hovdebo
Howie
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
Kristiansen
Kushner
Lambert
Lawrence
Lewis
Lewycky
MacDonald
(Miss)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McKinnon
McKnight
McMillan
Miller
Mitchell
(Mrs.)
Murphy
Murta
Neil
Nickerson
Nystrom
Oberle
Ogle
Orlikow
Paproski
Riis
Rose
Schellenberger
Scott
(Victoria-Haliburton)
Siddon
Skelly
Speyer
Stewart
Taylor
Thacker
Thomson
Vankoughnet
Waddell
Wenman
Wise
Wright
Young
Yurko—92.

NAYS

Messrs.

Allmand
Axworthy
Bachand
Baker
(Gander-Twillingate)
Beauchamp-Niquet
(Mrs.)
Bégin (Miss)
Berger
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Bussières
Campbell
(LaSalle)
Campbell
(Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dubois
Duclos
Dupont
Dupras
Duquet
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Gauthier
Gendron
Gimaïel
Gingras
Gourde
(Lévis)
Guilbault
Harquail
Henderson
Hervieux-Payette
(Mrs.)
Isabelle
Joyal
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe
(Beauce)
LeBlanc
Leduc
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
Munro
(Hamilton East)
Nicholson
(Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Peterson
Pinard
Prud'homme
Regan
Roberts
Robinson
(Etobicoke-Lakeshore)
Rooney
Roy
Schroder
Simmons
Smith
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—112.

● (1700)

Madam Speaker: I declare the motion lost.

The next question is on the motion (Mr. Waddell). Is it the pleasure of the House to adopt the said amendment?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion, the nays have it.

And more than five members having risen:

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

(*Division No. 183*)

YEAS

Messrs.

Althouse	Gilchrist	McKinnon
Anguish	Greenaway	McKnight
Baker (Nepean-Carleton)	Gustafson	McMillan
Beatty	Halliday	Miller
Benjamin	Hamilton (Qu'Appelle-Moose Mountain)	Mitchell (Mrs.)
Blackburn	Hargrave	Murphy
Blenkarn	Hawkes	Murta
Broadbent	Heap	Neil
Cardiff	Hnatyshyn	Nickerson
Carney (Miss)	Hovdebo	Nystrom
Clark (Yellowhead)	Howie	Oberle
Coates	Jarvis	Ogle
Cook	Jelinek	Orlikow
Corbett	Jewett (Miss)	Paproski
Crosbie (St. John's West)	Keeper	Riis
Crosby (Halifax West)	Kempling	Rose
Crouse	Kilgour	Schellenberger
Deans	Kristiansen	Scott (Victoria-Haliburton)
Dick	Kushner	Siddon
Dinsdale	Lambert	Skelly
Domm	Lawrence	Speyer
Elzinga	Lewis	Stewart
Fennell	Lewycky	Taylor
Fraser	MacDonald (Miss)	Thacker
Fretz	MacKay	Thomson
Friesen	Malone	Vankoughnet
Fulton	Manly	Waddell
Gamble	Mayer	Wenman
Gass	Mazankowski	Wise
	McCain	Wright
		Young
		Yurko—91.

NAYS

Messrs.

Allmand	Bussières	Dawson
Axworthy	Campbell (LaSalle)	De Bané
Bachand	Campbell (Cardigan)	de Corneille
Baker (Gander-Twillingate)	Chénier	Demers
Beauchamp-Niquet (Mrs.)	Chrétien	Deniger
Bégin (Miss)	Collenette	Desmarais
Berger	Comtois	Dingwall
Blaker	Corbin	Dubois
Bloomfield	Côté (Mrs.)	Duclos
Bockstael	Cousineau	Dupont
Bossy	Cullen	Dupras
Breau	Cyr	Duquet
Bujold	Daudlin	Ethier
		Evans
		Ferguson
Fisher	Lang	Parent
Fleming	Laniel	Pelletier
Flis	Lapierre	Penner
Foster	Lapointe (Beauce)	Peterson
Fox	LeBlanc	Pinard
Francis	Leduc	Prud'homme
Frith	MacBain	Regan
Gauthier	MacEachen	Roberts
Gendron	MacGuigan	Robinson (Etobicoke-Lakeshore)
Gimaïel	Mackasey	Rooney
Gingras	MacLaren	Roy
Gourde (Lévis)	MacLellan	Schroder
Guilbault	Malépart	Simmons
Harquail	Maltais	Smith
Henderson	Marceau	Tessier
Hervieux-Payette (Mrs.)	Massé	Tobin
Isabelle	Masters	Tousignant
Joyal	McCauley	Trudeau
Kelly	Munro (Hamilton East)	Turner
Killens (Mrs.)	Nicholson (Miss)	Veillette
Lachance	Olivier	Watson
Lajoie	Ostiguy	Weatherhead
Lamontagne	Ouellet	Whelan
Landers		Yanakis—112.

Madam Speaker: I declare the motion lost.

[*Translation*]

Mr. Pinard (for Mr. Lalonde) moved that the bill, as amended, be concurred in.

Motion agreed to.

Mr. Pinard (for Mr. Lalonde) moved that the bill be read the third time and do pass.

● (1710)

[*English*]

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, in order to facilitate the debate which will be taking place in the course of the next few minutes, perhaps it will be useful to talk for a couple of minutes about what this debate is not about. This debate is not about the issue of whether there is a role for Crown corporations in the energy field in the future. That is an issue to be debated on another occasion. What the debate is about this afternoon is the question whether or not Parliament has a role to play in being consulted and involved before the government sets up new Crown corporations in the energy field. That is the first issue.

The second issue is what responsibility does Parliament have on a continuing basis to ensure that Crown corporations operating in the marketplace operate in a way that is fair and proper and which shows respect for the tax dollars of the taxpayers of Canada and for the intention of Parliament when it passes legislation that Crown corporations conduct themselves in a proper way.

We have just voted on three amendments to this legislation which is before us today. I moved two of the amendments. One of those amendments was very straightforward and would have simply required that the procedure which would have been followed by the government for incorporating a new energy Crown corporation would be followed as well for subsidiaries.

A question which members should logically be asking themselves is this. If it is necessary that a Crown corporation, before it is created, should have the authorization of the governor in council in the form of an order in council and that the order should be tabled in Parliament so it will have an opportunity to put forward a negative resolution to strike it down and say that it does not want the Crown corporation started, then why should not the same procedure be followed for subsidiaries if they can be incorporated with all of the powers of the parent, with as much power to commit the consolidated revenue fund and to interfere in the marketplace?

The amendment which we proposed was simply designed to ensure that the same provision was followed for the subsidiaries of these Crown corporations. We proposed the amendment and debated it. There was silence from the government side; not one syllable was uttered explaining why it was desirable to have parliamentary involvement at the outset when the Crown corporation was created and why it was suddenly undesirable to have parliamentary involvement when there was a proliferation of subsidiary Crown corporations. That amendment was defeated, not with any explanation to Parliament or to the Canadian people, but just by the use of raw numbers.

The second amendment which we proposed and which was just voted on dealt with the question of agent of Her Majesty status. There are two fundamental concerns which we should have as parliamentarians as a result of agent of Her Majesty status. The first concern is that, in granting automatic agent of Her Majesty status as part of the birth certificate of these new Crown corporations, we are giving them the ability to have their debts automatically become liabilities within the consolidated revenue fund. What we are saying is that these Crown corporations can continue to borrow in the future, and if they are badly managed and run up massive losses, the people of Canada are the ones who will automatically become liable for those losses and will have to pay the bills.

Second, we are saying that on the basis of current jurisprudence in the Supreme Court of Ontario, in the Uranium Canada and the Eldorado Nuclear case, companies in the future shall have immunity to criminal law, such as the combines law and the legislation dealing with false and misleading advertising. What we are saying is that under this legislation we are automatically conveying immunity to these Crown corporations from the workings of the Combines Investigation Act. If a private company were to price-fix, the government would lay criminal charges against that private company; but if a Crown corporation which is incorporated under this bill price-fixes, it is immune.

We are saying that if a private company engages in false and misleading advertising, criminal charges would be laid against that company by the government and it would be fined as a result. In the case of these Crown corporations, they will be exempt. They can engage in false and misleading advertising with impunity.

Surely we should be asking ourselves whether we should be automatically conferring that status on all Crown corporations. We therefore moved the amendment, which stated that since the government has the ability under current legislation to convey agent of Her Majesty status on any Crown corporation if it so chooses at any time, we simply asked that it be done on a case by case basis rather than giving a blanket grant of this special privilege that these Crown corporations would have.

Again, we moved our amendment and made our case and there was silence from the government side. There was no explanation whatsoever as to why the government was not prepared to review this on a case by case basis or why it was essential that all these new Crown corporations be granted this automatic agent of Her Majesty status. Had it given justification for its position, it would have been easier to understand why the government would vote down an amendment designed to protect Canadian taxpayers. No such justification was given.

We now find ourselves in a position where we are dealing with third reading of a bill which was bad to begin with. It had amendments moved to make it better but it is going through largely unchanged. I want to indicate that when the vote is taken on this bill some time before six o'clock this evening, our party will be voting against it because it does not deserve the support of the Parliament of Canada.

What does the bill do? Most importantly, it provides a framework for the creation of new Crown corporations either by incorporating them under the Canada Business Corporations Act or by using funds and purchasing existing companies and converting them into Crown corporations.

The logical question which the taxpayers of Canada would expect us to ask the Liberal members who are proposing this legislation is: For what purpose will these new Crown corporations be incorporated? What will be the nature of the new Crown corporation to be created? You have Petro-Canada, you have Eldorado Nuclear and you have Uranium Canada. For what purpose does the government need new Crown corporations? No explanation has been given. All that the government has asked is that the House of Commons give it unending authority to incorporate any energy Crown corporation it so chooses.

I should stress the fact that its powers go well beyond the energy field. If they are incorporated under the Canada Business Corporations Act they have the powers of a natural person and can extend beyond simply dealing in energy matters. The government can incorporate subsidiaries and can operate either in Canada or abroad.

These are questions which have not been answered in this debate. How will these companies operate and for what purpose will they be incorporated? What role will they play in the marketplace? What are the government's intentions? How can the government ask Parliament, as trustees of the public purse and custodians of the public interest, to simply give it carte blanche to do whatever it wants without giving a single explanation of the nature of these Crown corporations to be created?

The issue today is not whether there should be any Crown corporations in the energy field in the future. The issue concerns the role of Parliament and whether the government has a responsibility to justify the creation of a new Crown agency to Parliament. Surely we would be totally remiss in discharging our responsibilities if we said that we did not care as Members of Parliament for what purpose the government is setting up these Crown corporations which could result in costing the taxpayers of Canada billions of dollars and will obviously have an effect on the marketplace in Canada. We have asked those questions but have received no answers. Surely there is no way members of the House can be expected to vote for the bill until we have those answers.

Have there been problems with Crown corporations in the past which should cause some concern today? Indeed there have. During the 1960s and 1970s there was a succession of reports by the Auditor General of Canada, the Standing Committee on Public Accounts and by the Lambert Commission, which was the royal commission on financial management and accountability. Various and sundry other groups found that financial management and control of Crown corporations desperately had to be improved. Just this year we saw the most conspicuous example of government mismanagement when it was in the marketplace at the time of the Consolidated Computer collapse. That was a situation where the taxpayers of Canada were required to pick up a bill which I believe went over $100 million in the collapse of Consolidated Computer.

• (1720)

It is perhaps useful to refer to Consolidated Computer as a case study and to ask ourselves whether the Consolidated Computer fiasco could repeat itself here. After the collapse of Consolidated Computer, the President of the Treasury Board (Mr. Johnston) commissioned an internal study by General William Anderson, a very distinguished public servant on loan from the Ontario government, who investigated the circumstances surrounding Consolidated Computer and made recommendations to the government. His report has never been released to Parliament. We have never had the opportunity to have any formal tabling or debate in the House. But we have a copy of at least portions of that report.

It would be useful to put on the record parts of the report under "Summary and Recommendations", because as I read the report hon. members should ask themselves how often this will happen in the energy field if Bill C-102 is enacted. On page 50, under "Summary and Recommendations", General Anderson stated:

> The story of CCI is one of continued support, notwithstanding formidable evidence and considerable advice to the contrary. The available documentation in the files and the often conflicting information and opinions from the interviews do not provide a clear and single explanation of this phenomenon.
>
> In 1971/72, the decision to restructure the company seemed to be in line with the General Adjustment Assistance Board's normal decision criteria with due recognition of government policy in the computer sector. It was concluded that CCI had technology worth saving and the company was restructured, refinanced and provided with new management under the direction of the GAAB. However, the significant feature in this case was that the GAAB took an equity position in the company.
>
> Subsequent decisions on CCI were influenced not only by the need for the GAAB to make reasonable, high risk business judgments but also by the government's legal responsibilities as owners of the company, social responsibilities as employers of a "private sector" workforce and perceived moral obligations to both suppliers and customers of CCI. In addition, there was a growing awareness of the government's policy and strategy with regard to the computer industry which supported the establishment and development of a strong Canadian capability in this area. CCI started to shift into a special category of its own and was no longer subject to the same decision criteria that applied to other projects.
>
> The 1976 restructuring was more hotly debated than the earlier refinancing. At first, the GAAB decided to sell CCI. However, the committee that was set up to develop sale proposals, recommended that CCI be restructured with equity being held by Fujitsu, Central Dynamics Ltd. (CDL) and the government. In addition, the GAAB established the lease companies in 1976 and approved 99 per cent guarantees of up to $30 million. Once again, the GAAB was in the role of owner and banker. While the GAAB acknowledged the high risks, it was felt that the link with CDL and Fujitsu would provide the necessary management products and technology to make the company viable. Subsequently, CDL withdrew from the proposal but this was not seen by ITC or the GAAB as being fatal.
>
> The interrelationships between the GAAB/EDB, ITC, CCI and the lease companies, as outlined earlier in this report, made it virtually impossible to render objective business decisions in this high risk environment.
>
> The government decision in 1976 seemed to reinforce the idea that CCI was a special case and that it was to be treated as such. Additional financing was provided by the GAAB/EDB in subsequent years but the usual review of loan guarantee proposals was less evident in the documentation. Repayment schedules and minimum covenants, which would normally serve as controls, were waived or modified by the GAAB/EDB. While some project officers in ITC and members of the EDB were concerned and recommended that the project be terminated, their warnings were not heeded. Contributing to this situation, particularly in the later years, was the lack of quality information and the piecemeal nature of the decisions.

General Anderson goes on to talk about the lack of available information, and then in a subsequent paragraph states:

> During the last two years, there was a growing number of officials recommending the termination of the CCI project. The reports, with a few important exceptions, were almost all bad. However, there were still a few individuals in key positions that were somewhat "bullish" on the future prospects of the company. The EDB, on a number of occasions, postponed a final decision on the project. There always seemed to be a new event which indicated that the company could be turned around or sold or that the government liability could be reduced. The events included a renewed interest by Fujitsu, a major contract with ICL, various potential buyers, new management and a new business plan. Each of these events required time to "investigate", "negotiate" or "develop". None of them ever materialized in a manner that offered any real hope to save the company or reduce the government's liability. This situation was pointed out to the EDB in September 1980 when a briefing, in support of a loan guarantee request of $4.7 million, noted that " . . . since November 1979 the EDB has, on four occasions, agreed to insure a total of nearly $12 million in new loans . . . for the purpose of buying time". The loan request was approved and the EDB and ITC continued to "buy time" until January 1981 when the EDB decided against any further support and turned the matter over to ministers.
>
> In June 1981, the government approved a partial restructuring and sale of CCI by no later than December 31, 1981. In the documentation which led to this decision, ITC was still referring to the "new management team", "large customer base", "potentially lucrative links with leading computer suppliers" and "world competitive products". It suggested that the longer term prospects were promising and made repeated references to the private sector interest in purchasing CCI.
>
> It was not until October 1981 that the full seriousness of the CCI situation was recognized by ITC and the government decided that the Minister of ITC and the President of the Treasury Board should disengage the government from CCI by whatever means were appropriate. Further study (since the June 1981 decision) revealed that the company was in far worse shape than earlier believed.

In summary, the decisions to continue the support of CCI were probably made in accordance with the normal GAAP criteria up to and including the 1971/72 restructuring. The decisions since that time have been influenced less by objective business judgment than they have by the government ownership of the company, the various individual perceptions of the reasons for supporting CCI, the EDB's perception of government policy, significant conflicts of interest, poor quality information and advice that always offered a glimmer of hope that all was not lost.

This particular fiasco involving a corporation which came to be under the ownership of the government resulted in a cost to the taxpayers of Canada of over $100 million. I have in my hand letters passing between the Minister of Industry, Trade and Commerce (Mr. Gray) and the President of the Treasury Board, exchanged on a confidential basis. The President of the Treasury Board made it clear that the government was in a very vulnerable position, but the Minister of Industry, Trade and Commerce still urged him to put in more government money to try to cut the losses. If the legislation before us is approved here today, we are putting the taxpayers of Canada in a position where they could be liable for literally billions of dollars of losses. With this legislation we will be creating a breed of Crown corporation which is above the law, which will operate in competition in the marketplace and will not be subject to the same criteria as other private sector corporations. We are ensuring that there will not be adequate parliamentary consultation either in the creation of these Crown corporations or in their management on a regular basis. In Bill C-102 there is not even a requirement that these Crown corporations to be incorporated be included in the schedules of the Financial Administration Act. The government did not even go that far, yet it says that it wants unlimited ability to incorporate these corporations and to make the taxpayers of Canada responsible for their debts.

When the vote is taken on this matter in a few minutes, I hope Your Honour will look down the benches of cabinet ministers in front of you and that you will ask yourself to how many of them you would be prepared to give signing authority on your credit card. To how many of them would you give authority to use their business judgment as to when it would be appropriate to run up a charge on your account? Mr. Speaker, your answer would probably be "None of them!" In particular, would you give that authority to the Minister of Energy, Mines and Resources (Mr. Lalonde) on the strength of his performance concerning energy issues in recent days? Surely you would not. However, that is precisely what Parliament will do today. It will give the Minister of Energy, Mines and Resources the authority to incorporate unlimited new Crown corporations and to make the people of Canada liable for their debts.

This is a bad bill. It does not deserve the support of Parliament. All hon. members who are concerned about parliamentary control and ensuring that the taxpayers' dollars are protected have a responsibility to vote against this bill on third reading.

• (1730)

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, in speaking briefly on third reading, I have a few comments. This bill is largely about open government versus closed government, when it comes to the operations of Crown corporations, in determining what fields we as representatives of our electors feel it is appropriate and wise for our government to be engaged in.

Most hon. members recognize that from time to time the government must go into the marketplace in one form or another. Unfortunately, the history of much of Canadian government in the past has been that when we go into the marketplace we go in with one arm tied behind our backs. In dealing with the larger, centralized elements of the business community, we find that our governments play poker with all of their cards face up or with half of their cards face up, and consequently get into trouble.

Time and time again the private sector of the energy industry has said to the government: "You give us the price we want, at both the front end and the back end, give us the tax incentives and the write-offs and the taxes we want, or we will pack up and go home." Any government worth its salt has had to face the challenge, either that it must give in completely to that kind of threat of a capital strike by the private sector in that field, or it must be prepared to go into the business itself as an alternative.

We in this party as much as anyone else recognize the situation presented to the Canadian people. We know there are times when the government must involve itself in the major sectors in the marketplace. Our problem with this bill is that the government, meeting behind closed doors and without any reference to the elected representatives of the people, can determine for itself in what manner it will act. The official opposition and we in this party put forward amendments which attempted to introduce realistic checks and balances. We did so in order that we ourselves may be assured, and so that we in turn may assure the people we represent, that the decision being made by the government is an appropriate and wise decision, and that the new institutions will perform a valid and responsible function in the marketplace.

In its own amendments the government has taken some cognizance of the awkward position as regards the Senate that existed in the initial legislation. We are still left with the situation, specified in exact terminology in this bill, where there can be a government and a House of Commons both agreeing it is necessary to have a Crown corporation in place to perform a certain function; and a Senate which disagrees. Many people in this country believe—I am not going to say rightly or wrongly at this point—that the Senate is a bastion of the rights of the privileged and a bastion of the rights of property. Whether it is the Senate of Canada or the British House of Lords, that is their main function within parliamentary democracy in the western world. It alone is going to be able to say: "No way."

We know that the Senate has certain prerogatives within our parliamentary system, but in very few specific pieces of legislation where it is not required do we enter that veto in, do we see it specified. We had a great debate on that matter of the Senate's right, with respect to the Constitution, of the Senate insisting on its right to veto changes to its own composition and its own nature. Here we are again with another piece

of legislation saying that the rights both of the government and of the House of Commons itself can be overturned by giving the Senate a second kick at the cat.

Members of the Senate who have held directorships for years in financial institutions and in energy corporations—they are rather famous for that and have been for years—are given the right to veto what both the government and the House of Commons in their wisdom have decided to let go through. It is wrong in the broader view of their normal role in the parliamentary process, and it is doubly wrong for us to include the right to veto specifically in legislation of this sort. It is not done in other laws we have passed and it is a gross mistake to do so in this instance.

We also have problems here with respect to the general matter of social responsibility and public accountability of all Crown corporations. We do not like bureaucracy and regulations any more than anyone else. The amendment introduced a few moments ago by my colleague from Vancouver-Kingsway (Mr. Waddell) was one attempt to introduce some guarantee that accountability and social responsibility would be built into some of the corporations that the Canadian government from time to time may wish to institute. If we do not introduce that guarantee of accountability and responsibility into the management structures and into the review structures of those corporations, we will become bound up more and more in red tape of a kind that will cause untold problems both to our constituents and to ourselves as representatives.

A former leader of the Conservative Party, which forms the official opposition, had some interesting words to say on that matter at the recent policy conference of that party. He said:

> The free market "is a wonderful mechanism. But the motivation is making a buck, and a miner or a manufacturer doesn't make money by improving the environment. He doesn't make a buck worrying about the socially disadvantaged, or tiding over employees in times of unemployment . . . Any civilized society has concepts of order and ideals that aren't the business of the marketplace."

Those Conservatives who come within that historic definition of conservatism share the emphasis on the public interest and the public philosophy. Even though socialists and Conservatives historically may have a different view from time to time as to what the legitimate public interest is, we share that philosophy and we share that degree of responsibility in public accountability.

My colleagues and I are sometimes more than a little puzzled why people who do not show any willingness whatever to accept that traditional concept of conservatism continually rise and speak on behalf of that party in the House. I am glad that at least the former leader, and also some of the members over there, still hold to the views and the philosophy that are the basis of that party.

There is an appropriate place for public interest, for an expanded sense of public responsibility and accountability. To our great regret, the government has not seen fit to incorporate into this legislation the kind of mechanism that is necessary when setting up institutions to serve the people. There is no chance such as there is in Norway within StatOil, where there is an annual report to parliament which is debated in parliament. The corporate plans of that corporation in the energy sphere and the status and performance of that corporation are analysed on a regular basis by the parliament of Norway. We do not have that kind of mechanism here. If it is in the government's mind to set up some corporations in this area—and if it is not, why the legislation?—why has it not taken this opportunity to show it believes in the democratic process, that it believes in public responsibility and in public accountability? We can only assume that it does not believe in these things or we would have heard more from the government directly or we would have had some more appropriate response at least to the suggestions made by ourselves and by the official opposition during the debate of the last few hours.

• (1740)

I do not want to take much more time at this juncture. Many hon. members would like to bring this matter to a resolution. Our party certainly does not want to hold it up, but I urge the government in the weeks and months ahead to take another total look at the structuring, especially of public corporations but also of some major private associations and corporations across Canada, to see if we cannot begin to reintroduce some of the sense of social responsibility and community responsibility which, once upon a time, existed in areas of the private sector and may one day exist in the public sector. If we do that, we will have fulfilled our purposes as a people's Parliament. If we do not do it, I think we will all have given democracy a bad, bad name.

Mr. Bill Yurko (Edmonton East): Mr. Speaker, I want to thank you for giving me the opportunity to speak briefly at third reading of Bill C-102.

I think the key question is why this bill is needed and why it is before the House. No one has given us any real reasons why this bill is needed, but I would like to state why I believe it is needed by going back to an act passed by this House called the Canada Oil and Gas Act. When it was before this House, it was Bill C-48, and I would like to quote Section 31 as follows:

> The Minister of Energy, Mines and Resources, prior to the authorization of a system for producing oil or gas from any Canada lands, may direct that
>
> (a) the Crown share in any relevant interest be transferred to a designated Crown corporation; or
>
> (b) any designated Crown corporation to which a Crown share in any relevent interest has been transferred under this section transfer the Crown share to any other designated Crown corporation.

When we dealt with Bill C-48, some of us made a very strong case—and I was one—that we did not want to see a 25 per cent Crown share transferred to Petro-Canada in areas like Hibernia, the Grand Banks, in the Beaufort, on the Arctic Islands, in the Mackenzie Valley and the west coast offshore. I simply did not want to see this Crown corporation called Petro-Canada have such vast holdings in relation to Canada lands with respect to oil and gas production. I felt, as several of us did when we discussed that bill, that it was necessary to have holding corporations in their simplest form which have very few employees and boards of directors holding a 25 per cent share on behalf of the Crown and, as a result, having

Crown policy injected into these partnerships or into these consortiums producing gas and oil off the west coast, in the Mackenzie Valley, in the north and on the east coast.

I was particularly concerned that in areas where we set up these holding corporations the provinces should be permitted to put somebody on the boards of directors of these Crown corporations to have policy input. If a corporation is associated with an area around Nova Scotia, Nova Scotia should have the opportunity to put somebody on the board of directors of such a Crown corporation in that area. If it was associated with Newfoundland, Newfoundland should have the opportunity to put somebody on the board of a Crown corporation dealing with production off the east coast. If it was up north, perhaps some other province or provinces should have input into policy. If it was off the west coast, the province of British Columbia should certainly have the opportunity to put a member on the board of directors of a Crown corporation holding a 25 per cent interest in production and exploration in that area. That is why I think this bill is vital and necessary.

It is appropriate that people make suggestions about incorporating greater accountability to Parliament on the part of some of these Crown corporations, but the bill is necessary because it would be wrong to assign such vast holdings and interests and such vast policy direction to either Petro-Canada or some other Canadian Crown corporation.

However, I say again that these Crown corprations must effectively be holding corporations with very few employees, and the boards of directors should adjust themselves to policy in dealing with the consortiums and partnerships which will be created.

I do not want to hold the bill up, so in conclusion let me say that if it is the intent of the government to create Crown corporations to deal with energy matters in a substantial way beyond the requirements of Bill C-48—and I say they are substantial with regard to that bill—I would be concerned about this bill. If it is the intent to create Crown corporations to build nuclear reactors across the nation or outside the country, that should be debated to a much greater extent in the House. If it is the intent to create energy corporations to deal with solar energy or some other form of energy, I think the government has a responsibility to come back to the House in relation to creating Crown corporations in other areas.

I believe the intent of Bill C-102 is to deal with the holding Crown corporations which are necessary to affect the requirements of Bill C-48 and the exploration of oil and gas on federal lands; but if the government intends to go much beyond that, I think it should come back to the House for additional discussion of that type of legislation.

[*Translation*]

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, the New Democratic Party is against Bill C-102, because it gives the government, and more specifically the cabinet, the exclusive right, without consent of Parliament, to promote the establishment of energy corporations. This is against the basic principles of our parliamentary system.

[*English*]

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Call in the members.

The House divided on the motion (Mr. Pinard, for Mr. Lalonde) which was agreed to on the following division:

(*Division No. 184*)

YEAS

Messrs.

Allmand	Dingwall	Landers
Axworthy	Dubois	Lang
Bachand	Duclos	Laniel
Baker (Gander-Twillingate)	Dupont	Lapierre
Beauchamp-Niquet (Mrs.)	Dupras	Lapointe (Beauce)
Bégin (Miss)	Duquet	LeBlanc
Berger	Ethier	Leduc
Blaker	Evans	MacBain
Bloomfield	Ferguson	MacEachen
Bockstael	Fisher	MacGuigan
Bossy	Fleming	Mackasey
Breau	Flis	MacLaren
Bujold	Foster	MacLellan
Bussières	Fox	Malépart
Campbell (LaSalle)	Francis	Maltais
Campbell (Cardigan)	Frith	Marceau
Chénier	Gauthier	Massé
Collenette	Gendron	Masters
Comtois	Gimaïel	McCauley
Corbin	Gingras	Munro (Hamilton East)
Corriveau	Gourde (Lévis)	Nicholson (Miss)
Côté (Mrs.)	Guilbault	Olivier
Cousineau	Harquail	Ostiguy
Cullen	Henderson	Ouellet
Cyr	Herbert	Pelletier
Daudlin	Hervieux-Payette (Mrs.)	Penner
Dawson	Hopkins	Peterson
De Bané	Isabelle	Pinard
de Corneille	Joyal	Prud'homme
Demers	Kelly	Regan
Deniger	Killens (Mrs.)	Reid (Kenora-Rainy River)
Desmarais	Lachance	Roberts
	Lajoie	
	Lamontagne	

Messrs.

Robinson (Etobicoke-Lakeshore)	Smith	Turner
Rooney	Tessier	Veillette
Roy	Tobin	Watson
Schroder	Tousignant	Weatherhead
Simmons	Trudeau	Yanakis—113.

NAYS

Messrs.

Althouse	Crouse	Hawkes
Anguish	Deans	Heap
Baker (Nepean-Carleton)	Dinsdale	Hnatyshyn
Beatty	Domm	Hovdebo
Benjamin	Fennell	Howie
Blackburn	Forrestall	Jarvis
Blaikie	Fraser	Jelinek
Blenkarn	Fretz	Jewett (Miss)
Broadbent	Friesen	Keeper
Cardiff	Fulton	Kempling
Carney (Miss)	Gamble	Kilgour
Clark (Yellowhead)	Gass	Kristiansen
Cook	Gilchrist	Kushner
Corbett	Greenaway	Lawrence
Crosbie (St. John's West)	Gustafson	Lewis
Crosby (Halifax West)	Halliday	Lewycky
	Hamilton (Qu'Appelle-Moose Mountain)	MacDonald (Miss)
	Hargrave	MacKay
		Malone

Messrs.

Manly	Neil	Siddon
Mayer	Nickerson	Skelly
Mazankowski	Nystrom	Speyer
McCain	Oberle	Stewart
McDermid	Ogle	Taylor
McKinnon	Orlikow	Thacker
McMillan	Paproski	Thomson
Miller	Riis	Vankoughnet
Mitchell (Mrs.)	Rose	Waddell
Murphy	Scott (Hamilton-Wentworth)	Wise
		Wright
		Young—85.

● (1810)

[*Translation*]

Madam Speaker: I declare the motion carried.

Motion agreed to, bill read the third time and passed.

Madam Speaker: It being past six o'clock, the House stands adjourned until two o'clock tomorrow afternoon, pursuant to the provisions of Standing Order 2(1).

At 6.13 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, June 3, 1982

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

FINANCE

SUGGESTED INCREASE IN CHILD CARE TAX DEDUCTION—MOTION UNDER S.O. 43

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I rise on a matter of pressing necessity. The child care tax deduction of $1,000 for working mothers has not been adjusted since 1976, even though child care costs have soared to $2,500 a year in government-subsidized centres and even higher in the private sector. Given that child care costs are a legitimate business expense and should be treated as such for tax purposes, I move, seconded by the hon. member for Provencher (Mr. Epp):

That the $1,000 tax deduction limit for child care which working mothers can now claim be increased to reflect the legitimate costs of child care which are currently running on average at four times that amount.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AIRPORTS

SALE OF EXPROPRIATED LANDS AT MIRABEL—MOTION UNDER S.O. 43

Mr. Scott Fennell (Ontario): Madam Speaker, I would like to move a motion under the provisions of Standing Order 43. In light of the fact that the Liberal government, under the able direction of the Minister of Communications (Mr. Fox), the Minister of Public Works (Mr. Cosgrove) and the hon. member for Argenteuil-Papineau (Mr. Gourd), has now stated that it will sell only 30,000 of the 97,000 acres it expropriated for Mirabel International Airport and not 80,000 acres as indicated three weeks ago, I move, seconded by the hon. member for Joliette (Mr. La Salle):

That congratulations be extended to the "speedy" Liberal government for keeping the farmers of this region in continued confusion and relentless frustration for "only" 12 years while it settled this issue.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

STATUS OF WOMEN

FUNDING FOR NATIVE WOMEN'S FIGHT FOR JUSTICE AND EQUALITY—MOTION UNDER S.O. 43

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, all sides of this House have recognized the blatant discrimination against native women in Canada and the urgent need for action to end it. Above all, native women need a strong organization of their own to represent their interests at local, provincial and national levels. A consultation process with the Native Citizen Directorate identified several areas for expansion of the native women's program, and a cabinet submission was to be made in early March. However, nothing has happened, and the Native Women's Association of Canada has not been able to obtain a meeting with the Secretary of State (Mr. Regan) to discuss their needs. I move, seconded by the hon. member for Nanaimo-Alberni (Mr. Miller):

That this House instructs the Secretary of State to arrange an early meeting with the Native Women's Association of Canada in order to arrange an adequate funding program so that native women will have the means to fight for justice and equality.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AIR TRANSPORT

OPPOSITION TO DIVERSION OF EAST COAST FLIGHTS FROM DORVAL TO MIRABEL—MOTION UNDER S.O. 43

Mr. Howard Crosby (Halifax West): Madam Speaker, the Halifax Board of Trade and other concerned organizations and residents in Atlantic Canada view with alarm the possibility that Air Canada and CP Air flights from Halifax destined to Montreal will be diverted from Dorval to Mirabel Airport. Accordingly I move, seconded by the hon. member for Carleton-Charlotte (Mr. McCain):

S.O. 43

That this House direct the Minister of Transport to reject and cancel the so-called "Minus 6" plan and any other plan promoted by Transport Canada that would divert east coast originating flights from Dorval to Mirabel Airport since such a diversion would cause grave hardship, increased cost and unfair disadvantages to airline users in and from Atlantic Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

TRADE

SUGGESTED ENCOURAGEMENT OF EXPORTS—MOTION UNDER S.O. 43

Mr. Murray Cardiff (Huron-Bruce): Madam Speaker, I rise on a matter of great urgency concerning the economy of this once-strong trading nation. Whereas the Minister of State for International Trade (Mr. Lumley) has now publicly rejected the majority report of the House special committee inquiring into the formation of a national trading corporation and has, instead, joined with my party and the great majority of Canada's exporting business sector in opposing such a hybrid trading corporation, I move, seconded by the hon. member for York North (Mr. Gamble):

That this House urge the adoption of policies favouring the expansion of our export trade by means of an encouragement of renewed investment in Canadian industry and an intensifying of the mandate of existing public agencies dedicated to the existence of Canada's trading community.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1410)

EXTERNAL AFFAIRS

NICARAGUA AND HONDURAS—PLIGHT OF FLOOD VICTIMS—MOTION UNDER S.O. 43

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The devastation caused by the recent floods in Nicaragua and Honduras has left thousands homeless and without food and clean water. Many roads and bridges have been washed away, and the risk of epidemics is high. Therefore I move, seconded by the hon. member for Skeena (Mr. Fulton):

That Canada render to Nicaragua and Honduras all possible emergency assistance in this very grave situation, and that, in so doing, due consideration be given to the longer term development needs of these two countries.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE ECONOMY

RESULTS OF POLL CONDUCTED IN EUROPEAN NATIONS—MOTION UNDER S.O. 43

Mr. John Evans (Ottawa Centre): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas the citizens of those countries attending the Versailles Summit this weekend were polled yesterday by the European publication "Paris Match", and whereas the results of this poll showed that Canada was chosen unanimously as the country whose people enjoy the best standard of living, and whereas all countries but Japan felt that Canadians are the people who inspire the greatest confidence, I move, seconded by the hon. member for Laprairie (Mr. Deniger):

That this House request that the members of the opposition be provided with a copy of these objective and unbiased polling results as published in "Paris Match", in order that they can familiarize themselves with world opinion—an opinion which ranks Canada and Canadians so highly.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ENERGY

STATEMENT BY UNITED STATES BROKERAGE FIRM—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, in a market release issued by Solomon Brothers of New York they make the following statement, "We have suspended research coverage of all Canadian oil firms. While we will continue to survey developments 'north of the border' the Canadian federal government's energy policies make foreign investment in that nation's energy sector unwelcome and, in our opinion, unwise." In view of the comments by Solomon Brothers, I move, seconded by the hon. member for Crowfoot (Mr. Malone):

That this House condemn the government for creating an impression with a major brokerage house, indeed a brokerage house that acts as fiscal agent for the government in New York, that investment in Canada is unwise and unsafe.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

REGIONAL DEVELOPMENT

CALL FOR FINALIZATION OF NORTHLANDS AGREEMENT WITH MANITOBA—MOTION UNDER S.O. 43

Mr. Rod Murphy (Churchill): Madam Speaker, in view of the fact that the $155 million Federal-Provincial Manitoba Northlands Agreement expired one year ago, and since the Minister of Regional Economic Expansion (Mr. Gray) has avoided meeting with the provincial minister, Mr. Jay Cowan, in spite of the province's repeated request that negotiations be finalized and in spite of the federal minister's promise to meet in late April or early May, I move, seconded by the hon. member for Selkirk-Interlake (Mr. Sargeant):

That the minister responsible for the Northlands Agreement, with total cabinet approval, finalize an agreement with Manitoba which will include the provision of sufficient federal funds for northern programs and development.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

METRIC CONVERSION

SHIPBUILDING BLUEPRINTS SUBMITTED IN IMPERIAL MEASUREMENT—MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, in view of the fact that shipbuilders at the Port Weller drydocks went to great expense to convert from imperial to metric measurement only to receive a Canadian government icebreaker contract, dated September, 1981, with the blueprints entirely in feet and inches, I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That the government allow all industries to operate in the system of measurement in which they feel most comfortable and that the government cease and desist from mandatory metric imposition which is obviously becoming ridiculous.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

DISASTERS

REPAIR OF FRASER RIVER RAILWAY SPAN IN NEW WESTMINSTER, B.C.—MOTION UNDER S.O. 43

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, under Standing Order 43 I wish to present a motion on a very urgent and pressing matter concerning the fire that burned the railway bridge over the Fraser River in New Westminster. In view of the fact the Minister of Public Works (Mr. Cosgrove) told me that he would take urgent action to ensure that the span would be opened very, very soon, and that such action, I am afraid, has not yet been taken, I move, seconded by the hon. member for Oshawa (Mr. Broadbent):

That the Minister of Public Works be encouraged to act today to ensure that the span on the railway bridge over the Fraser River be opened to allow shipping through.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

INCREASE IN CENTRAL BANK RATE—QUERY RESPECTING GOVERNMENT POLICIES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce who, I am sure, is aware that the bank rate has just been set at 15 7/8 per cent, up about .5 per cent from last week. This is bound to lead to an increase in mortgage and other interest rates, and is clearly directly related to the weakness in the Canadian dollar in the past few days. I have recommended to the government in the past a number of policy changes it could make which would take pressure off the dollar and lower interest rates. Is the government considering any further policy changes in its budget, and energy and foreign investment policies which will result in less pressure on the dollar and consequently lower interest rates in Canada?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, it is a fact that the U.S. dollar has appreciated against most major currencies; the Canadian dollar is certainly not an exception. If there are further policy changes to be announced, they will be announced in due course and in the proper way.

Mr. Wilson: Madam Speaker, I did not ask about the dollar. I asked about interest rates which are causing a lot of pain in this country.

Oral Questions

REQUEST FOR EASEMENT OF PRESSURE ON INTEREST RATES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, the weak Canadian dollar represents the verdict of the world marketplace that Canadian policies are not working. Liberal policies—well supported by the NDP which has time and again called for policies which would result in a lower Canadian dollar—are leading to a higher interest rate and a great deal of pain in the country. I can only remind the minister that bankruptcies here are 2.5 times those in the United States. What action is the government proposing to take to ease the pressure on interest rates and take the pressure off the dollar so that the home owners, farmers, small-businessmen, and manufacturers who are being hurt by these interest rates will feel less pain?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, the over-all thrust of the budget which the hon. member so strongly opposes is to reduce pressure on both interest rates and the rate of inflation. I notice my friend is simply asking questions, so he obviously has no answers.

Some hon. Members: Oh, oh!

Mr. Gray: If he is right about the verdict of the world, then it applies as well to the yen and the mark, and he has nothing to say about that.

Mr. Wilson: I want to remind the minister that we have put forward answers to him and to the Minister of Finance. They have been totally ignored, and the result is a weaker dollar and higher interest rates for all Canadians.

LEVEL OF GOVERNMENT DEFICIT

Hon. Michael Wilson (Etobicoke Centre): I will put the question to the minister one more time. Is the government proposing to do anything about this problem in the marketplace and show some recognition of the fact that the high government deficit, which the Minister of Finance referred to on Monday evening, is causing high interest rates and higher unemployment? Does the minister have any answers or any response to the proposals we have put forward?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, my friend has often spoken in opposition to the budget, the very basic thrust of which is to reduce the upward trend of that deficit which he says is so serious. But I am informed that his leader said in Montreal the other day that they have no alternatives. No wonder my friend is doing nothing more than asking these empty questions.

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HOUSING

REQUEST FOR ACTION TO REDUCE MORTGAGE INTEREST RATES

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is to the minister responsible for housing who will be aware that approximately 700,000 mortgages will be up for renewal between now and the end of the year, at interest rates of 18 per cent or 19 per cent if today's figures are any indication. On a $40,000 mortgage that will mean an increase in monthly payments of something between $200 and $250, an amount which very few people can afford. However, they could be helped if mortgage rates come down. What proposals has the minister responsible for housing and high mortgage rates made to the Minister of Finance in order to get him to bring down interest rates?

• (1420)

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I am very pleased to report to the hon. member that the government's plan, that is, the Canada Mortgage Renewal Plan, which was supported by the hon. member herself and her party, is in place. The plan provides for mortgage deferral. This is the equivalent of deferring interest rates up to 3 per cent or 4 per cent, or a grant of up to $3,000. In the last 30 days approximately 1,200 families have applied for and successfully used this plan. That was the response of the government which said that on the one hand we must take into account the first question raised this afternoon, namely, that the government must be diligent and attempt to keep expenses down, and we must be sensible with expenditures. We have to balance that on the other hand with our responsibility to be sensitive to those people who are finding things very difficult. The formula in that plan is to offer assistance to Canadians who have to pay a disproportionate amount of their income on mortgage renewals. This plan is in place for those Canadians who have to pay more than 30 per cent of their income for principal, interest and taxes when renewing mortgages. It is operative, and I am glad to have had the support of the hon. member.

Miss MacDonald: Madam Speaker, I am sure that even the minister will realize that plan is not bringing mortgage rates down. They have gone up today as a result of the increase in the interest rate.

CONCERN OF WOMEN HOME OWNERS

Hon. Flora MacDonald (Kingston and the Islands): My supplementary question is for the same minister. Yesterday I met with a group of women here in the House of Commons who are taking adult retraining courses. The very first question and concern they raised with me was the matter of mortgage renewals and their fear that they may lose their homes. What would the minister have said to that group of women if they had had the opportunity to pose their question to him?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, first I would have brought to their attention my

answer to the first question. The government offers a plan through the local CMHC offices to assist people who are adversely impacted by high interest rates when renewing their mortgages. The plan attempts to assist those people who are most seriously affected by high interest rates when renewing their mortgages. That is the advice I would give to those people and to all other Canadians who find themselves in a similar position. First, they should inquire whether the assistance under that plan is available to them.

* * *

THE ECONOMY

INCREASE IN BUSINESS BANKRUPTCIES

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Acting Prime Minister and former minister of finance. Today we have learned that the prime rate has jumped again, and the banks will now likely set a rate for preferred customers of 17.5 per cent once again. Under the present interest rate policy the forecast is that, at a minimum, something like 10,000 businesses will go bankrupt this year, and this means that thousands more Canadians will lose their jobs. Why does the government stand back and do nothing in the face of this human and economic disaster?

[*Translation*]

Hon. Jean Chrétien (Acting Prime Minister): Madam Speaker, the government's economic policies have been announced by the Minister of Finance, as the House is no doubt aware. Obviously, if we want to keep interest rates here in Canada at a level that is acceptable to Canadians, we must make sure that inflation goes down, and that is what the government is trying to achieve at this time. Of course, the discussions taking place in Versailles tomorrow and during the weekend will certainly be very important as far as Canada's economic policies are concerned, and when he returns to Canada, the Minister of Finance will be able to announce whether any change in policy is advisable.

[*English*]

REQUEST FOR EARLY INTRODUCTION OF NEW BUDGET

Hon. Edward Broadbent (Oshawa): Madam Speaker, no one but a Liberal cabinet minister, not even the backbenchers, believes that high interest rates are helping against inflation. Everyone in this country knows that high interest rates are driving inflation up, not bringing it down. The Government of Canada has not dealt with the structural causes of inflation. It continues to use quick fixes, for instance, the borrowing the other day of $750 million once more to prop up the dollar artificially.

• (1425)

I ask the Acting Prime Minister if the government will now commit itself to putting an end to this disastrous spending of the taxpayers' money on an artificial solution, put an end to quick fixes, and bring in a budget before the end of June which will deal with the serious structural problems in the Canadian economy, and which will put particular emphasis on job creation in the manufacturing sector.

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, the government has many programs in place which are designed to help the manufacturing sector. I think that my colleague, the Minister of Industry, Trade and Commerce, has made many statements about that.

As has been said by the Prime Minister and the Minister of Finance, all nations of the western world are faced with some very difficult situations. We hope that the consultations which are shortly to take place in Versailles will create a better climate so that the economies of these nations will be able to move in the direction that everyone wishes for all of us.

Mr. Broadbent: I guess it is because of all the actions of the Liberal government that there has been a loss of 100,000 jobs since last August in the minister's home province of Quebec alone. That is the kind of action we see from the Liberal government.

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Madam Speaker, since we could not get a clear answer from the Minister of Finance on this question yesterday, will the Acting Prime Minister at least deal in a negative answer? Will he tell the House that there will not be a budget produced before the end of June?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I have nothing to add to what the Minister of Finance had to tell the hon. member yesterday.

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INDIAN AFFAIRS

REQUEST THAT MINISTER MEET STANDING COMMITTEE

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I would like to direct a series of questions to the Minister of Indian Affairs and Northern Development. The minister will be familiar by now with the fifth report of the Standing Committee on Indian Affairs and Northern Development which was tabled in the House a couple of days ago, which, incidentally, was unanimously endorsed by all parties represented in the standing committee, and which lays out evidence which shows the minister being seriously negligent in his discharging of trust responsibility to native people. It shows that in most cases it is the minister's bureaucracy that is the only thing standing in the way of native people achieving their self-determination.

Is the minister prepared to tell the House and the native people of Canada when he will meet the standing committee

and the native people to lay before us a serious program for action which will alleviate some of these serious problems that were identified in the report?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, without going into the details of how that committee came to its conclusion—having talked to some of my own backbenchers with reference to certain undertakings the hon. member himself gave and then called a meeting on Monday morning—I just want to indicate that I have gone before the standing committee on many occasions, as the hon. member knows. I have made myself available on numerous occasions for all sorts of questions. I intend to continue doing so. I do not believe there is any need for me to be defensive in terms of opening myself up to any type of cross-examination by the hon. member or anyone else who wants to undertake that in the committee.

Mr. Oberle: The minister implies in his answer that there was trickery involved in the committee meeting.

Mr. Munro (Hamilton East): You said it.

EXPENDITURE OF ECONOMIC DEVELOPMENT FUNDS—REQUEST FOR INDEPENDENT INQUIRY

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, one of the recommendations in the report was that, because of the sometimes fraudulent and strange way that economic development dollars are being spent, particularly in the Pacific region, the minister should immediately appoint an independent inquiry to look into the affairs of the Pacific region, particularly the way that it disburses scarce economic development dollars. Is the minister prepared to tell us today whether he is inclined to appoint this independent inquiry immediately to look into these serious allegations?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I would not want to dignify the type of wild witch hunt of the nature that the hon. member is conducting. He used the term "fraudulent". If he has any evidence of any fraudulent behaviour on the part of any civil servants connected with my ministry in the west, instead of these obnoxious innuendoes, I think that every member in the House would be pleased if he would stand up to make his charge and then take the responsibility to make it stick.

Some hon. Members: Hear, hear!

• (1430)

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SECRETARY OF TRADE FOR GREAT BRITAIN

Madam Speaker: I would like to draw the attention of the House to the presence in our gallery of Lord Cockfield, who is the Secretary of Trade for Great Britain.

Some hon. Members: Hear, hear!

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INDIAN AFFAIRS

DELAY IN TABLING OF REPORT ON JAMES BAY AGREEMENT

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, my question is also directed to the Minister of Indian Affairs and Northern Development. When will the minister report to the House as required by statute under the James Bay Agreement? The report was supposed to be tabled 30 days after January 31, but it is still not before us. Testimony before the committee indicated that nothing has been done since the last testimony before the committee a year ago. We want to know what the government is intending to do because there has also been testimony that there are still life-threatening situations in the James Bay area.

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, with reference to the latter part of the hon. member's question, I have been in touch with both Billy Diamond and the Inuit leaders and I hope we will be able to announce the resolution of the James Bay report in terms of commitments by the government. I would anticipate that that would be very soon. I fully indicated in the House about a week ago that it would be soon, but I did tell the hon. member that I thought we would certainly have the matter completely resolved prior to the end of the month.

May I say that prior to yesterday, during the discussions with those leaders over many weeks, it was suggested from their point of view as well as ours that, as the whole question of the James Bay Agreement was being reviewed and corrective action would hopefully be taken by the government, it might be advisable to postpone the tabling of the report until the resolution of this matter. I think that at least the Inuit leaders preferred that course of action. That is the reason why there has been some delay, which I regret, but I hope to table it very soon.

QUERY RESPECTING REPORT OF INQUIRY

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, I suppose I should ask the Minister of Justice whether reports should be tabled as established under statute. Another inquiry has been called because of the work of the committee last year. That inquiry has been completed by the Minister of Justice. I believe it is in the hands of the Minister of Indian Affairs and

Northern Development. It has been there for a number of months. The whole inquiry is with regard to the James Bay region, but we still have not received any reports. I wonder when the minister will make that available to the House. The people up there deserve better treatment than they are getting.

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I think the Minister of Indian Affairs and Northern Development gave the correct information to the House that this report has been received and we have looked into the shortcomings of the implementation of the agreement. The government is determined to live up to its commitments. As the minister said, the final answer from the government will be coming out this month.

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AIRPORTS

SALE OF EXPROPRIATED LANDS AT MIRABEL AND PICKERING

Mr. Scott Fennell (Ontario): Madam Speaker, my question is directed to the Minister of Public Works. He will be familiar with one of the properties to which I will be referring. The Mirabel and Pickering properties which were expropriated for airports have been in a state of chaos for a period of 12 years and ten years respectively. The minister was formerly a member of a group called POP which fought the expropriation of the Pickering land.

Some hon. Members: Question.

Mr. Fennell: During our seven months in office, we had already—

Madam Speaker: Order. Does the hon. member have a question? If so, I will recognize him. Otherwise, I will not, as this is not the time for speeches.

Mr. Fennell: Madam Speaker, I would like to point out that there are 600 families—

Some hon. Members: Order.

Madam Speaker: Order. I want to warn hon. members that when I ask them to stick to their questions, I do not want them to continue making speeches. I am speaking to this hon. member now. Would he please put his question?

Mr. Fennell: Would the minister state, because of the confusion, the exact amount of land the government intends to sell and whether the current farmers will be given the right of first refusal on this land? How much longer will the process of retrocession take?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I thank the hon. gentleman for the question. The hon. gentleman gives me the opportunity to congratulate him for his appointment as official opposition critic for public works. Mind you, that appointment was made nine months ago, and this is the first question that the hon. gentleman has asked—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Cosgrove: —but he has asked a question concerning a matter which has been of major concern to the Department of Public Works and the Government of Canada. During those nine months, the government, through the Mirabel Land Company, has been working with local officials in the Mirabel airport. We have come up with a formula and an offer has been made. It has been widely communicated. I would invite the hon. member to take a look at the press releases and the plan which is now available to the public.

TERMS AND TIMING OF SALE

Mr. Scott Fennell (Ontario): Madam Speaker, it took me nine months to find out who the minister was, because nothing was being done.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Fennell: The minister refers to press releases. There are 600 people on the Mirabel property—

Some hon. Members: Question.

Mr. Fennell: —who do not know how much land will be given up for sale. Who will have the option of buying it, and when will it be completed?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, if the hon. gentleman has really been serious in his investigation of these questions, I would invite him to look at the material made available at the press conference on Friday last. All of those matters have been detailed. They are all available. I am sure that the people in the area are better informed than is the hon. member.

Some hon. Members: Hear, hear!

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HOLIDAYS ACT

ESTABLISHMENT OF CANADA DAY

Mr. Maurice Harquail (Restigouche): Madam Speaker, my question is directed to the Secretary of State and relates to a very important upcoming date, that being July 1, Canada Day. We all refer to it as "Canada Day". Because of the historic developments this year in the patriation of the Constitution, and as we have our own flag and our own national anthem, I wonder whether the minister could advise the House and all Canadians concerning his disposition to take the necessary action to bring in appropriate legislation to change the name of

Dominion Day in the future, and hopefully this year, so that it is officially and legally known as Canada Day.

Some hon. Members: Hear, hear!

Hon. Gerald Regan (Secretary of State): Madam Speaker, in relation to the question, the hon. member may know that there is already a bill on the order paper which would provide that July 1 would become known as Canada Day. I have spoken with the House leader on this subject, and the government would be willing to co-operate in arranging for this bill to be passed in all stages during one day if the opposition were willing and prepared to undertake such co-operation. If such co-operation is forthcoming, then it would be quite possible for us, before July 1 in the year of the patriation of the Constitution, to establish Canada Day firmly in this country.

Some hon. Members: Hear, hear!

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FISHERIES

SHIPMENT OF CATCHES FROM VANCOUVER TO BELLINGHAM IN UNITED STATES

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans. There are presently 400 unemployed shoreworkers in the groundfishing industry in British Columbia. At the same time fish caught by fishermen in British Columbia are being offloaded in Vancouver and shipped to Bellingham, Washington, for processing. Growing resentment would indicate that there may be some difficulties on the Vancouver waterfront and at the port of Vancouver. Is the minister aware of this action by Canadian fishermen, and is he willing to sit down with the companies to determine how those jobs which are needed in British Columbia can be kept there in the future and not be exported with raw materials?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Decisions affecting the groundfish processing plant were made after considerable reflection by at least one company. I am told that the Prince Rupert Co-operative decided to interrupt its activities in that field after trying to make it work in terms of volume and just finding that the market was not there to sustain it. I have not received representations of the type which would allow me to give a positive or a negative answer to the industry.

• (1440)

It is obvious that the groundfish industry on the west coast, because of the volume involved, is just not finding it, in the present circumstances and in the present market, a profitable operation to continue.

WEST COAST SALMON FISHERY

Mr. Ted Miller (Nanaimo-Alberni): The spokesman for B.C. Packers, Madam Speaker, which is the largest processing plant in British Columbia, has indicated there may not be a salmon fishery this year. The minister may be aware of that statement. What discussions has the minister had with B.C. Packers and others in the industry to ensure that there will be a salmon fishing industry in British Columbia? Will the minister take the kind of steps that the Kirby task force has taken for St. Anthony's on the east coast?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I have to be extremely cautious in commenting on that question. The hon. member knows that, as usual, we are on the eve of very difficult negotiations on fish prices. I would be derelict in my duty if I were to appear to take a position on this issue at this time.

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[*Translation*]

AGRICULTURE

CANADIAN FEDERATION OF AGRICULTURE—INQUIRY WHETHER FUNDS WILL BE GRANTED AT PRIVILEGED RATES

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Minister of Agriculture. On May 26, the Quebec Farm Producers Union made representations to the Minister of Agriculture for the purpose of obtaining additional funds at preferential rates. Yesterday, the hon. member for Northumberland asked the minister, on behalf of the Canadian Federation of Agriculture, whether he intended to provide for additional funds at a rate of 10 per cent. The minister did not answer the question. Therefore, in the interests of all Canadian farmers and, of course, the Quebec Farm Producers Union, I should like to know whether, today, the minister could give the House the assurance that he will ask the Minister of Finance for additional funds at preferential rates, as is being done in other sectors. That is the kind of answer farmers need.

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I am sure the hon member is aware that some farmers in his part of Canada, Quebec, La Belle Province, and in other parts of the country, receive money interest free on advance payments for storable crops for the lifetime of the storability. Last year nearly $500 million was advanced to farmers interest free.

When the farmers presented their brief to the different members of the cabinet, including myself and the Minister of Finance, they suggested a 10 per cent interest rate. We asked at that time if this was for all farmers, special groups of farmers, young farmers, or farmers in more financial difficulty. We did not receive an answer from them. We are exploring

all avenues of how we can raise more money for the Farm Credit Corporation. We are following the suggestion that some of the farmers made, some of the members of the farm groups made, Madam Speaker, on an agri-bond type of operation, giving special treatment for investing in the Farm Credit Corporation as far as tax benefits are concerned. We will be making representations shortly, as I said yesterday, to the Minister of Finance and my government colleagues.

[*Translation*]

STABILIZATION OF FARM PRODUCT PRICES—INQUIRY WHETHER NEW FORMULA BASED ON PRODUCTION COSTS WILL BE APPLIED

Hon. Roch La Salle (Joliette): Madam Speaker, I have a supplementary. I am not convinced that farmers will get any reassurance out of the minister's reply. The minister can talk all he wants about what happened in the past, but the fact remains that since May 26, the Farm Producers Union and the Canadian Federation of Agriculture have been asking the minister to take additional action in view of the current situation. In the same request, the Quebec Farm Producers Union asked to have the Price Stabilization Board assess production costs, a major change that will be more satisfactory considering the present circumstances. Could the minister, and I am still speaking on behalf of the farmers, give us the assurance that he will advise the Union and the Federation that he is willing to approve a new assessment based on production costs as far as the price stabilization program for agricultural products is concerned?

[*English*]

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, what the hon. member is asking me to do is to make a recommendation to Parliament. He does know that we do have different stabilization programs, but he is asking me to compensate farmers when the marketplace does not give a proper return to them. We think there are different ways and means of obtaining that proper return that gives them a decent profit for their productivity. We will be proposing that shortly. I said that to the Canadian Federation of Agriculture when they were here, that there were ways of compensating farmers and making sure that they get proper compensation, other than using the treasury of the provinces or the treasury of the federal Government of Canada to do that. There are other ways of doing that.

The hon. member knows very well what I mean, because there are some farm producers in Canada who are not asking for that kind of assistance. A big percentage are not asking for that kind of assistance that he is talking about because they have looked after themselves pretty darn well by taking advantage of the legislation provided by them by the most democratic institutions in the world, the provincial legislatures and this House of Commons.

Mr. La Salle: Will you do it, yes or no?

Mr. Whelan: He says, "Will I provide that kind of thing?" If he was so interested, Madam Speaker, in doing what he says, why did his party hold the House in abeyance for three weeks while that legislation was ready to pass?

Some hon. Members: Hear, hear!

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HOUSING

RENEWAL OF MORTGAGES ON UREA FORMALDEHYDE FOAM INSULATED HOUSES

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, on two earlier occasions I have directed questions to the minister responsible for housing in respect to the CMHC commitment to guarantee loans for houses with urea formaldehyde foam insulation. It is still being reported that such people are having difficulties in some locations in Canada in renewing their mortgages. Would the minister now assure all financial institutions engaged in the lending of money for mortgage purposes that the Canada Mortgage and Housing Corporation will indeed guarantee any mortgage application for renewal with any individual financing a mortgage?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I have answered that question on two previous occasions. My answer today is the same. It is the policy of the Canada Mortgage and Housing Corporation under the National Housing Act to provide mortgage insurance to those companies that qualify under the act for mortgage insurance. Nothing has changed. The corporation indeed is providing insurance for those people who qualify for renewals of mortgages even though they have urea formaldehyde foam insulation in their homes.

REQUEST THAT MORTGAGE RENEWAL PROGRAM BE PUBLICIZED

Mr. Fred McCain (Carleton-Charlotte): I appreciate the minister's reassurance of the government's position in this regard. But in spite of the fact that tens of millions of dollars are being spent on advertising for other programs, it apparently has not been communicated to the financial institutions engaged in the mortgage business that indeed any application for a renewal for a UFFI insulated home will in fact be guaranteed by CMHC. Will the minister take the necessary steps to extend the communication not only to members of this House but to the general public who may need a mortgage, and to all of those engaged in the mortgage business?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, after questions were raised by the hon. gentleman previously, the corporation took steps to let the lending fraternity know. It was at my direction that head offices of all the lending companies were asked to notify all of the branch offices, so that there would be a widespread distribution of this

information. If there is any difficulty, if the hon. gentleman has any specific cases, or if any members have difficulties—and some have already brought some to my attention—I would be pleased to respond. But I certainly do not think it warrants the expenditure of millions of dollars in advertisements, as the hon. gentleman would ask us to do now, especially in the light of the fact that all we get is criticism when we attempt to advertise good programs of the government.

Some hon. Members: Hear, hear!

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EXTERNAL AFFAIRS

DENIAL OF ADMISSION TO UNITED STATES OF TORONTO SUPPORTER OF DISARMAMENT

Mr. D. M. Collenette (York East): My question is directed to the Acting Prime Minister, in the absence of the Secretary of State for External Affairs. Mrs. Kay MacPherson, who stood as the NDP candidate in my constituency of York East in the past three federal elections, has been refused entry into the United States to attend a United Nations conference on disarmament, simply because she has been an outstanding proponent of peace and disarmament. This is apparently an example of the U.S. government enforcing the provisions of the McCarran Walter Act to exclude undesirable persons.

Has the United States government advised the Canadian government that any Canadians who stand for disarmament and peace and who wish to attend this conference will be similarly excluded, and will this also cover Members of Parliament, such as myself, who plan to attend the UN conference in a couple of weeks in New York?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): I had the occasion to talk briefly with this lady yesterday evening and I told her that I was very surprised that this situation should have occurred. I have no further information about it. I will certainly ask for information and report to the House as soon as possible.

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• (1450)

AGRICULTURE

BANKRUPTCY OF ECON CONSULTING GRAIN COMPANY—REQUEST FOR COMMISSION INVESTIGATION

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, I have a question for the Minister of Agriculture concerning the bankruptcy of Econ Consulting, a Winnipeg grain company which owes its creditors $4.3 million. On May 11 I asked the minister for a judicial inquiry into Econ, but the minister said he preferred to wait until the current investigations are complete. Since that time the commissioner for the Canadian Grain Commission has told the Standing Committee on Agriculture that he is making no specific Econ investigations.

Will the minister tell the House why the commission is not investigating Econ, since the agency is responsible for the private grain trade and has the necessary legal powers to do so?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the hon. member knows that bankruptcy proceedings with respect to Econ are going on at the present time. He knows the legal obligations both sides have. We have received presentations from both sides. I am satisfied that all proper procedures are being followed at this time, and I think it would be improper to carry on the kind of investigation the hon. member is talking about at this time before the bankruptcy problem is settled.

REQUEST THAT JUDICIAL INQUIRY BE ESTABLISHED

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, bearing in mind that in addition to Econ two other grain companies have gone bankrupt in recent months and that the RCMP have charges pending against at least four more grain companies in Manitoba, will the minister address this serious problem which faces the entire private grain industry—not just Econ—by ordering a judicial inquiry to do the job the grain commission is neglecting to do?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the hon. member says the Canadian Grain Commission is neglecting to do its job. In relation to the obligations vested in the commission by legislation, I think it is doing a proper job. Until someone can prove otherwise, I will remain of that opinion.

The hon. member talks about bankruptcies. A comparison between the number of bankruptcies in other businesses in Canada and the small number of bankruptcies among grain operating businesses shows they must be doing a pretty darned good job. The hon. member knows as well as I do that 80 per cent to 90 per cent of grain companies are in that category, and we do not have to worry about their going bankrupt. There are some about which there might be some concern, and from time to time the Grain Commission audits the books of some companies. The hon. member is fully aware of that also. Some suggest we should have an army of auditors inspecting books, as is done in police states; I do not intend to have that.

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CANADIAN SOVEREIGNTY

ABDUCTION OF TORONTO BUSINESSMAN TO UNITED STATES

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question directed to the Minister of Justice is also in relation to Canada-U.S. relations. The minister will know that in September, 1981, a Toronto businessman, Sidney Jaffé, was kidnapped by bounty hunters and, in complicity with Florida

state officials, forcibly removed from Canada to face prosecution in that state. It has been eight months since that outrageous invasion of Canadian sovereignty, and Mr. Jaffe still sits in a Florida jail. The bounty hunters remain unextradited. I know the minister has made representations to William French Smith, the Attorney General of the United States, on the matter. What progress has he made?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I share the concern of the hon. member, and I put this question to Mr. Smith when I had a visit with him not long ago. I am very unhappy that U.S. authorities are not proceeding faster than they are because Mr. Jaffé was a Canadian citizen in Canada when he was taken by force to the United States. I think that should not have occurred but, unfortunately, I have not received any firm answer from Mr. Smith. My department has been working on this, as has the Department of External Affairs but, unfortunately, we cannot report progress at this time.

Mr. Hnatyshyn: The Attorney General's name is Mr. Smith, William French Smith.

REQUEST THAT GOVERNMENT TAKE ACTION

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I am sure the minister has pointed out to American officials that the actions which have been taken in this instance are similar to what they would be if Canada were to send out a posse to pick up, say, Hal Banks in the United States, or John C. Doyle from another jurisdiction. I simply want to ask the minister whether he intends to follow this up strenuously in terms of extraditing these people who shanghaied a Canadian citizen out of our country, and I wonder whether the government is considering making a habeas corpus application on behalf of Mr. Jaffé.

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I will take notice of the procedure suggested by the hon. member. If it is possible, we might do just that, but I am not sure we can.

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CORPORATE AFFAIRS

INQUIRY INTO FAILURE OF CONSOLIDATED COMPUTERS INCORPORATED

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I also have a brief question for the Minister of Justice. He will recall that last March I raised the question of an inquiry under the Department of Justice Act, Section 4, into the Consolidated Computers debacle which cost Canadian taxpayers well over $100 million. Subsequently I debated the matter in the House, and I asked the minister informally what was going on. I wonder if he can now give us a report on what his officials have found under that section and, hopefully, assure us that there will be a proper departmental or judicial inquiry into this so that someone will be held accountable for this monumental waste of taxpayers' money.

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, unfortunately I am not in a position to report progress at this time, but I am getting a bit impatient.

* * *

INDIAN AFFAIRS

COMMITTEE RECOMMENDATION URGING INQUIRY INTO ADMINISTRATION OF FUNDS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development, and it is supplementary to that posed by my colleague, the hon. member for Prince George-Peace River.

If I heard the minister correctly, he characterized as obnoxious the unanimous recommendation of a standing committee of this House which called for a specific inquiry into the administration of economic development funds in the British Columbia region. Does the minister intend to act on that unanimous request by a standing committee of this House for a specific inquiry into the administration of economic development funds in the British Columbia region of his department?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I think the Leader of the Opposition should examine my remarks. I do not call the recommendations of the committee obnoxious. I called the suggestions and implications of the hon. member more than obnoxious.

I repeat to the Leader of the Opposition that I may have agreed and the government may have agreed to the tabling of that report, but that in no way carries with it any implication that we agree with all the contents of it. That is obvious.

Second, I repeat that no matter what is the sense of values of the Leader of the Opposition in this particular situation, I have not the slightest intention of mounting some type of judicial inquiry into the alleged misbehaviour of certain officials, who cannot speak for themselves in this House and cannot defend themselves against wide generalizations and accusations of some type of fraud. I think that would be obnoxious, and I would expect any Member of Parliament who has one iota of concern for civil liberties in this country would object very strongly to that. If the hon. member or the Leader of the Opposition wishes to make some substantive charge against the conduct of certain of my officials, then I am prepared to consider it; otherwise, it is entirely out of the question, as far as I am concerned.

Some hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, I am prepared to compare my standards with the minister's standards any day of the week.

Some hon. Members: Hear, hear!

MINISTER'S POSITION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, let us be very clear about this. We are dealing here with the unanimous report of a standing committee of the House of Commons, including a recommendation agreed to by Liberal Members of Parliament.

Mr. Beatty: Liberal majority.

Mr. Clark: That recommendation, among other things, asked for a public inquiry which would allow those very public servants to explain themselves and, if necessary, defend themselves before a public inquiry. Do I understand that the Minister of Indian Affairs and Northern Development is denying that right to public servants, is denying action on the unanimous recommendation of a standing committee, and is denying the people of Canada the opportunity to have an impartial study into the activities of the economic development fund of his department in the Pacific region? Is he saying absolutely no to that kind of inquiry asked for by an all-party committee in this House?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I will have to examine the "blues". The Right Hon. Leader of the Opposition seems to be shifting ground from question to question. I take it now he is talking about some type of study. I am of course prepared to undertake that. If he is talking about an inquiry of some kind, would he specify, or if he is backing up his own member who was talking about a judicial inquiry, would he back that up? In other words, instead of being indefinite and just making allegations of some kind, would the Leader of the Opposition accept his responsibility and say specifically what it is he is recommending?

• (1500)

REQUEST THAT MINISTER READ REPORT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, will the minister read the report signed by the Liberal Members of Parliament and signed unanimously by Members of Parliament from all parties who served on that committee, which recommends that there be a specific inquiry into the administration of economic development funds by his department in the British Columbia region? Will he also agree to have that specific inquiry into that specific matter which was recommended specifically by that all-party committee, and which was recommended unanimously?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, the Leader of the Opposition keeps talking about the all-party unanimous recommendation. As I understand the matter as it was related to me by my parliamentary secretary, some undertaking was given to him as a member of the committee—and that is one Liberal member of the committee—that if an agreement was made for the standing committee to meet on a Monday morning—which is most unusual—there would be no substantive votes taken at that time. He agreed to that, only to find out that the agreement was not kept.

Some hon. Members: Oh, oh!

Mr. Munro (Hamilton East): If that is the kind of activity that would lead to some type of substantive unanimous approval, then the Leader of the Opposition has a much different set of values than I do.

REQUEST THAT COMMITTEE RECOMMENDATION BE IMPLEMENTED

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I regret having to ask this question again. The hon. member for Notre-Dame-de-Grâce-Lachine East, a Liberal, was, I believe, a member of that committee, and the hon. member for Cochrane-Superior was a member of the committee and, as I understand it, their names are appended to the unanimous report which contains that recommendation.

May I ask the minister again, very simply, if he will have that inquiry that is specifically asked for into the administration of economic development funds in the British Columbia region, or will he not? Is he going to honour the recommendation of the standing committee, or is he not going to honour it?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I consider that that obviously warrants being looked into. I will look into the observations contained in the report to find out whether there is any substance to them at all. I would naturally do that in any circumstances, as would any minister. If that is what the Leader of the Opposition at last wishes to clarify to the House as what he means by an inquiry, of course I will do that, Madam Speaker.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

Madam Speaker: I have the honour to inform the House that a message has been received from the Senate informing the House that the Senate has passed Bill C-114, an Act to amend the Unemployment Insurance Act, 1971 (No. 2), without amendment.

* * *

THE ROYAL ASSENT

Madam Speaker: I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

June 3, 1982

Madam:

I have the honour to inform you that the Honourable Brian Dickson, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor

General, will proceed to the Senate Chamber today, the 3rd day of June, 1982, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Madam,
Your obedient servant,
Jacques Noiseux,
for Edmond Joly de Lotbinière
Administrative Secretary to the
Governor General

* * *

[*English*]

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by hon. members on Wednesday, June 2, 1982, and finds that the petitions meet the requirements of the Standing Orders as to form.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Lewis: Madam Speaker, this being Thursday, I should like to ask the government House leader to give the House some indication of the business of the House for tomorrow and for as much of next week as possible.

Mr. Pinard: Madam Speaker, tomorrow we will be dealing with Bill C-115, the Occupational Training Act, and we hope to get second reading before the end of the day. If not, in any case if we get an agreement on Bill C-37 which is the bill for Canada Day on July 1, I would be willing to call it as the first item of business and then deal with the other bill. We could dispose of Bill C-37 very quickly. If we fail to get agreement on Bill C-37 tomorrow, then the first item of business would be Bill C-115, followed by Bill C-37.

[*Translation*]

Next week, the business of the House will be concerned almost exclusively with the report stage and third reading of energy bills, Madam Speaker, and, unless otherwise indicated, these energy bills will be considered in the following sequence: C-103, C-104 and C-108, and that will be on Monday, Tuesday, Wednesday and Thursday of next week.

Point of Order—Mr. Hawkes

[*English*]

PRIVILEGE

MR. OBERLE—ALLEGED IRREGULARITIES IN STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I beg your indulgence. I was tempted to raise this question of privilege a couple of days ago when, for the first time, the President of the Privy Council (Mr. Pinard) asserted that in the Standing Committee on Indian Affairs and Northern Development certain irregularities were indulged in. Today in question period the Minister of Indian Affairs and Northern Development (Mr. Munro) alluded to the fact that certain irregularities took place in the Standing Committee on Indian Affairs and Northern Development in the passing and production of the reports which were laid before the House. Everyone knows that the make-up of the committee is—

Madam Speaker: Order, please. Would the hon. member tell me what the question of privilege is about, because I am afraid he is now discussing things that took palce in committees? Unless these things are reported to the House they cannot be discussed in the House. At any rate, anything that takes place in committees should be dealt with in those committees and certainly cannot constitute a question of privilege.

Mr. Oberle: Madam Speaker, the fifth report of the Standing Committee on Indian Affairs and Northern Development has been reported to the House. Both the President of the Privy Council and the Minister of Indian Affairs and Northern Development have cast a shadow on the validity of this report by saying that this party, and this member in particular, used certain techniques, which were described by the President of the Privy Council as trickery, to achieve this report. Everyone knows that the committee is made up of members of all parties, that the governing party has a majority in committees and that committees cannot pass anything unless at least some government members are present for the passage of whatever the committees do.

I feel that my privilege and the privilege of all members is offended when committees report to the House and ministers of the Crown use language such as was used in the question period today—

Madam Speaker: Order, please. This clearly is not a question of privilege and cannot be brought up at this time nor under this guise.

* * *

POINT OF ORDER

MR. HAWKES—BILL C-103—SUGGESTED ERROR RESPECTING REPORT STAGE MOTIONS

Mr. Jim Hawkes (Calgary West): Madam Speaker, could I bring to your attention Motion No. 9 on page x on today's

Order Paper and Notices. Motion no. 9 stands in my name but I think there must be some mistake. I did move ten motions and there are 11 on the Order Paper but all 11 appear in my name. I think the error is in relation to Motion No. 9, which I suspect was moved by a member of the New Democratic Party as it is similar to a motion moved in committee. I bring that to your attention and to the attention of the House.

Madam Speaker: I am sure that the officiers of the Table will look at that and make the necessary correction.

ROUTINE PROCEEDINGS

[*English*]

ENERGY LEGISLATION

PRESENTATION OF EIGHTH REPORT OF STANDING COMMITTEE

Mr. D. M. Collenette (York East): Madam Speaker, I have the honour to present the eighth and final report of the Standing Committee on Energy Legislation.

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

* * *

PETITIONS

USE OF METRIC SYSTEM AT LIVESTOCK AUCTIONS

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, I have the duty to present a petition on behalf of my constituents. The purpose of this petition, signed by 140 citizens in central Alberta, is to register concern over the use of the metric system in auction markets and other bid-buying operations in livestock sales.

The nature of this petition is to request that the government implement the use of the metric system in auction markets and other bid-buying operations no earlier than January 1, 1986, but preferably that the system not be implemented until agents of the federal government are able to establish that the use of the metric system is intuitive with the majority of buyers' and sellers' language as an expression of value.

The petitioners hope, Madam Speaker, that in your examination of their petition you will find the petition in order, sense the urgency of their plea, and that you might use the powers of your office to allow for discussion and referral to committee as soon as possible.

• (1510)

Mr. Arnold Malone (Crowfoot): Madam Speaker, I have the duty to present a petition on behalf of the constituents of Crowfoot. The petition is signed by approximately 950 citizens and is to distinguish the unique difference which exists between auctioning or bid buying and that of fixed-price buying when it affects the change of nomenclature and units of measure. The petition asks the government to recognize that the understanding of value and submission of bid must be intuitive to the auction system, and that an early change to metric, before the language of metric is clearly understood, will disrupt thousands of auction markets across Canada and that a cautious bid by a buyer could result in the loss of thousands of dollars of income for individual ranchers.

The petitioners hope, Madam Speaker, that you will find their petition in order and that the appropriate ministers of the Crown will provide an opportunity for this matter to be discussed in the appropriate committee.

MR. TAYLOR—REQUEST FOR REINSTATEMENT OF CAPITAL PUNISHMENT

Mr. Gordon Taylor (Bow River): Madam Speaker, I take great pleasure in presenting a petition on behalf of some 959 Canadians living in my constituency in Alberta. The petition requests that capital punishment be reinstated for deliberately planned murder. Our society is built on crime being punished. When the ultimate crime, namely murder, occurs, then the ultimate punishment, namely death, should be enacted. Some of my petitioners come from the Standard, Alberta area, where a beautiful young girl, Kelly Cook, was brutally murdered, and some are from the High River-Okotoks area, where two young women were murdered and their remains burned. A person who deliberately plans and executes the murder of another human being has no right to live.

My petitioners pray that the government will reflect the thinking of the majority of the people of Canada and reinstate capital punishment for murder.

MR. HEAP—TESTING OF CRUISE MISSILES ON CANADIAN SOIL

Mr. Dan Heap (Spadina): Madam Speaker, I have the honour to present a petition from citizens of the City of Toronto requesting Parliament to direct the Prime Minister (Mr. Trudeau) to refuse to allow the testing of Cruise missiles on Canadian soil.

MR. ROSE—PRODUCTION OF NUCLEAR WEAPONS COMPONENTS

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I am honoured to present a petition on behalf of 940 residents of my riding requesting that our government take measures to halt the production of nuclear weapon components in Canada, and that the government instruct its representatives at the upcoming United Nations Special Session on Disarmament to take an active role in initiating discussions to bring about, hopefully, a global freeze on the production, testing and deployment of nuclear weapons.

MR. KILGOUR—PROVISIONS OF BILL C-10

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, it is my honour and duty to present a petition on behalf of a number of members of the congregation of the

German Zion Baptist Church in Edmonton who are very concerned about provisions of the proposed non-profit corporations act which was the subject of a unanimous resolution in this House yesterday. I ask on their behalf that the petition be presented to this chamber.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,854, 2,977 and 4,239.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Text*]

PRIVY COUNCIL OFFICE—ENTERTAINMENT AND HOSPITALITY

Question No. 2,854—**Mr. Clarke:**

With reference to the professional and special services recorded by the Privy Council Office under the Privy Council Office Program at page 32.25, volume II of the 1979-80 Public Accounts of Canada, with particular reference to entertainment and hospitality (a) how does the Privy Council Office explain the increase in expenditure for the item over that for 1978-79 (b) what services does this entail (c) what is a list of each contract of a value more than $2,000 (d) what was the name of each type of service (e) what was the amount paid for each service and, for contracts over $2,000, to whom was it paid (f) are guidelines used to determine when the Privy Council Office will pay for hospitality and, if so, what are they (g) of the $65,720 paid for hospitality, what percentage was principally used to entertain (i) foreign visitors (ii) Canadian businessmen (iii) provincial public servants (iv) federal public servants (v) ministerial exempt staff (vi) Members of Parliament (vii) Members of Provincial Parliaments, Legislative Assemblies and the National Assembly (viii) Canadian dignitaries, such as the Governor General and Lieutenant-Governors General (ix) federal Crown corporation executives (x) provincial Crown corporation executives (xi) members of federal commissions, boards and councils (xii) any other categories?

Hon. Yvon Pinard (President of the Privy Council): (a) In respect of entertainment and hospitality, a decrease of $13,328 was reported.

(b), (d), (f) Definitions and policies on hospitality are contained in chapter 360 of the Treasury Board Administrative Policy Manual.

(c) Nil.

(e), (g) Records of hospitality payments are not maintained according to service or categories of individuals.

DIAND—MOTION PICTURE PRODUCTION AND DISTRIBUTION

Question No. 2,977—**Mr. Clarke:**

With reference to the professional and special services recorded by the Department of Indian Affairs and Northern Development under the Northern Affairs Program at page 32.16, volume II of the 1979-80 Public Accounts of Canada, with particular reference to motion picture production and distribution (a) what was the title and total cost of each film produced in the fiscal year 1979-80 (b) at what audience was each film aimed (c) what cost recovery is anticipated from the distribution of all the films?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. (a) "Opening of the Baker Lake Co-operative"; a 15 minute ¾" video documentary in Inuktitut produced by Nunatsiakmiut Communications Society of Frobisher Bay. Cost: $5,667; (b) audience, primarily Inuit; (c) no distribution proceeds are expected as these films are made available to groups for education-information purposes.

2. (a) "Canadian Reindeer Industry"; "Eskimo Dog—Qimmiq", two (approximately ½ hour each) 16 mm film documentaries produced through the NFB by Inuk Films, Yellowknife. Cost: $46,196; (b) audience: national and international; (c) no distribution proceeds are expected as these films are made available to groups for education-information purposes.

3. (a) "Canada's House of Commons", a 15 to 20 minute ¾" video documentary in Inuktitut produced by Nanatsiakmiut Communications Society of Frobisher Bay. Cost: $8,578; (b) Audience: primarily Inuit; (c) no distribution proceeds are expected as these films are made available to groups for education-information purposes.

4. (a) "Prince of Wales Northern Heritage Centre", a 15 minute ¾" video documentary in Inuktitut produced by Nanatsiakmiut Communications Society of Frobisher Bay. Cost: $5,000; (b) Audience: primarily Inuit; (c) no distribution proceeds are expected as these films are made available to groups for education-information purposes.

5. (a) "Pond Inlet Community Television Project", a ¾" video documentary in Inuktitut (approximately ½ hour) produced by Eric Tagoona. Cost: $2,200; (b) Audience: primarily Inuit; (c) no distribution proceeds are expected as these films are made available to groups for education-information purposes.

6. (a) "Inuit Traditional Games", a ½ hour 16 mm documentary produced through the NFB by Ken Buck. Cost: no invoices received in 1979-80; (b) Audience: national and international; (c) no distribution proceeds are expected as these films are made available to groups for education-information purposes.

The balance is for scripts for slide presentations, $6,208; technical and training services to PIC TV and Nunatsiakmiut Program, $18,617; translation and production of slides and tapes on forest fire control into three languages, $3,646.

FAMILY ALLOWANCES

Question No. 4,239—**Mr. Herbert:**

1. In each of the past five years, what amount was paid in family allowances in the Province of Quebec?

2. Do the figures differ from amounts calculated on the basis of federal family allowance rates and, if so, what is the difference and how is it adjusted?

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): 1. The amount of federal family allowances paid in the Province of Quebec in the past five years is as follows:

Order Paper Questions

(in millions of dollars)

1977	$555.8
1978	$600.3
1979	$446.9
1980	$467.1
1981	$493.7

2. Yes, the figures differ from amounts calculated on the basis of federal family allowances rates and the estimated differences for the years in question are as follows:

(in millions of dollars)

1977	$ 4.4
1978	$ 22.4
1979	$ 6.0
1980	$ 3.9
1981	$ 14.2

In 1977, 1978 and 1979, the amount paid to beneficiaries in the Province of Quebec was greater than what would have been paid had the federal rate been used. In 1980 and 1981, the amount paid was less than the amount that would have been paid had the federal rate been used.

In the choice of a provincial family allowance rate configuration, payments over a four-year accounting period are taken into consideration. The most recent four-year period was 1978 to 1981. Rates are selected so as to minimize the difference between payments made under a provincial configuration and what would have been paid had the federal family allowance rate been applicable.

[*Translation*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

[*English*]

Mr. McKinnon: Madam Speaker, I wonder if the parliamentary secretary would take note of question No. 2,596 I placed on the Order Paper 363 days ago. It is a simple question, and I understand the answer has been prepared for several months but the minister is unwilling to table it in the House. Would the parliamentary secretary take this up with the Department of National Defence and report back, please?

Mr. Smith: Madam Speaker, I will be happy to look into this matter on behalf of the hon. member.

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

MOTOR VEHICLE FUEL CONSUMPTION STANDARDS ACT

MEASURE TO ESTABLISH

The House proceeded to the consideration of Bill C-107, respecting motor vehicle fuel consumption standards, as reported (without amendment) from the Standing Committee on Energy Legislation.

Mr. Mark Rose (for Mr. Waddell) moved:

That Bill C-107, an act respecting motor vehicle fuel consumption standards, be amended in Clause 11 by striking out lines 35 to 42 at page 7 and lines 1 to 10 at page 8.

Madam Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the nays have it.

And more than five members having risen:

Madam Speaker: Call in the members.

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

(*Division No. 185*)

YEAS

Messrs.

Althouse	Heap	Miller
Anguish	Hovdebo	Ogle
Benjamin	Jewett (Miss)	Orlikow
Blackburn	Keeper	Rose
Blaikie	Kristiansen	Sargeant
Deans	Lewycky	Skelly
Fulton	Manly	Waddell—21.

NAYS

Messrs.

Allmand	Baker (Nepean-Carleton)	Blais
Andre	Beatty	Blenkarn
Appolloni (Mrs.)	Beauchamp-Niquet (Mrs.)	Bloomfield
Bachand	Bégin (Miss)	Bockstael
Baker (Gander-Twillingate)	Berger	Bosley
		Bossy
		Breau

Messrs.

Bujold	Gendron	MacLaren
Bussières	Gimaïel	MacLellan
Campbell (LaSalle)	Gingras	Malépart
Campbell (Cardigan)	Gourde (Lévis)	Malone
Cardiff	Gray	Maltais
Carney (Miss)	Guilbault	Marceau
Chrétien	Gurbin	Massé
Clark (Yellowhead)	Gustafson	Masters
Collenette	Hamilton (Qu'Appelle-Moose Mountain)	Mayer
Comtois	Hargrave	Mazankowski
Cook	Harquail	McCain
Corbin	Hawkes	McKinnon
Corriveau	Henderson	Munro (Hamilton East)
Cosgrove	Herbert	Murta
Côté (Mrs.)	Hervieux-Payette (Mrs.)	Neil
Cousineau	Hnatyshyn	Nicholson (Miss)
Crombie	Hopkins	Nowlan
Crosby (Halifax West)	Howie	Oberle
Crouse	Irwin	Olivier
Cullen	Isabelle	Ostiguy
Cyr	Jarvis	Ouellet
Daudlin	Jelinek	Parent
Dawson	Johnston	Patterson
De Bané	Joyal	Pelletier
de Corneille	Kaplan	Pepin
Demers	Kelly	Peterson
Deniger	Kempling	Pinard
Desmarais	Killens (Mrs.)	Prud'homme
Dingwall	Kushner	Regan
Dinsdale	Lachance	Reid (Kenora-Rainy River)
Dionne (Chicoutimi)	Lajoie	Rompkey
Dubois	Lalonde	Rooney
Duclos	Lambert	Rossi
Dupont	Lamontagne	Roy
Dupras	Landers	Savard
Epp	Lang	Schellenberger
Erola (Mrs.)	Laniel	Schroder
Ethier	Lapierre	Scott (Hamilton-Wentworth)
Evans	Lapointe (Charlevoix)	Simmons
Fennell	Lapointe (Beauce)	Smith
Ferguson	La Salle	Taylor
Fisher	Lawrence	Tessier
Fleming	LeBlanc	Thacker
Flis	Leduc	Tobin
Forrestall	Lefebvre	Tousignant
Foster	Lewis	Turner
Fox	Lumley	Veillette
Francis	MacBain	Watson
Fretz	MacDonald (Miss)	Whelan
Frith	Mackasey	Wilson
Gass		Wright
Gauthier		Yanakis
		Yurko—172.

• (1530)

Madam Speaker: I declare the motion lost.

[*Translation*]

Mr. Lalonde moved that the bill be concurred in.

Motion agreed to.

Mr. Lalonde moved that the bill be read the third time and do pass.

[*English*]

Mr. Otto Jelinek (Halton): Madam Speaker, I will not take up too much time of the House since this bill is probably one of the most useless pieces of legislation that has come before Parliament, certainly in the years that I have been here. One must wonder why it was part of the energy package in the first place because it is not certain, when reading the legislation, what it will, in fact, do. I will expand on that later. I will quote one sentence stated by the Minister of Energy, Mines and Resources (Mr. Lalonde) just a month ago, on April 20, during second reading in the House. He said, "This legislation, the Motor Vehicle Fuel Consumption Standards Act, was first promised in 1976". In 1976, Mr. Speaker! Does the minister not know that the situation has changed considerably since that time? Not only is this piece of legislation obsolete, it was not necessary in the first place. If the government was serious about creating energy fuel consumption, it would not be creating additional regulations at a time when the automobile industry is facing huge unemployment in the country.

May I say at the outset that if the government was indeed serious about further reducing the use of conventional energy, it would then encourage, through any number of incentives, the use of alternate fuels such as propane or compressed natural gas. Those are the steps that are needed by the industry. We know that this is not what the government is doing with this piece of legislation, or indeed with any other piece of legislation that is either before the House now or being contemplated by the government. The industry does not need Bill C-107, which is obsolete, unnecessary and in fact damaging, not only to the automotive industry but to the whole economy of Canada.

With respect to the automotive industry, surely this is not the time to burden further the domestic automotive industry. Instead, the government should act on the serious damage that Japanese automobile imports, for example, have inflicted on our economy if it wants to help the industry. I am certainly not a protectionist by heart, but under these difficult and unusual circumstances I believe the government should be taking a tougher stand with respect to imposing Canadian content regulations of offshore imports so that jobs would be created in Canada. The government has negotiated with the Japanese for two years and those negotiations have obviously failed. The Minister of State for International Trade (Mr. Lumley) has accepted the fact himself just this week that negotiations are at an impasse. If his answer to that is those underhanded tactics in Vancouver which are taking place now and are creating further unemployment for Canadians, that is certainly not the step to take either.

If the government is serious about trying to help the industry, the second option is to create incentives for foreign investment in Canada. That is what is necessary to create jobs. One should know that there have already been 50,000 jobs lost in the automotive industry in Canada in the last two years. The situation is not getting any better at all, and here is a government coming up with a piece of legislation to put further controls, directives and regulations on an industry which is certainly already overburdened with regulations and other difficulties and is getting no support whatsoever from the Liberal administration here in Ottawa.

• (1540)

What Bill C-107 represents is not so much the Liberal government's commitment to energy self-sufficiency or its so-called made-in-Canada energy plan, whatever that is, because we know what is happening to its whole energy program,

although we do not have to dwell on that today. The National Energy Program has been a total disaster. That has been evidenced by the fact that the minister himself had to come before the House just this week to announce some new emergency measures. In those announcements alone there is an admission by the government that the National Energy Program has been a total and absolute failure. But the Alsands project has collapsed as well. Because of the tremendous increase in federal taxes, the price of gasoline has still increased, but not by the 18 cents a gallon which the Conservatives suggested in the last election campaign. Many think that the reason the Conservative government was defeated at that time was the 18 cents a gallon increase at the gas pumps. Canadians now know that the price of gasoline has, in fact, increased by nearly $1 a gallon since the Liberals made a promise that they would keep the price of gasoline to less than the promise made by the Conservatives.

What this bill, in fact, represents is the government's continued deception and use of empty legislation and empty promises devised to do nothing more than make the government appear to be doing something. That is exactly what it is. This is a piece of legislation that would give the government the right to implement restrictions on gas consumption by automobiles. But they are not telling us what those restrictions are in this piece of legislation. It is a vague piece of legislation which would create a threat to the domestic automotive industry without the automotive industry being able to plan ahead of time.

• (1550)

In his speech on second reading, the Minister of Energy, Mines and Resources said that the industry needed "a long range plan to be able to plan ten years ahead". Well, certainly with this piece of legislation the industry cannot plan ten years ahead if this piece of legislation does not spell out exactly what the government intends to do next month, next year, two years from now or five years from now. So what is the minister talking about? It is empty rhetoric, that is what it is.

The reality of this legislation is that it is void of any content. Yet at the same time it empowers the minister to enact compulsory fuel consumption standards without indicating any specific details as to just what those standards will be or what the objectives of the government will be with regard to acceptable levels of fuel consumption.

The bill represents no digression from the government's reliance on those standards made compulsory in the United States, and it does not challenge their accuracy. That is a very important point to keep in mind, Mr. Speaker. The United States, which has compulsory regulations for gas consumption, has a standard to keep up, that is, 27.5 miles per gallon. We all know that the North American auto industry is governed by the United States and that the products are designed in the United States. The industry in the United States and in Canada is far surpassing the regulations imposed in the United States of 27.5 miles per gallon. Most domestic automobiles now get over 30 miles per gallon and some as much as 40 miles per gallon. So why, Mr. Speaker, are we looking at this piece of legislation today, why was it included in the omnibus bill in the first place?

I pointed out at the beginning of my remarks, Mr. Speaker, that the minister said that this legislation has been in the works since 1976. It is just giving some bureaucrats in their ivory towers who know absolutely nothing about the automotive industry, and also obviously know nothing about the energy situation, something to put together, to give them the job of creating an extra piece of legislation.

This bill is not helping the energy situation, it is harming the automotive industry and it is not assisting Canadians in any way whatsoever. If fact, the minister has in mind regulations of a new type in this piece of legislation. I believe that these regulations should be spelled out before any such legislation is passed by the House. That is exactly the point I am trying to make, that we cannot trust this government, we cannot allow it the opportunity to do to the automotive industry, by fuel consumption regulations that might be unrealistic, what this government has done to the energy industry with the National Energy Program. I do not want to dwell on the disaster that the National Energy Program has caused to the economy for all Canadians.

In fact, the minister has in mind enacting standards that are already being met and surpassed. It would amount to nothing more than demanding, for example, that vehicles come equipped with safety belts, a feature that is already compulsory; in other words, reinventing the wheel, a waste of the time of Parliament.

I would like to take a look briefly, Mr. Speaker, at the practicality of this legislation. In 1976, when this legislation was put together, Canada implemented voluntary fuel efficiency standards for automobiles. That, Mr. Speaker, was in the post-OPEC oil embargo days. It is very important to keep that in mind. That was at a time of fuel shortages and at a time when North Americans were just beginning to swallow the hard medicine that fuel prices were about to increase dramatically. It was a time when energy conservation was fast becoming one of the primary objectives of economic planning. In that same year the government promised to bring forward legislation that would put into law those voluntary fuel efficiency standards that I have just mentioned. When one looks at this bill, Mr. Speaker, it would almost appear that its introduction now is nothing more than desk cleaning. The bill is empty. It does not deal with the very significant changes that have taken place in the automobile industry since 1976, nor with the vast changes that have taken place in the energy situation since that time.

I would suspect, notwithstanding the fact that most Canadians are wise to the methods of this government, and that they will be wise to their methods when the next federal election takes place as well, that one of the reasons the government has not been motivated to pass those fuel consumption standards that it promised in 1976 is simply that the Americans had already beaten them to it, just like interest rates. We are well

aware of the Liberal preference to have our policies determined in Washington. At the same time, I do not mean to underestimate the importance to the federal government of a matter such as this, they having already sold out our automotive industry. Given the size of our automotive market relative to that of the United States, regulations such as these would be a little like the tail wagging the dog. That, Mr. Speaker, is another reason why I question the minister's intention in attempting to push this bill through this third reading stage and through Parliament.

I wish to get back to those regulations already in effect by virtue of the fact that our vehicles are designed and tested in the United States. This goes as far back as 1973, I believe, when the U.S. Environmental Protection Agency initiated a voluntary fuel efficiency labelling program. This was superseded in 1975 by the passage of amendments to the motor vehicle information and cost savings act, which stipulates (a) the actual fuel economy standards to be reached for each auto manufacturer for 1978 to 1980, and until 1985; (b) the legislation requires that labels indicating the fuel efficiency of each car be affixed to the automobile; and (c) that the EPA must publish a book listing all efficiency ratings and that that book must be made available to all auto dealers.

On average, these standards are met in Canada by virtue of the fact that, as I have already said, these automobiles are designed and tested for this market, whether they are produced in the United States or in Canada. In fact, in Canada most vehicles, on average, surpass even these standards because our emission level standards, as everyone knows, are lower than those in the United States. The minister has not challenged these standards. The bill does not contest the accuracy of these tests, nor their applicability to the Canadian market.

So exactly, Mr. Speaker, what does the minister have in mind in asking Parliament for the authority to enact yet unknown standards? Why is the Liberal government trying to attempt to pass legislation without spelling out what the changes and standards would be? It is just more bureaucracy, and that is something that we certainly do not need more of at this very dangerous time in our economy.

Technically speaking, this Motor Vehicle Fuel Consumption Standards Act embodied in Bill C-107 only continues the conceit of the federal government, but with a new twist, Mr. Speaker. Whereas former energy ministers have maintained that we have fuel consumption standards when in fact none were in place, the present minister now proposes to implement such legislation but at the same time wants to pretend that he has no authority. If he had no authority, then he would not be presenting this bill; and if he had the authority, he would not have to present this bill and he would come up with the specific requirements now, so that this House and Canadians and the automotive industry would know what those requirements would be.

The EMR briefing note on the act claims that it would be a two-stage bill. If voluntary standards fail to work, a second part of the bill will allow the government to implement compulsory standards. But that is not what is written in Bill C-107; and that is again why I believe we must question the intention of the minister and not allow this bill to pass.

The bill clearly gives the government the authority to set fuel consumption standards which the industry must meet at some time in the future. There is absolutely no mention in the bill of voluntary standards. In fact, there are only two very absurd ways the government could set voluntary standards under this bill. One would be to set standards by one regulation and by another to exempt everyone, a contradictory situation. The other way would be to set no standards at all.

• (1600)

Under those circumstances, why do we have this legislation? If the reality is that this government is concerned only with appearing to be doing something, I for one do not believe the minister should be empowered with this authority. If the government does have it in mind to legislate the same standards that exist in the United States, then I think there should be a clear statement to that effect contained in this bill, and it clearly is not there.

If the government does not have that in mind, I demand that this House be advised of the real objectives of this bill. Is there something hidden in this bill which gives the government the power to do something in the future about which neither we nor the industry know? It is not specified in the bill. That is why I question the bill.

I remind the government that the automotive industry has already demonstrated its intention and ability to respond to energy shortages. Fuel consumption has decreased dramatically since 1976, not because of bills of this nature but because of the considerable increases in the price of gasoline. The price of gasoline in Canada is going up when it is going down everywhere else in the world. If it continues to go up, we will have energy self-sufficiency by 1990 because people will no longer be able to afford to buy gasoline.

What, at its introduction, at its second reading and at committee stage, was vague legislation continues to be vague. Without content, it serves only to upset an industry which simply does not need to deal with the threat of yet more regulations, and the automotive industry employs more Canadians both directly and indirectly than most others.

I want to say in closing what I said when I began. If the government were really serious about trying to preserve conventional energy, it would encourage the use of alternate fuels. I have just mentioned two, and I will repeat them: propane and compressed natural gas. However, the government is not going in that direction. If the government were serious about trying to help the automotive industry, it would deal with the Japanese in a tougher way. It would deal in a realistic way with the automotive industry in order to protect jobs in Canada. It need not necessarily impose embargoes on offshore imports; it should be creating Canadian content regulations and incentives for foreign investment in Canada. I would not mind a Honda plant in my riding, as long as it was creating Canadian jobs and helping the Canadian economy. However, we cannot continue to strangle our domestic industry and impose further regulations on our domestic industry while

we allow the Japanese to send us $1.5 billion worth of automotive products and while we sell the Japanese nothing more than token windshield wipers. In fact, Canadian automotive products sold to Japan amount to only one half of 1 per cent of the total Japanese imports to Canada. That is not free trade, it is not fair trade and the Japanese are very much taking advantage of that situation.

If the government is really interested in improving our whole economic system, whether it be through trying to protect or help a specific industry, preserve gasoline or encourage productivity, the government has only one alternative, and that is to throw out that "tremendous" budget of the Minister of Finance (Mr. MacEachen) of last November, which has been damaging to the economy of this country, and replace it with a new budget. Only then can we begin on a new road to recovery.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Skelly: I thank very kindly my friends and foes alike.

Bill C-107 basically sets fuel efficiency standards for automobiles. Some of the remarks made by the preceding speaker were absoutely correct.

Mr. Jelinek: That scares me when it comes from a member of the New Democratic Party!

Mr. Skelly: I want to associate myself with some of the thoughts he expressed here today. Since the last election the government has been a mindless organization, and this bill is a good example of that.

One element of this bill is worthy of support. No one in this House would not support the idea of conservation of fuels through insistence on improved standards of use in automobiles—or any other transportation mode, since transportation presently is a large consumer of our very valuable hydrocarbons. However, unfortunately, as pointed out by my colleague, this bill impacts negatively on the automobile industry. While the government on the one hand is attempting to do consumers a favour and bring about fuel security in the long term, on the other hand it is failing to do anything to salvage the automobile industry. Indeed, it is imposing a penalty on it. This is mindless and almost destructive, as are the budget of the Minister of Finance (Mr. MacEachen) and the National Energy Program. This bill will have a negative impact on the auto industry. It will not help in the development of a comprehensive industrial strategy. It will do nothing for the aspirations of Canadians in relation to the development of the auto industry, energy conservation or a general energy strategy. This bill takes none of those things into consideration. There should be companion policies and legislative proposals to go along with it. Without them, this bill is a mindless exercise.

I have the same questions as those my colleague raised. What will be the effect on Canadians attempting to develop a relevant automobile industry in this country? This legislation will have a serious impact on that industry. I urge the government to something constructive. It should use the levers it has to ensure that within Canada we begin to develop the research facilities we need. Automobile companies should be encouraged—or forced, as it were—to use our market facilities, but the government should also make sure there are research facilities here to develop the necessary technology to produce the fuel efficient engines envisaged by this legislation. That is the ridiculous part of this bill.

In the long haul the policies of the Minister of Finance and the energy policies of the Minister of Energy, Mines and Resources (Mr. Lalonde)—and the government generally—are wrecking the Canadian economy. There are no two ways about it. We receive mail from people who are suffering badly not only because of this kind of legislation but also because of the over-all mindless policies of the government.

My colleague mentioned some other things in his outline of this bill which are very typical of the Conservative Party. I have said it before, but with respect to this bill it is clear that the Conservative Party is a "gofer" for a small number of very large corporations.

Mr. Dingwall: Agreed.

Mr. Skelly: The Conservatives are "gofers" for major oil companies. Their energy critic has been a very articulate and outspoken defender of Imperial Oil, Shell and Texaco—

Mr. Dingwall: Shame.

Mr. Skelly: —and a small number of other very large corporations. That position taken by the Conservative Party was again demonstrated by the previous speaker's comments. His only concern was what will happen to a small number of major corporations. He did not seem to be concerned about what would happen to consumers. What happens when Canadian workers see fuel-efficient automobiles produced elsewhere? That party's knee jerk reaction to legislation—which I guess has potential at some point—is typical. It has been busy wrecking the Canadian economy and devastating the standard of living built by our forefathers and by workers today. That is the party that is busy wrecking Parliament.

• (1610)

A previous speaker pointed out the effects of all this on the auto industry and the effect of the negative approach for the sake of being negative. Their role as "gofer" for their corporate friends at the expense of a great number of small businesses, consumers and workers in this country should be remembered. There will have to be a change in that orientation.

The big lie that has been perpetrated in this House for a long time is that somehow it was the opposition that threw the Clark government out. In reality it was the same workers who did that. They were offended by that government's policy. The consumers were offended by that policy. The small business people were offended by neglect and the single-minded purpose of defending a small number of very powerful corporations. That kind of thing must stop before the Conservatives can be

considered a serious or credible alternative for the country. So much for its role as "gofer" for the oil companies and for major corporations.

I want to return to the detail of the bill before us, Mr. Speaker. The bill contains a typical Liberal government trick. Of course, there is a need to develop fuel efficiency standards for automobiles and we have to be serious about that. This would provide advantages for the country if it were applied along with a strategy for a transportation policy and for the automobile industry. If we handle this matter carefully, it could help develop a fuel efficiency technology in Canada. This country could become a world leader in fuel efficiency. Unfortunately, we do not have a coherent policy on this. We have led the world in many fields: we developed the first jet passenger liner, we have developed an admirable high-tech industry and we have been leaders in many other fields, but I think this happened in spite of government instead of with its assistance.

We will never achieve anything with the old carrot and stick approach, Mr. Speaker. We watched the director of investigation and research attempt to defend Canada against corporate concentration when legislation did not permit it. Mr. Bertrand tried to use the carrot and stick approach but it was a complete failure. This, too, will be a complete failure. We know the government will not impose the compulsory aspects of this legislation on the community even though the bill provides for it.

The question of conservation is vitally important for the future, Mr. Speaker. If properly administered, this bill would provide for an examination of alternate and cheaper fuels which would be of tremendous benefit to the consumer. It would look at alternate technologies, would create employment in Canada and mean a new approach to world markets. A bill like this is extremely important, but unfortunately within the government's plans—if a plan exists—this bill will not achieve anything. The compulsory aspects do not have enough clout.

The bill has another flaw which is typical of the government's whole energy package. This bill is very permissive and it is vague. Some time in the future we may impose standards, but not necessarily, it seems to say. The authorization to create regulation provided by the bill is strong, however. It is literally ruled by cabinet, ruled by order in council and ruled by regulation. All through the National Energy Program the government has left control in the hands of the minister and in the hands of cabinet. It is a serious thing when control is removed from the representatives of the people and is put into the hands of a small group of individuals in government who, as I have said before, have literally destroyed the economy and have thrown much of the energy sector into chaos by ignoring long-term, serious priorities.

The bill is part of an over-all package that has been before us for months. A long time ago the government made a very strong statement of policy based on Canadian ownerhip, enhancement, exploration and development of the resource, conservation and alternates, and it held that great revenues for the Canadian people would be derived. It dealt with conservation, security of supply, enhanced revenues or a greater share of revenues and provided access for a petroleum corporation of Canada. Today, as the final package is slipping through, the government has backed away from most of these things.

When Bill C-48 was introduced there was a great hue and cry from the oil companies and their "gofers". It went to committee along with great promises and when it came back to the House the Liberal amendments essentially went along with the "gofers" and the oil companies. All of a sudden, after the bill is passed this package is presented and we are told that there are serious problems in the energy industry in Canada. The government has backed away from the revenue aspect and has given several billions of dollars to the major oil companies. The price of energy is being driven up, consumers are suffering, home owners are suffering and, indeed, Canadians generally are suffering. Our industrial strategy is suffering too.

These bills have no substance. The "gofers" to my right who have been strong, outspoken proponents of the multinational oil companies, the favoured few who have blackmailed and misled us for years and years, have been upstaged by the more cunning group on the other side who have laid out policies that they think will interest the vast majority of Canadians. When the amendments come in and the cards are on the table, however, the Liberals will be seen to have betrayed the Canadian people.

There really is no difference between the "gofers" on my right and the government, Mr. Speaker. That was clearly illustrated by the fact that they voted together to defeat a very worth-while amendment in the House this afternoon. The record shows that time and time again when proposals are put before the House that will benefit the Canadian people, whether they concern the economy, employment, control of banks or the major oil companies, these two parties stand together with the major corporations against consumers and Canadians generally. No legislation illustrates this fact better than the bills emanating from the National Energy Program.

• (1620)

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am pleased to participate in this debate which marks the end of a process which began some time ago. It is nice to see the Conservative Party energy critic who has returned from worldwide travels. I welcome him back to the House and the proceedings. I include in that, of course, the energy critic for the NDP, the hon. member for Vancouver-Kingsway (Mr. Waddell). They both know we have had deliberations on this particular bill, heard witnesses before the committee, and then we debated it quite seriously.

This bill, Mr. Speaker, is an important part of the National Energy Program. It is a key conservation measure aimed at reducing the consumption of fuel by motor vehicles in Canada. I wish to remind hon. members of the magnitude of the oil savings we believe can be achieved by this program. The savings have been estimated at 300,000 barrels of oil per day by 1990, compared to the fuel required by vehicles maintained

at a 1979 level of fuel consumption performance. This represents a sizeable reduction in transportation energy use, the largest sector of oil consumption in Canada.

Our commitment to this program dates back at least six years, and has embraced a history of discussions with the auto industry as well as numerous Canadian and foreign government agencies. The result was a successful voluntary fuel consumption program, supported by Bill C-107. The importance of this bill and the large measure of agreement on its role was evident in its success in committee. The performance of industry under this voluntary program provides further evidence of success. The targets for fuel consumption performance have not only been met but exceeded to date, and it is our expectation that this trend will continue. This willingness and expressed commitment of industry to co-operate with us makes a good case for retaining the voluntary nature of the program.

As a means of enhancing this voluntary program, industry and the federal government will work together in many areas. Industry is certainly willing to participate beyond current levels and we intend to harness this co-operation in order to co-ordinate all interests affected by the Motor Vehicle Fuel Consumption Standards Act, including the fuel-producing industry. We hope to focus this effort through industry-government working groups, one of which will concern itself with fuel consumption data. My colleague, the Minister of Transport (Mr. Pepin), has had notable success in developing a reporting system which provides key reports to the government from industry which indicate vehicle fuel consumption performance, sales, and thereby incorporate average fuel consumption information. This system is central to the production of the motor vehicle fuel consumption guide which I am sure many hon. members have heard about or seen in dealer showrooms. I should emphasize, however, that this reporting system is designed to support the administration of the program rather than the formulation of policy.

We therefore wish to involve industry actively in the development of relevant data to support fuel conservation policies which affect them directly. I wish to take this opportunity to commend the motor vehicle producers for their expressed willingness to participate not only in the gathering and analysis of data, but also its interpretation.

I want to emphasize that the flow of information will be two-way. For example, we will provide the information the industry needs to project future fuel supplies and quality. We also recognize the research and development efforts which industry has made over the past ten years in order to respond to the rapidly changing market and energy conditions. Research on cold weather fuel consumption is a good example of this effort. The government realizes the burden which such efforts impose, necessary though they are in this day and age of conservation. We, too, have an obvious interest in research and we will support industry's efforts.

In the vital area of motor vehicle fuel we will work with industry to determine the optimal mix of fuel and fuel quality for use by vehicles in the future. In this way we hope to be able to co-ordinate industry's reponse to new fuel options. There is a great deal of interest in fuel options and we have committed ourselves to examine these in detail and to strike with industry and provincial governments a consensus on what an appropriate mix and quality of conventional and alternate fuels might be and how they are best used in Canada in the coming decade.

Under this "enhanced voluntary" program our approach to the setting of fuel consumption standards will be one of meeting with the industry to secure a realistic picture of the constraints and opportunities imposed by technology and economics on fuel consumption performance. We will seek to obtain views on Canadian market demands and trends as well as fuel availability, quality and trends in other countries. We will also take into account other regulatory constraints on industry, such as emissions and safety. From that should come informed decisions on achievable, effective standards for motor vehicle fuel consumption performance, with appropriate credits for new fuels we may wish to encourage.

Through these negotiations, Mr. Speaker, through working groups and further discussions between industry and government, we hope to make clear our expectations for industry performance under a voluntary program. This commitment we see as being essential to continued mutual trust. The government has decided that the program will remain voluntary unless companies fail to co-operate. As with all government programs, we take quite seriously the process and need for regular analysis and evaluation of this program, especially in terms of its effectiveness in meeting its goals. We will be dealing with this in our annual report to Parliament under this bill. It will include an assessment of compliance with program requirements, and the impact it has on real world fuel consumption. We will be assessing the case for continuing the program beyond 1990, and for other approaches which may be required.

Again, Mr. Speaker, the key objective is to improve the flow of information concerning motor vehicle energy consumption. We are very pleased to find no reservations on the part of industry in responding to our desire for improved two-way communication. We feel passage of this bill will be a significant step toward energy self-sufficiency. We want to see this long-standing commitment fulfilled, and we will strive, in co-operation with other government agencies and industry, to ensure that the aims and objectives of this bill, an important part of the NEP, are achieved. In concluding my remarks I urge all hon. members to support this legislation.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Carleton-Charlotte (Mr. McCain)—Housing—(a) CMHC role in renewing mortgages on urea formaldehyde foam insulated houses. (b) Request that banks be instructed to renew mortgages; the hon. member for Cowichan-Malahat-The Islands (Mr. Manly)—The Economy—Closure of lumber mill in Chemainus, B.C.—(a) Protection for jobs. (b) Investment of capital outside of Canada.

• (1630)

GOVERNMENT ORDERS

[*English*]

MOTOR VEHICLE FUEL CONSUMPTION STANDARDS ACT

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. Lalonde that Bill C-107, respecting motor vehicle fuel consumption standards, be read the third time and do pass.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I want to add just a few words on this bill. I am glad that no member of this House had the gaucherie to mention that Members of Parliament beat the pages in last night's baseball game! I am glad no one pointed that out; it was a fairly close game.

This bill is really important and it has not had very much debate. It is ironic that we spend all our time debating taxes and grants to oil companies, etc. These are all things on the supply side of the equation—that is, where we get our oil and gas—and we spend very little time in committee or in debate on the demand side of the equation.

The parliamentary secretary who just spoke said that energy self-sufficiency is the goal of the energy program. But we should be talking about energy efficiency. As the hon. member for Comox-Powell River (Mr. Skelly) has said, if we looked at our demand for energy we could really make some progress in energy self-sufficiency. The hon. member for Mission-Port Moody (Mr. Rose) never ceases to point this out.

This bill deals with fuel standards for cars. Ralph Nader, the American consumer advocate who pushed fuel standards, would laugh if he read this bill. It is a very weak bill. It does virtually nothing. It sets out voluntary standards for companies. Consumption standards should be more stringent. The auto exhaust emission standards should not be sacrificed in return for better fuel consumption ratings as set out in this bill.

It seems to me that we should be talking about increased fuel efficiency and reduced pollution emissions. We should have better targets set up that are contained in this bill. The government should set its targets now as the industry is planning ahead.

This bill really does nothing out of the ordinary. It does not change anything that is happening right now. We do not set any tough standards for the industry. If we did we would give the industry something to shoot at. We have taken a second-rate approach compared to what the Americans are suggesting. Automobiles and light trucks consume about one third of Canada's refined petroleum products. Out of eight bills, is there very much in them dealing with conservation? We have something in part of the first bill and something in this bill. This bill is a Mickey Mouse nothing bill. It deals with fuel consumption standards and looks for voluntary standards. It does not set out any tough standards to follow.

It seems to me the government is making a mistake. It is another fault of the National Energy Program. In the future the government should bring in bills to deal with energy conservation that have some teeth in them so that we can get into the matter of fuel consumption.

A pattern is developing in Canada. Some of the major automobile companies are now starting to build fuel guzzlers again. I mean big cars, of course. To continue doing that will be a tragic mistake. People are beginning to think there will be a big oil glut on the world market. As a result, people are again starting to use oil and gas like there is no tomorrow. The minister said the other night we have made progress. He is right; Canadians are conserving fuel. But we have only begun to do that. We can do much more. I suggest to members opposite that they subscribe to and read a publication called "Canadian Renewable Energy News". I believe the editor's name is Mr. Jeff Passmore. I have been reading this publication lately in more detail and I have begun to realize there is a tremendous saving that we can still achieve in conservation.

We in the New Democratic Party are going to vote against this bill, not because we do not want fuel consumption standards for cars and not because we do not want to see energy efficiency, but because we want a bill with teeth in it dealing with auto exhaust emission standards and better fuel consumption standards, along with some guidelines for the industry. What Canadians need is a balance between the carrot—the advantages in price that conservation will give them—and a little bit of the stick. Canadians have to be pushed into conserving fuel. What better way to push them into doing that than imposing standards for cars, light trucks and vans which use one third of our refined products? But conservation in this area cannot be done with this bill.

This bill is typical of Liberalism. It is a halfway thing. The government thinks it is in the middle, the wishy-washy middle. Being in the wishy-washy middle is not leadership, nor will it give us energy efficiency in this country.

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, I have a couple of comments on the bill. If there has been an agreement made, I will honour it. However, I will not speak for too long. To my knowledge there will not be a standing vote on this measure. My speech will be very brief unless I am provoked.

Mr. Dingwall: Shame on you!

Mr. Bosley: Consider yourself provoked.

Mr. Rose: I want to add to what my colleague has said about the ambivalent and wishy-washy legislation before us. Certainly we have seen a reduction in the consumption of petroleum products over the last year in the vicinity of 8 per cent to 10 per cent. Canadians have reduced their consumption of petroleum products as a result of scare tactics concerning the shortage that we thought existed in oil supplies. The rationing mechanism in Canada has not been a result of consumption standards. The rationing mechanism has been price. When the price of a product is pushed up high enough and quickly enough, naturally the consumption of that product drops. That has been the most effective, and certainly the most stringent and punishing kind of conservation measure on the part of this government.

In this bill we are talking about setting voluntary standards. That is all they will be and that is all they will ever amount to unless the price of gasoline is pushed up to the point where people can no longer afford to buy it. We had what was called a marvellous victory when the Minister of Energy, Mines and Resources (Mr. Lalonde), his Alberta counterpart, Mr. Leitch, the Premier of Alberta, Mr. Lougheed, and our Prime Minister (Mr. Trudeau) got together and toasted one another with champagne over this great energy agreement they reached. They said what a wonderful thing it would be for Canadians. But what did it do? Our oil prices go up every six months. Yet I have a lot of trouble convincing my constituents who drive 50 miles back and forth to work each day—

Mr. Dingwall: In Cadillacs?

Mr. Rose: Some of them have Cadillacs, not all of them, certainly not very many who vote for me have Cadillacs, in contrast to the supporters of the hon. member across the way! I have great difficulty convincing my constituents that a price increase every six months is good for them. The distance from Mission to Vancouver is the same regardless of the price of gasoline. Many of these commuters have the same old gas guzzlers they have always had, because they cannot afford a new car.

This agreement simply amounted to a naked revenue grab by the federal government and the province. But all the plans went awry when the world price dropped. I do not know what we are going to do now. I do know that by conserving and therefore lowering the consumption of gasoline, it also lowers air pollution levels. If you do not burn as much gasoline there will not be as much emission into the air of harmful pollutants. The concomitant side benefit of lower consumption and fuel efficiency is less damage to our environment.

• (1640)

We would be in favour of more stringent standards. We know that the auto companies in the United States have asked the Reagan government to put off the imposition of the demands that the American government once had under the Carter administration for greater fuel efficiency for automobiles. These standards have been pushed back. I have a large car—not a Cadillac—which is a gas guzzler.

Mr. Dingwall: Get a bike.

Mr. Rose: I can ride a bike. Contrary to the parliamentary secretary to the government House leader, I do not always ride a hobby-horse. In any event, I am concerned that we might slip back into our old ways. It is habitual. We were just starting to learn how to conserve energy. Unless we are shown some government leadership, I am afraid we will slip into the same old pattern that we have always followed, Canadians being the supreme, number one energy gluttons of the world.

Mr. Hawkes: I rise on a point of order, Mr. Speaker. Could the hon. member repeat his last statement? I did not hear it.

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

[*Translation*]

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion, the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Call in the members.

The House divided on the motion (Mr. Lalonde) which was agreed to on the following division:

(Division No. 186)

YEAS

Messrs.

Allmand	Ethier	Leduc
Appolloni (Mrs.)	Evans	Lefebvre
Bachand	Ferguson	Lumley
Baker (Gander-Twillingate)	Fisher	MacBain
Beauchamp-Niquet (Mrs.)	Fleming	Mackasey
Blais	Flis	MacLaren
Blaker	Foster	MacLellan
Bloomfield	Fox	Malépart
Bockstael	Frith	Maltais
Bossy	Gauthier	Marceau
Breau	Gendron	Massé
Bujold	Gimaïel	Masters
Bussières	Gingras	Munro (Hamilton East)
Campbell (LaSalle)	Gourde (Lévis)	Nicholson (Miss)
Campbell (Cardigan)	Gray	Olivier
Chrétien	Guilbault	Ostiguy
Collenette	Harquail	Ouellet
Comtois	Henderson	Pelletier
Corbin	Herbert	Pepin
Corriveau	Hervieux-Payette (Mrs.)	Peterson
Cosgrove	Hopkins	Pinard
Côté (Mrs.)	Irwin	Prud'homme
Cousineau	Johnston	Regan
Cullen	Joyal	Reid (Kenora-Rainy River)
Daudlin	Kaplan	Rooney
Dawson	Kelly	Rossi
De Bané	Killens (Mrs.)	Roy
de Corneille	Lachance	Savard
Demers	Lajoie	Schroder
Desmarais	Lalonde	Simmons
Dingwall	Lamontagne	Smith
Dionne (Chicoutimi)	Landers	Tessier
Dubois	Lang	Tobin
Dupont	Laniel	Tousignant
Dupras	Lapierre	Turner
Erola (Mrs.)	Lapointe (Charlevoix)	Veillette
	Lapointe (Beauce)	Watson
	LeBlanc	Yanakis—112.

NAYS

Messrs.

Althouse	Fulton	Malone
Andre	Gurbin	Manly
Anguish	Gustafson	Mayer
Baker (Nepean-Carleton)	Hamilton (Qu'Appelle-Moose Mountain)	Mazankowski
Beatty	Hargrave	McCain
Benjamin	Hawkes	McMillan
Blackburn	Heap	Miller
Blaikie	Hnatyshyn	Murta
Bosley	Hovdebo	Neil
Cardiff	Jarvis	Nowlan
Clark (Yellowhead)	Jewett (Miss)	Oberle
Crombie	Keeper	Ogle
Crosby (Halifax West)	Kempling	Orlikow
Crouse	Kristiansen	Patterson
Deans	Kushner	Rose
Dinsdale	Lambert	Sargeant
Epp	La Salle	Schellenberger
Fennell	Lawrence	Skelly
Forrestall	Lewis	Taylor
Fraser	Lewycky	Thacker
Fretz	MacDonald (Miss)	Waddell
		Wenman
		Wright—65.

● (1710)

[*English*]

Mr. Deputy Speaker: I declare the motion carried.

Motion agreed to and bill read the third time and passed.

Generic Drugs

Mr. Deputy Speaker: It being 5.10 p.m., the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely, notices of motions (papers), private bills and public bills.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

Mr. Deputy Speaker: Shall items preceding No. 98 stand by unanimous consent?

Some hon. Members: Agreed.

USE OF GENERIC DRUGS

Mr. Hal Herbert (Vaudreuil) moved:

That an Order of the House do issue for copies of all government studies completed in the past five years concerning the use of generic drugs.

He said: Mr. Speaker, it is once again my privilege to be speaking in this Thursday five o'clock "happy hour", and the subject today is generic drugs and the pharmaceutical industry.

I should say at the outset that I am no longer interested in obtaining a House order for the production of papers, it having been amply illustrated in this session that such a House order is valueless. I have illustrated that, despite a House order for the production of documents, there is no obligation on the part of a department to supply the documents referred to in the motion. In fact it is now abundantly apparent that until the House rules are changed, it is meaningless to obtain such House orders. Therefore, since I want to air a problem, I will continue as often as I can to use this opportunity to speak about the subject in question and no longer concern myself with trying to obtain documents.

When I was first elected in 1972 the very first call I received was from a Mr. Jack Fralich, who was then the president of Hoffmann-La Roche, a major Swiss-owned multinational pharmaceutical company in my riding. He wanted to see me about government legislation, Bill C-102, and specifically compulsory licensing.

Anyone who journeys from Ottawa to Montreal or from Toronto to Montreal will observe in the constituency of Vaudreuil a huge concrete monument to Bill C-102. That huge concrete structure, which was built at a cost of something in the order of $16 million, was to be the forerunner of a $65 million plant for the production and distribution in North America of drugs from the giant Hoffmann-La Roche company. The $65 million of 1969-70 probably would be at least twice that amount today. One can see how much has been lost in terms of construction and jobs because that particular project did not go ahead.

If one passed that huge concrete structure at night, one observed that only a limited number of floors had their lights on. In other words, only a limited number of floors were occupied. The rest of the floors were empty in 1970, in anticipation of expansion, but they remain empty today, in 1982.

One can and undoubtedly will argue what the benefits of compulsory licensing have been to the consumer, but I will let someone else deal with that subject. I want to point out, though, that in that one company alone, the loss of investment in Canada, the loss of jobs to Canadians and the loss of research and development have been very considerable indeed.

A few words about the industry are probably appropriate. The pharmaceutical industry possesses many characteristics which make it interesting to economists and a concern to the public. It is an industry which deals directly with the health of individuals and, as such, there is a desire to ensure that its product is readily available to the public, both in terms of price and quantity. However, to the extent that drugs can be extremely dangerous due to improper use—or because of their very nature—there exists a strong tendency to regulate this industry. Through its role in the health care field there exist external benefits to proper drug use and, as a result, it is generally believed that a competitive solution will not be optimal. The industry is highly research-intensive. It faces an inelastic demand for its products and has the sole purchasing authority resting with an agent other than the ultimate consumer of the product. These features make the pharmaceutical industry somewhat unique and should be considered when examining the economics of prescription drugs.

The demand for prescription drugs is relatively insensitive to price changes. The person prescribing a drug does not consume it or pay for it. The consumption decision is made by an individual who is unusually familiar with the quality of the product due to his role as a physician and the practice of drug firms of providing a great deal of information to doctors in the form of advertising and visits by detail men.

The industry believes that firms which are innovative earn high profits which encourage others to copy or become innovative themselves. A firm cannot rest for long on its past achievements. It must continue to innovate in order to maintain its market share. Although at any point in time the concentration rate may be high, with some firms earning monopoly profits, the entry rate into the market will also be high. Such competition from new products will cause prices to fall directly or indirectly via quality competition.

The industry is experiencing a much greater deficit in foreign trade than previously. In addition to this, the domestic industry is supplying a smaller fraction of Canada's domestic consumption than previously was the case.

• (1720)

In answer to one of the many questions that I put on the Order Paper, the Minister of National Health and Welfare (Miss Bégin) indicated that the estimated percentage of the total national health bill spent on drugs in 1976 was 10.5 per cent. That figure is interesting if we relate it to the balance of trade in pharmaceutical products. In 1971 the negative balance of trade in pharmaceutical products was $50 million; in 1975 that imbalance had grown to $110 million and by 1979 the imbalance had reached $232 million. Once again, Mr. Speaker, those figures were supplied by the government, this time by the Minister of Supply and Services (Mr. Blais).

In Canada, patents are awarded for 17 years, although the patentee has exclusive property rights for only the first three years. After that period of time compulsory licences to produce can be awarded to other firms if it is demonstrated that the patentee has abused his patent. This is not the case with drugs; patent abuse is not a pre-requisite for the awarding of a compulsory licence. Since 1923, compulsory licences in pharmaceuticals could be granted to produce patented drugs in Canada. The 1969 changes to the Patent Act allowed for compulsory licences to import the generic equivalents to patented drugs. After the 1969 amendments to the Patent Act, patent holders have been receiving royalties of 4 per cent—I emphasize that figure, Mr. Speaker—of the total sales of licensees, which is far from a monopoly return.

The government's policy toward drug R and D appears to be contradictory. On the one hand that monopoly power is granted through patent protection in order to encourage R and D, and on the other hand monopoly power is taken away through compulsory licensing to induce lower prices via increased competition. In Canada, over 65 per cent of total R and D expenditures do not originate in industry and are therefore not subject to the profit motive. Some inventions cannot be readily copied, even in the absence of patent rights. Often the inventor possesses a head start in the application of the invention and possesses know-how concerning it which may not be readily apparent to outside observers. The inventor also has a head start in getting the ultimate product to market, which usually generates a certain amount of product loyalty among consumers.

According to the Department of Industry, Trade and Commerce, there are two criteria on which the performance of the pharmaceutical industry in Canada can be considered inadequate. These relate to its balance of foreign trade position—to which I previously referred—and the level of research and development expenditures locally. Although these reports claim that a multitude of factors could be identified, the major reasons for this poor performance are judged to be government policies and regulations concerning the industry.

It should be noted, Mr. Speaker, that here I am referring to reports of the Department of Industry, Trade and Commerce. These reports claim that the 1969 amendment to Bill C-102, the Patent Act, was a major contributing factor to the decline in Canadian pharmaceutical research and development. The arguments in these reports do not differ with those discussed in the original research branch paper of March, 1980. As with other studies taking such a position, these departmental reports equate reduced profitability of selling pharmaceutical products in Canada with reduced profitability of engaging in R and D activity in Canada.

I should like to read an extract from a letter written by the Minister of State for Science and Technology (Mr. Roberts) dated April 29 of this year. The letter is addressed to me and in it the minister writes:

> The government is very concerned about the over-all low level of research and development in the private sector and is actively pursuing a number of measures to improve Canada's performance in this area. We recognize the importance which a strong Patent system can play in encouraging industrial investment in R&D thus creating the appropriate climate for innovation.

A little earlier I referred to the first call that I received after being elected to Parliament from the then president of Hoffman-La Roche. It is interesting that one of the employees of this company with whom I have had considerable correspondence refers to the company as follows:

> —certain companies, primarily the ones with the best R and D productivity, are being driven into the ground by Bill C-102. The attitude within these companies, who have been responsible for the saving of countless Canadian lives, is becoming desperate.

Referring to Hoffman-La Roche he goes on to say:

> —now operates far below its production capacity, has shelved plans for capital expansion and is now in the process of reducing staff. The organization is trapped between falling revenue and increasing operating costs, and, not to be forgotten, also trapped between generic substitution brought about by Bill C-102 and true innovative competition.

The writer, Mr. K. S. Hardy, an employee of Hoffman-La Roche, referred me to a very interesting editorial which had appeared in the "British Medical Journal" entitled "Generic Prescribing and the Drug Industry". The following quotation is particularly appropriate in relation to the pro-generic legislation currently in effect at both levels of government in Canada:

> —generic substitution would be a clumsy and ineffective way of reducing NHS drug costs and one which might discourage foreign investment in the British pharmaceutical industry. Long-term, a worldwide trend toward use of generics could further reduce the pace and breadth of research by the pharmaceutical industry.

As I said earlier, this gentleman has written me frequently and many of the comments in his letters are particularly appropriate to the subject we are discussing this afternoon. For example, he refers to a competing company, Smith, Kline & French, which used to have a plant in Montreal but which has now moved out of the province of Quebec. He writes as follows:

> The research intensive segment of the drug manufacturing industry is the most responsible for breakthrough drug discoveries. These breakthroughs can and often do result in vast savings to the total health care system and benefit society as a whole. As an example it was calculated that prior to the discovery of the anti-ulcer drug Tagamet, hundreds of millions of dollars were spent either directly or indirectly on gastric surgery, in-hospital care, lost man-day economic contribution, income taxes, etc.

In a letter of December 15, 1981 he writes that Smith, Kline & French were the discoverers of the breakthrough drug Tagamet and goes on to say:

> Despite the well-documented proof of social contribution relative to its price, it is noteworthy that the productive research effort which gave birth to "Tagamet" has been rewarded with approval of several compulsory licences in this country.

• (1730)

> At this point in time, the first imitator is introducing its generic copy of "Tagamet" barely 4 years after the introduction of the original discovery. Because of its research productivity, Smith Kline & French has learned rather painfully that Bill C-102 penalizes the research-based firms in direct proportion to their research success.

Now, because of one major discovery, surgery, long hospital stays, mortality, lost taxes and other social costs have been so greatly reduced that the cost of the drug itself is a minor consideration and is one that has reaped monumental dividends to individuals, governments and society itself, not to mention the saving in suffering and human life. As Mr. Hardy says:

> None of Canada's major trading partners employ compulsory licensing to import. Hence, it should come as no surprise that Canada is perceived as being a "hostile" environment. Such perceptions will not change unless compulsory licensing is abolished and a fair patent system is instilled which recognizes product protection.

One of our previous Members of Parliament who eventually became a minister was Martin O'Connell, the former MP for Scarborough East. If I had the time I would have liked to quote extensively from a paper which he prepared in 1978 but I will conclude by saying, as does he:

> With the return of Great Britain to patent protection, Canada remains the only developed country with this unique discouragement to product innovation and manufacturing in the pharmaceutical industry. In both countries, compulsory licences to import issued to companies which have not incurred the costs of research and testing appear to have had a profound adverse effect on research-based companies. This is understandable when it is realized that it normally takes some ten years of research, development and clinical testing by the patentee before a new drug is cleared for sales and that it may soon be overtaken by a new discovery, let alone licensed to a company interested only in manufacturing the products developed by others. But one need not look only to the British decision; good and sufficient reasons exist in Canada to modify the nine-year-old Canadian system of compulsory licences to import alternative generic products.

Because of my cough and for other reasons, Mr. Speaker, I should conclude here. I think I have amply illustrated that whatever benefits the consumer may have received from compulsory licensing in Canada, the cost in jobs, construction and investment has been very high indeed.

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, I might start by suggesting to the previous speaker that there are a number of brand and generic drugs which could be used to help his throat. Perhaps we can talk about that later.

This motion, Mr. Speaker, reads:

> That an Order of the House do issue for copies of all government studies completed in the past five years concerning the use of generic drugs.

The surprising thing is that this motion is even required and that we have not by now observed the kinds of things the previous speaker talked about concerning the impact on the industry, the market share of generic drugs in Canada, what the impact has been on research and development and therefore on jobs, and, in particular, on the quality of pharmaceuticals provided for Canadians.

The word "generic" is perhaps a misnomer; in a sense, all drugs are generic. What we are really talking about is whether or not a particular company with a particular brand name has the protection which would encourage it to do further research and development and other things necessary in order to produce drugs for human use.

An important aspect as well is the question of the responsibility the Canadian government has in this area. Because of the number of government supported drug plans for senior citizens, the government is directly involved in the question of which drugs or combination of drugs, generic or otherwise, are covered. The critical point here, which the previous speaker was trying to get at and which caused him to propose this motion, is that the drug companies with operations in Canada would have a degree of protection, which they do not now have, and which would provide the stimulus for them to carry on their operations in Canada.

One of the first questions in a discussion on that subject is whether or not in fact, even with their operations in Canada, they are doing research and development here and not in other countries. As the hon. member suggests, that would mean increased employment opportunities for Canadians. There is no question that, with the changes in the patent law and with the loss of some of the protection the companies had before, there was a major shift in this area. In some way that in fact benefited Canadians. This occurred through an influx of generic drugs which could be very efficiently produced at a very low cost.

The question is whether or not we had the necessary standards of quality by allowing these relatively non-controlled sources of drugs to enter Canada. It is clear that in some cases drugs of poor quality entered Canada, drugs which did not have the beneficial effect they were meant to have when prescribed for a particular disease. One of the drugs which was discovered to be a problem was, of course, tetracycline. It is well known that the standards of that particular antibiotic when it was imported into Canada were well below that which would be expected either by a medical practitioner or the patient receiving therapy. There was a very serious question as to standards, and that to me is one of the most important aspects of this matter.

In addition to the standards, an interesting question is whether or not we as a government have been following the quality of those drugs. Clearly a responsibility the government has to the Canadian people is to ensure that the quality of the drug being offered in Canada is good. Recently we have had a number of examples, particularly in the area of pesticides, where the quality of different chemicals allowed into this country has not been acceptable. We have ended up accepting the word of independent companies which have been used by different drug companies for testing of products to prove they were acceptable and would not cause ill effects should they be used in a particular way. DDT is an example of that. DDT levels build up. It is difficult to get rid of DDT. DDT has detrimental effects. Thalidomide is another example. The testing process there was important. Testing of drugs to determine whether or not they are acceptable for human consumption is very important.

• (1740)

The federal government has a responsibility for drug standards, but it has not been seen to be completely effective in the past. All of us would, I think, want to take a serious look at this. I would question whether we have been following in a responsible and effective way the quality and the standards of generic drugs that are imported into Canada. I suspect the answer to that question is no, that we have not. I know we have improved our assessment to some degree, but I suspect there is a lot more that we could do. It would be interesting to find out what studies we have had on generic drugs in that respect in addition to the economic effect.

Mr. Blaikie: None at all.

Mr. Gurbin: I hear the hon. member for Winnipeg-Birds Hill (Mr. Blaikie) say none at all. That is the point.

I will come back to the main argument put by the hon. member who proposed this motion. We have to examine the viability of the industry to provide drugs for Canadians at a reasonable price. There are Canadians with certain diseases who require large amounts of drugs over long periods of time. These drugs are important to their health. The cost of them can use up a major portion of a family's income. This can put severe stress not only on low-income families but on middle-income families as well. It is not unusual for patients to spend $100 per month on drugs for long periods of time. There are drug plans in which patients can become involved. Most people who face long periods of drug therapy eventually are able to get into some kind of drug plan. If not, there may be some assistance through some level of government.

Mr. Blaikie: The NDP government has Pharmacare.

Mr. Frith: Even the Tories have it.

Mr. Gurbin: No matter who has to pay, whether the government collects the money and then gives it back in the buying of votes or whether it is the people themselves who pay, it costs somebody something. There has to be a balance. Maybe this balance is out of line, but we will not know until we get the information that is being asked for in this motion. We have no way of assessing whether or not that balance is in line.

We are told that the research and development levels of drug companies which produce brand name products as well as new products are decreasing significantly. Surely there are other ways that governments have to improve the research and development climate for a company. In addition to the massive amounts of time and effort that are involved to produce a new product and eventually bring it on to market is the problem of financing. We have to think also of the general business climate and the confidence companies have in Canada. There are a whole raft of reasons for lack of confidence. First is the lack of confidence in the Liberal government today, the provisions imposed by FIRA, the interest rate levels and the general decline in the economy. Right now a drug company would have to consider seriously doing anything in Canada. Until that climate changes there will not be much change in the kind of activity going on in Canada today. The essential ingredient of confidence and the climate to stimulate the testing of drugs is not here. It is not quite as simple as getting

papers, although I think that is important. We on this side would strongly support that initiative. We would like to see testing of generic drugs as well as a number of other things which the federal government has responsibility for in health care, on behalf of all Canadians.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I am not sure how much time I have. I hear that we may be called out of this chamber to attend the Senate.

I do want to say a few words about the whole question of drug testing. The motion put forward by the hon. member for Vaudreuil (Mr. Herbert) calls for copies of studies done by the government over the last five years having to do with the use of generic drugs. I am not sure just how many of those kinds of studies there are. I know there is an inadequate number of studies, indeed if there are any, on the effects of drugs which are on the market in Canada. It is a fact that some drugs on Canadian pharmacy shelves have never been properly tested. They may be dangerous to the health of Canadians.

Information made public recently under the freedom of information act in the United States clearly shows that in the case of at least 16 prescription drugs presently in use in Canada, the Department of National Health and Welfare have not properly protected the health of the Canadian public. Health and Welfare Canada commonly authorizes the sale of powerful new drugs based on testing done by the drug manufacturers themselves. In our view, it is irresponsible for the government to rely on private companies who manufacture the drugs and sell them also to test these same drugs. This is an obvious conflict of interest in our opinion and is something that ought to be rectified.

The Food and Drug Administration in the United States has recently found cases of misrepresentation, fraud and falsification of test results in U.S. drug testing laboratories. One hundred and twenty seven laboratories have been found to be in violation. Forty three doctors were suspended and another 24 are under investigation. The FDA caught up with one doctor who had been making up results by picking EKG tests out of a garbage can and assigning a name to a test result. Yet the federal government refuses to change the law to require that drug testing be done in Canada and at more reliable locations than the drug manufacturers themselves. For instance, these tests could be done in our Canadian universities.

The present system for testing drugs has to be changed or we will see and hear more of the horror stories that we have witnessed with regard to some of the drugs that are now on the market. I refer to the near fatal experience of a woman in Oakville, Ontario. This woman had been taking the drug clindamycin. This woman was given clindamycin in 1973 for a minor nasal infection. Within a couple of weeks she was near death from colitis. In the years since she has had a series of eight operations, and most of her intestines have been removed. It turns out the company that marketed the drug, the Upjohn corporation of Kalamazoo, Michigan, carried out clinical trials in 1969 which showed the drug to cause colitis but did not inform Canadian officials until 1974.

• (1750)

With regard to drugs, pesticides and other hazardous substances, the government must recognize that it cannot trust the drug industry to tell the truth. It will simply just have to be more vigilant. This would involve implementing some inspection programs in Canada. It would be a matter of inspecting laboratories and looking over the shoulders of doctors who conduct the tests. The government must come to realize that the situation whereby people involved in the conflict of interest which I earlier described, where the drug manufacturers themselves do the testing, cannot continue any longer if the health of Canadians is to be protected.

We should have research conducted on hazardous substances, as I suggested recently in this House in a Standing Order 43, by a national hazardous substances research council or similar body through which we would have the confidence that tests were being conducted by an independent body whose only concern was to discover, in an accurate, honest and scientific manner, what the possible side effects of various chemicals in the environment or drugs on the market might be. If that were to happen, I believe the Department of National Health and Welfare could truly be said to be looking after the health and welfare of Canadians, rather than sitting by with an either naive or diabolical confidence, I am not sure which, in information provided from the United States about drugs that are on the market.

A good example of this which I would like to mention is the anti-nauseant drug, Bendectin, which is prescribed for pregnant women. This has been a subject of controversy for several years since it has been suspected, although not definitely proven, to be a cause of birth deformities. It is the only drug which exists solely for use by pregnant women in their first three and most vulnerable months of pregnancy. I might add that it is also made by Merrell Labs, the company that has been dogged by doubt ever since it marketed thalidomide in North America.

Bendectin has been on the domestic market for 23 years, but in recent years it has been plagued by suspicion that it is a teratogen, which in layman's language is a drug or chemical that causes congenital malformations and defects in human and animal fetuses. Two recent studies show a statistically significant increase in birth defects in children born to women who took Bendectin.

The first study, conducted by Doctor Jose Cordero, reviewed 250,000 births. This was done at the Centre for Disease Control in Atlanta. The study associates Bendectin with such defects as missing hands and feet.

The second study, which was released in September, 1980, by Doctor Hershel Jick at the Boston collaborative drug surveillance program, suggests that Bendectin is a moderate teratogen on the limbs. Doctor Jick's report indicates that something less than five birth defects might be expected for every 1,000 women taking Bendectin during the critical early stages of pregnancy.

We have spoken with Dr. Donald Patterson who has been attempting to get the ear of the Medical Association and/or the Canadian government on the Bendectin issue. Dr. Patterson believes that Bendectin should be allowed to remain on the market but should only be used as an anti-nauseant for non-pregnancies only. That is to say, for motion sickness, chemotherapy effects and so on. Enough suspicion has been aroused in the United States regarding the safety of the drug that patient package inserts are included with each prescription. These inserts contain information on the risk and benefit considerations involved in taking Bendectin.

The most that has been done in Canada is that Bendectin is now sold by prescription only rather than over the counter as before. But in all these cases, whether we are in committee or in whatever forum where we have the opportunity to question the government on these matters, we find that all the government can do is quote from tests which have been done by private manufacturers in the United States who have an interest in the marketing and promotion of these products. What we in the NDP say is that this situation cannot go on any longer. We live in a modern society which has a great number of substances, whether chemical or pharmaceutical, that we have to contend with. In Canada we are virtually at the mercy of people who have an interest in making profit out of the promotion of these substances.

This brings us right back to a basic philosophical argument. Are these substances to be produced for profit or for the health and use of the Candian people? We would like to see the profit motive removed from these matters, particularly from the testing of these particular substances.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I should like to thank the hon. member from Vaudreuil (Mr. Herbert) for bringing to the attention of the House of Commons the subject of the use of generic drugs in Canada.

It is to the credit of the member that he is concerned about this matter. It certainly does concern Canadians who need medication, particularly those who need drugs for acute illnesses and the many who need them for the curing of chronic illnesses or keeping these illnesses under control.

In all such cases, those who need relief from pain and suffering greatly value the achievements of the drug industry over the last few decades. World wide, the pharmaceutical industry has developed, tested and introduced many new products with extraordinary powers to ease the afflictions which have burdened men, women and children for centuries. There is no doubt that these accomplishments have made a significant contribution to the progress of mankind.

I am sure that the hon. member for Vaudreuil would agree that people suffering from illness need these medications at a reasonable price, especially if they need them for a long time or even permanently.

The hon. member has asked about government studies completed in the past five years concerning the use of generic drugs. With respect to the Department of Consumer and Corporate Affairs, it has initiated three studies in the course of the last ten years.

Mr. Deputy Speaker: Order, please.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable the Senate.

Accordingly, Mr. Deputy Speaker with the House went up to the Senate chamber.

• (1800)

And being returned:

Mr. Deputy Speaker: I have the honour to inform the House that when the House did attend His Honour the Deputy to the Governor General in the Senate chamber, His Honour was pleased to give in Her Majesty's name the Royal Assent to the following bills:

Bill S-19, an Act to provide for state immunity in Canadian Courts—Chapter No. 95.

Bill C-58, an Act to amend the Canada Elections Act—Chapter No. 96.

Bill C-114, an Act to amend the Unemployment Insurance Act, 1971 (No. 2)—Chapter No. 97.

Bill S-25, an Act to amend the Act of incorporation of the association known as "The Army, Navy and Air Forces Veterans in Canada".

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-103, an Act to amend the Petroleum Administration Act and to enact provisions related thereto, as reported (with amendments) from the Standing Committee on Energy Legislation.

Mr. Deputy Speaker: With the little time available to the Chair, I have been able to take a cursory look at the motions and it would be my intention that they be dealt with as follows: Motions Nos. 1, 2, 3, 6, 7, 8, 9, 10 and 11 should be debated and voted on separately; motions Nos. 4 and 5 could be debated together and voted on separately.

Mr. Jim Hawkes (Calgary West) moved:

Motion No. 1

That Bill C-103, an Act to amend the Petroleum Administration Act and to enact provisions related thereto, be amended by deleting clause 12.

He said: Mr. Speaker, this is the first of the energy bills to be debated in this chamber subsequent to the Standing Committee on Energy Legislation finishing its work. That work was completed at approximately 12.30 this day. It speaks to the difficulty that the energy committee has endured under the special House order, where hon. members of that committee have frequently been required to be in two places at the same time. It is a pleasure to be standing here this evening with no sense that the committee is meeting simultaneously with the House and that hon. members will have to make a choice as to whether to participate in the hearings of the legislation before committee or in this chamber.

• (1810)

I think it is wise at the outset to remind Canadians that Bill C-103 is a consequence of the bell-ringing which took place in this Parliament for 16 days. Members of the Canadian public may recall that the Progressive Conservative Party quietly, over a period of one year, attempted to tell the Minister of Energy, Mines and Resources (Mr. Lalonde) that it was wrong to bring in the kind of legislation proposed in Bill C-94. It was legislation that had far too many topics inside it, legislation that the minister intended to be debated in this chamber and in this chamber alone.

What the minister of energy wanted the Parliament of Canada to do was to deny Canadians the right to be heard as witnesses before a committee. There was a democratic principle at stake, Mr. Speaker, and we won that democratic principle on behalf of Canadians. We have had a committee. But it is a tragedy that the House leader chose to bring forward bills for debate in this chamber at the same time as the committee was meeting.

That procedure is exemplified by the fact that Bill C-103 was reported back to this chamber, a 50-clause bill, with 11 amendments already accepted by the government. Those amendments were accepted because of the work done by committee members and the work done by witnesses before the committee. However, the tragedy of Bill C-103 as it sits before us this evening is that so little of what those witnesses told the committee appears in the form of amendments.

Mr. Speaker, this bill is still so bad that there is a temptation to move amendments on each and every clause, but there is a danger in that, because we have a limited time to debate and if we were to move so many amendments it would be difficult for the Canadian people to focus on what is wrong with the bill.

I say to the Canadian people, those who are watching at this moment in time and those who may read about our debates, that the official opposition, the Progressive Conservative Party of Canada, attended each and every one of the committee meetings.

Some hon. Members: Hear, hear!

Mr. Hawkes: We spent seven and one half to eight hours on many days. We examined, in the most minute detail, each of the clauses in this bill.

Some hon. Members: Hear, hear!

Mr. Hawkes: We will stand in this chamber and we will vote for the proposed amendments. And we will vote against the bill, because it is still a bad bill. We would like to invite government members, Liberals who were elected in this country in 1980, we would invite them, some of the independent thinking members on the other side, to consider the wisdom of each of the separate amendments. We invite them to think over their responsibility to their constituents, their responsibility to this nation, and join with us through the amending process in making a bad bill at least a little bit better.

Experience has taught us in this Parliament, Mr. Speaker, that the squeaking wheel gets the grease, that power is the name of the game. Unless those watching this debate, or reading about this debate, care enough about the country to pick up a telephone or pick up a pen and communicate their thoughts and their feelings to those members, then experience tells us that they are not likely to change, for some reason best left to them to explain. They bow to the squeaking wheel of public opinion; they do not bow to logic; they do not bow to what is good for the nation. But if enough Canadians across the country pick up a pen, pick up a telephone, and communicate their thoughts and feelings to a Member of Parliament, they can tell them clearly that they should support some of these amendments.

I urge people to listen closely to the logic of that. If Canadians are persuaded, then time is short. This bill will become law sometime next week unless members of the Liberal Party of Canada who were elected to serve in this chamber can be persuaded otherwise by their constituents and, let us hope, by the eloquence in this chamber. Common sense dictates, the health of the nation dictates, that the amending process required for this bill continue.

I would like to put into context, Mr. Speaker, a kind of schema, a kind of report card, that people can use for measuring the wisdom of a proposed amendment. There are many ways to develop a way of measuring a topic as important as this. I am trying to make it simple, Mr. Speaker. I suggest that there are four criteria that members opposite should look at before they decide whether or not an amendment is a wise one.

The first of these is: does the amendment provide any increased degree of protection for the consumers of oil and gas and the products thereof? Canadians should realize that when they go to the local service station and buy a gallon of gas today, the price they pay at the pump is greater than the price they would pay in many parts of the United States of America if they were to drive south. It makes people wonder about the campaign promises to keep the world price below 75 per cent, when they can just drive south of the Canadian border and buy gasoline cheaper than they can here. If they are wondering, then they should know that on average 65 or 66 cents out of every dollar that they pay goes to government in the form of

taxes. The gasoline they put in a car, that they pay a dollar for, is worth 35 cents. When they buy oil to heat their homes, it is a similar situation. This bill has many taxing provisions in it, Mr. Speaker, and consumers will pay. Your costs as Canadians will go up if you give the Minister of Energy, Mines and Resources the authority that he wants to raise your taxes. So people should look at an amendment and see if it will help the consumers.

Second, Mr. Speaker, in the climate in Canada today, Canadians should look at an amendment and see if it will help this country with jobs. Tomorrow we get the unemployment figures. Last month we had almost 1,300,000 unemployed. That makes you look at an amendment to see whether or not it has the wisdom of helping this nation and the Canadian people to have a job, a job instead of an unemployment insurance cheque, instead of a welfare cheque. A job—that is what Canadians want. To this point the policies of the Minister of Energy, Mines and Resources have cost this nation hundreds of thousands of jobs.

• (1820)

On Monday evening the minister announced the injection of $2 billion into the oil and gas industry, and that was a clear-cut admission that the energy policies of the past 18 months have been bullheaded, badly designed and harmful to this nation. They cost us jobs. We can see that in a direct sense in western Canada because rigs are not drilling. Truck drivers do not have trucks to drive. Caterpillar operators do not have caterpillars to operate because there have been auction sales, and the Americans have come north to Canada and bought that equipment for less than half price. The American industry has boomed, and our jobs have disappeared. That is a consequence of the policies of the Minister of Energy, Mines and Resources.

People in Ontario and Chicoutimi who worked for companies which provided parts for vehicles have been laid off, but it is very hard for them to see that they have lost their jobs because—in part, at least—the Minister of Energy, Mines and Resources has led this nation astray, with the advice and consent of backbench members of the Liberal Party.

Those are the first two. Does an amendment protect the consumer? Does an amendment help us get more jobs? My third criterion for judging an amendment is its impact on the economy and, in particular, its impact on interest rates. With his policies the Minister of Energy, Mines and Resources has encouraged Canadian companies to go on buying sprees. He has encouraged them to borrow money abroad. Even today we have further evidence of the consequences of that distortion of the Canadian economy. Increased borrowing of capital has driven down the value of our dollar, and that has caused interest rates to jump one half of 1 per cent today.

Canadians sometimes have difficulty seeing that government is their competitor in the marketplace when they borrow money. When they try to get mortgages for their homes, mortgage money is being auctioned off, and they are bidding against their own government. Their own government can take money out of their pockets through taxes as well as outbid them. The cost of borrowing grows and grows.

The federal government is the prime culprit in this country. The Minister of Energy, Mines and Resources told us last Monday evening that federal revenues would fall $25 billion short of his projection. If the response of the government is to go back to the marketplace to borrow that amount, interest rates will continue to rise. Small firms and farms will continue to go bankrupt, and people will lose their homes.

Energy policies are not the total cause of our difficulties, but they are a very important factor, and each and every amendment should be screened against that criterion. Will an amendment help bring interest rates down? If we do not have the amendment, will interest rates climb higher?

The fourth criterion is whether an amendment helps our democracy. In theory this chamber is a place for debate. In theory a committee is a place to examine witnesses and to reach independent conclusions. But in reality all of the eight bills in the present energy package attempt to transfer power away from democratic systems and into the hands of a small group, the cabinet. Those of us who work in the Parliament of Canada as elected members know the kind of schedules cabinet ministers have and the amount of time they have to examine any particular piece of legislation in detail. It is darned little, and each time a piece of legislation comes forward in this chamber, it is flawed. It is usually seriously flawed; that is a consequence of a process. Cabinet ministers are too busy.

This bill seeks to transfer enormously increased responsibilities to a minister who has already demonstrated clearly and unequivocally to Canadians that he cannot handle well the responsibilities previously assigned to him. Why in the name of sanity, when that is so unequivocally clear, would we attempt to give that individual increased responsibilities?

I would like to repeat the four criteria for an amendment. Does it protect consumers? Will it help us get more jobs? Will it help our economy and keep interest rates down rather than allow them to go up? And will it enable elected people to do their jobs and to be of assistance to the government in screening legislation and making it better?

I hope members of the New Democratic Party will pay attention to the speeches made by members of this House of Commons, because one of the real disappointments in the Standing Committee on Energy Legislation was that of the 31 or 32 members—I forget the number—of the New Democratic Party, we saw only one of them in those weeks of committee study. The remainder did not come and did not learn. Sitting in this chamber they probably still do not understand.

Mr. Anguish: Should we have a quorum count now when there are only two members of your party in the House?

Mr. Waddell: Mr. Speaker, I rise on a point of order. These are ridiculous charges. The hon. member has just asked how people can be in two places at the same time. How can they be

in other committees, in the House, and in the Standing Committee on Energy Legislation at the same time? The hon. member cannot have it both ways. The hon. member should be fair.

Mr. Anguish: Typical Tory.

Mr. Nowlan: That is not a point of order.

Mr. Waddell: It is Tory crap we have to take day in and day out in this House.

Some hon. Members: Hear, hear!

Mr. Hawkes: Mr. Speaker, it was also disappointing—

Mr. Waddell: Get to the point of your speech.

Mr. Hawkes: It was also disappointing how many times there was no member. For instance, there was no member this morning—

Mr. Waddell: Stop talking about the past and get to the present.

The Acting Speaker (Mr. Blaker): Order, please. The Chair was alerted about two weeks ago by an hon. member to my left on whether hon. members should comment on the presence or absence of hon. members either in the House or in committees. I have had the advantage of looking at some of the precedents in that regard. Without access to the precedents right now, I think perhaps it would be reasonable to suggest to the hon. member for Calgary West (Mr. Hawkes) that some caution be used in referring to the presence or absence of members either in the House or in committees. I say with caution because, quite frankly, the precedents I have seen do not refer to presence in committees. They refer to presence in the House, but I think with that caution expressed to the hon. member, which is done as a service to him and not in criticism, he may wish to consider how he chooses to express himself now.

Mr. Waddell: Mr. Speaker, I rise on a point of order. It should be pointed out that there are four Conservative members in the House to listen to this "dynamic" speech.

Mr. Anguish: One is a Liberal sitting on this side.

Mr. Waddell: I am sorry, Mr. Speaker. There are three.

The Acting Speaker (Mr. Blaker): The Chair just explained the question of commenting on the presence or absence of hon. members. I hope the hon. member for Vancouver-Kingsway (Mr. Waddell) will consider those remarks.

Mr. Waddell: Mr. Speaker, I rise on a point of order. We have a long evening ahead. We are dealing with a number of amendments. I respectfully suggest to the Chair and hon. members that hon. members should have to deal with the amendments. If they do not deal with the amendments, they should be called to order. That is the only way we will get through these bills.

• (1830)

Mr. Hawkes: Mr. Speaker, as usual your wisdom is most welcome and worthwhile. I shall refrain from commenting further.

Some hon. Members: Hear, hear!

Mr. Hawkes: I want to point out to Canadians and members of the chamber that the detailed proceedings of the committee are published. Every word spoken in committee is available to Canadians across the country through our journals system, and there they can find out who asked the questions and who was present for the votes. I would urge groups like the Consumers' Association of Canada, which sent a brief about its concerns, to read what happens in question period and learn who is the protector of consumers—

Mr. Waddell: Mr. Speaker, I rise on a point of order. I respectfully suggest that we should insist upon relevance in this House. There is an amendment before the House which deals with a transportation tax for air carriers and maritime carriers. We are not in committee and we are not talking about how many members are in the House. Let us deal with the amendment.

The Acting Speaker (Mr. Blaker): The hon. member for Calgary West (Mr. Hawkes).

Mr. Hawkes: Mr. Speaker, as I was saying, we can read the transcripts and see who asked the questions about the transportation tax. We can find out who was present to vote on it.

The Acting Speaker (Mr. Blaker): Order, please. The Chair has made every effort to watch the problem resolve itself rather than attempt to rule on it. The fact is that the hon. member for Vancouver-Kingsway (Mr. Waddell) is quite correct; there is a rule of relevancy in the House. It is so rarely observed that I thought we might escape the issue by carrying on. But now I have to ask the hon. member for Calgary West if he would address himself to Motion No. 1 standing in his own name.

Mr. Hawkes: Mr. Speaker, Motion No. 1 deals with the minister's decision, through a ways and means motion which was never approved by this House but simply approved by cabinet and the minister, to put a tax on aviation and marine fuel. That tax existed for nine months. It brought revenues to the federal government from the aviation side of the transportation industry. In the process of collecting that tax the government discovered it had an international agreement with other nations and that the tax ran counter to that agreement. The testimony from the minister is clear and unequivocal: that tax will be rebated to international air carriers but will not be rebated to Canadian air carriers.

I want the House to visualize just how unfair and unjust that is for consumers, for employment, and for our economy generally. For example, Wardair, a Canadian-owned air transportation company, does 98 per cent of its business on international routes. The Canadian government has decreed

that in the industry, when Canadians compete with a Russian, French, British or American airline flying from a Canadian airport to an airport in another country on the same route, the Canadian company shall pay 25 per cent more for fuel in this country than those foreign carriers.

That defies logic, it defies common sense, and it hurts. The airline industry in Canada is laying people off. Recently Air Canada reported a $27 million loss. It is an interesting coincidence that its increased tax bill was $26 million.

What the government decrees in Clause 12 of this bill is that Canadian companies shall be rendered non-competitive relative to foreign companies that fly in and out of Canadian airports. That is the first reason why this amendment to delete the clause should be supported. If the House were to vote to delete that clause, then the government would have no choice but to rebate the money to Canadian air carriers and thus treat them in a fashion consistent with the way carriers of other countries are treated. Where is the logic in penalizing a Canadian company and offering a bonus to a foreign company that competes with us?

The government says that a Canadian airline that flies from Canada to New York shall pay more for its fuel than the same size airplane on American Airlines which flies exactly the same route. That is insanity. It is a prescription for bankruptcy, a prescription for job loss. It is insanity. I defy any member of the Liberal Party who sits in this chamber to defend the logic of penalizing a Canadian company and bonusing a foreign company that is in direct competition on the same route. Hon. members opposite should stand up and give one sensible reason why any member of the House should vote for that principle.

Let us consider what we were told by the marine industry, Mr. Speaker. There are 17 ships at berth that have no cargo; they are sitting idle. We were told this is because these provisions have increased their costs to the point that they cannot compete with alternate modes of transportation. Two thirds of the cargo which our Great Lakes shipping fleet has traditionally carried from American producers to Baie Comeau for shipment around the world, has been lost for one reason, and that is the federal government's determination to collect a special tax from our shipping industry. That is the consequence of Clause 12, Mr. Speaker. We were told that the amount was $5 million, but the loss in Seaway tolls is $4 million and the loss to companies in increased paper work is at least $500,000. That is without even considering that if the sailors were employed and paid income tax, more revenue would be generated.

That is the consequence of Clause 12, Mr. Speaker. It gives me pleasure to move that it be deleted. I would remind hon. members that to support the motion would be to remove the discrimination that has cost so many jobs and has increased the cost of airline fares and cargo. It works its way through the economy, Mr. Speaker. We develop a transportation network that works reasonably efficiently when we allow transporters to compete. We have trucks, we have trains, we have ships, and we have planes. In his wisdom the Minister of Energy, Mines and Resources, not the Minister of Transport (Mr. Pepin), has said that two elements of the four shall be made non-competitive. Why did he pick on ships and planes? The answer we got in committee was because it is administratively easier to tax ships and planes and the fuel they use than it is to tax trucks or trains—no economic logic, no consideration of the repercussions on jobs and costs; simply that it is administratively easier to collect a tax from those two elements of our shipping industry.

• (1840)

In conclusion, Mr. Speaker, hon. members will discover in other amendments and motions that the same lack of logic, the same harmful consequences exist. I urge members of the Liberal Party in particular, perhaps in caucus or in some special committee, first to learn about these amendments, why they have been proposed, what they would do that would be good for this nation, and then mount a lobby group. We watched the lobby over the concerns to Hydro-Quebec and Ontario Hydro, and it worked. The minister changed what the members wanted him to change. I invite them to form a similar lobby to support this party in passing the amendments we have proposed and which they think make sense.

I look forward, Mr. Speaker, to a member of the Liberal Party standing in this chamber and telling me why this first amendment does not make sense. All it seeks to do is to treat aviation and shipping in a manner consistent with the way we treat trains and trucks. It further seeks to treat a Canadian company as well as we treat a foreign country air carrier. It provides no special advantage for the Canadian carrier; it simply takes away the disadvantage which the minister said Canadian carriers must bear. We must do that as quickly as we can, before those carriers face bankruptcy.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like to speak on this amendment on behalf of the New Democratic Party. I listened carefully to the words of the hon. member for Calgary West (Mr. Hawkes). I noted how much he loves to speak. In fact, words come out of him sort of like excrement coming out of a goose.

Some hon. Members: Oh, oh!

Mr. Waddell: He goes on and on and, it seems to me, hardly deals with the matter in question. If he looked at the committee meetings, which we both attended, he would find that the essential—

Mr. Taylor: Mr. Speaker, the hon. member raised points of order because the hon. member for Calgary West (Mr. Hawkes) mentioned the committee. He is now doing exactly the same thing. If it is to apply to one member, it should apply to all.

The Acting Speaker (Mr. Blaker): The Chair may be confused. It was an earlier expression of the hon. member for Vancouver-Kingsway (Mr. Waddell) which had preoccupied my mind and I was expecting that to be the point of order the hon. member for Bow River (Mr. Taylor) was raising. I

listened attentively to the hon. member for Vancouver-Kingsway—the hon. member for Annapolis Valley-Hants (Mr. Nowlan) on a point of order.

Mr. Nowlan: Mr. Speaker, I heard the expression used by the hon. member for Vancouver-Kingsway (Mr. Waddell). The hon. member was getting into the barnyard and talking about excrement. Knowing that he comes from Vancouver-Kingsway, which is sort of an urban riding, I really do not know whether he has seen a goose in his life. But certainly when we listen to him in this House we know what we are looking at when he talks, and that is a sort of goose which speaks English. However, we have not gotten down to the bladder or the udder and, quite frankly, I go right back to what the former right hon. member for Prince Albert said here in this chamber many years ago. When you are dealing with gas policy, or when you are dealing with large national issues, and/or if you are following elephants, you do not go after rabbit tracks. Certainly, Mr. Speaker, when you are in a contest with a skunk, you certainly do not try to match him at the hydrant.

Mr. Waddell: Is that a point of order, Mr. Speaker?

The Acting Speaker (Mr. Blaker): I am going to deal with the reference made by the hon. member for Vancouver-Kingsway because it has now come to the floor.

Mr. Nowlan: That is what I was protesting.

The Acting Speaker (Mr. Blaker): Hon. members will recognize that some words are considered unparliamentary. Matters have even got to the point where there is a list of those words. My recollection, which may be reliable, is that no other hon. member has yet caused the Chair to rule on the particular expression he used. However, there is another matter related to unparliamentary language, and that is that the Chair has a responsibility to judge whether the remarks were made in a certain temper or mood within the House. In that regard I would appeal to the hon. member for Vancouver-Kingsway to keep the chamber as cool as possible or, if he chooses to heat it up, to do so by an address to the motion in front of him rather than by personal remarks to other members.

Mr. Waddell: Of course you are right, Mr. Speaker, and I will not pursue that line. I will try to take my own advice and get down to the matters at hand.

Some hon. Members: Hear, hear!

Mr. Waddell: Although I might say I cannot think of anything more Canadian than goose and gander.

We are dealing with an amendment having to do with a transportation tax. If I could put it very simply, the problem is as follows. We started out with a tax which would stop foreign operators from coming in and picking up cheap fuel in Canada. But what we heard in committee—and this was my only reference to the committee—from the airlines, was that we now have a situation where fuel is more expensive for Canadian carriers. It goes further in that we gave a rebate to foreign carriers but not to Canadian carriers. So it really represents a sort of zig-zag government policy, which is, I suspect, part of the reason the hon. member brought in his amendment. I just wish he had gotten right down to it and said that.

In the couple of minutes I have I want to show how that problem still exists in another area of transportation, namely, the marine transportation field, and to show that Bill C-103 discriminates against that industry. I have a particular interest in the marine industry because, as the hon. member for Annapolis Valley-Hants (Mr. Nowlan) pointed out, I do come from the west coast and this is of some interest to the shipping people out there.

I want to point out that American barges are competing with Canadian barges in supplying bunker oil to ships in Vancouver Harbour. The price difference is as follows: the Canadian price is $1.68 per gallon, and the American price is $1.38 per gallon. As a result of Canadian prices being higher than American prices, Canadian suppliers are suffering.

• (1850)

I talked to Colin Park, who is manager of the oil division of Seaspan International Ltd. which does 95 per cent of the ship bunkering in Vancouver, and he told me that his company's business is down 25 per cent as a direct result of the price difference.

Tom McGrath, president of the seaman's section of the CBRT on the west coast, is a well known labour leader. He is very colourful. He is very quick to pick up issues on the coast which hurt his membership and ordinary workers on the west coast. Mr. McGrath confirmed that the problem has meant unemployment for his members.

I am told the difference to which I referred, between the American and Canadian price, is not solely due to the tax we are talking about in this bill. You have to realize the B.C. government has also imposed a tax on bunker fuel in the amount of $5.66 a barrel. There is also a charge which we call the TFCRC that we are talking about, of approximately $3.25 per barrel. As a result we have a situation on the west coast where the difference between the Canadian and the American price is about $6 per barrel.

We heard the parliamentary secretary say not to worry, that Canadian prices are always cheaper than American. The average price of heavy bunker fuel in Canada now is about $31 to $35 per barrel. Canadian refiners on the west coast who supply Seaspan International are faced with the choice of either losing money or losing business. They seem to be doing both. I am told they are absorbing much of the dollar loss while the suppliers like Seaspan are losing business. I am informed that the P & O Steamship Line, which company brings in its colourful cruise ships and tourist trade to Vancouver, usually has three cruise ships bunkering in Vancouver every summer. But this year the P & O line has not asked for Canadian bids at all. Mr. Park says that he is afraid this business is being lost to Americans.

I put these matters to Admiral Timbrell, who testified before the committee. He agreed these were problems. On May 2, 1982, in the House of Commons, the hon. member for La Prairie (Mr. Deniger), a Liberal Member of Parliament, asked a question of the Minister of Energy, Mines and Resources (Mr.Lalonde) concerning this matter. As reported on page 16095 of *Hansard* he said:

> Could the minister inform the House whether he agrees with statements made by representatives of the Canadian shipping industry who held a convention here in Ottawa this week? They felt that levying the surcharge on marine fuel expended on international voyages in inland waters on Canadian entrepreneurs was discriminatory, and also that the surcharge was an infringement of the National Transportation Act, since it applied only to marine transportation and not to railway or highway transportation, and finally, that a large part of the traffic in American goods carried by Canadian entrepreneurs would now be carried by American shippers who, as a result of the surcharge, would now be economically more attractive.

That states the case for the opposition, a case which was raised by the hon. member for La Prairie. I put that same question to Admiral Timbrell in the committee. I also quoted to Admiral Timbrell the answer given by the minister in the House. The minister said that it was not a problem. Admiral Timbrell disagreed with what the minister said and agreed with the question raised by the hon. member for La Prairie. Our own merchant shipping people are being discriminated against.

It is essential that we realize how important shipping interests are in Canada in the sense of efficiency in energy. I am told that if you deal with a tonne mile, which is one gallon of fuel expended to take one tonne one mile, the figures for water are 600 compared to 200 for rail, 70 for trucking, 8 for air, and 3.25 for pipelines. Why are we subsidizing pipelines and trucks, and helping railways, and at the same time discriminating through this tax against the marine shipping people? It does not make sense in terms of efficiency of energy, nor does it make sense to discriminate against one form of transportation vis-à-vis another. It hurts people in my part of the country. I am grateful to the two gentlemen I mentioned for raising this matter, and that is why we on this side of the House are prepared to support this amending motion.

We invite the government to deal with our charges and the charges made before the committee in a submission by the Dominion Marine Association which was filed on May 7, 1982, as well as the evidence of Rear Admiral Timbrell given at the committee hearing on May 18, 1982. We invite the government to respond to that here in the House and to tell us why it is not prepared to accept this amendment and change this discriminatory form of taxation.

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, I must say I was interested to see the parliamentary secretary stand up. I do not know if he was going to make a general reply on the combination of amendments you now have before you, but I must say, almost with apology, that I find myself nearly in agreement with the hon. member for Vancouver-Kingsway (Mr. Waddell) with respect to the first motion, the fuel compensation tax. I will not talk in combination and/or in co-operation with the hon. member for Vancouver-Kingway who, quite frankly, in the relatively short period he has spent in this House has made a contribution that is not enhanced when he talks about geese, unless he talks about geese at Thanksgiving time. If he talks about geese and certain functions of geese and/or people and what they do during the day, then I think he debases his own character and contribution to this House.

I must ask whether it adds to the dignity of the House by rising on a question of privilege, with the quotation marks around the word "privilege", when different members use expressions which seem to be cute at the time but do reflect adversely not only on hon. members but obviously on this institution. Having gone through the Fraser Birch Dawson "Beauchesne's Parliamentary Rules and Forms", I will not take the time to go through all the expressions that have been proved unparliamentary. All I can say is that a point like that is only treated in the gender in which it is uttered, and that is jest! For example, when "the pig has nothing left but a squeak" is deemed unparliamentary, and when the utterance the word "stinker" is deemed unparliamentary, you do not have to get much of a combination between goose and what happens to a goose after it eats food to realize that that itself might be deemed unparliamentary. Enough said.

I did agree with almost everything the hon. member for Vancouver-Kingsway said in terms of Motion No. 1, which deals with the fuel compensation tax. Bill C-103, to amend the Petroleum Administration Act and to enact provisions related thereto, has many fundamental taxing provisions of the National Energy Program.

• (1900)

Before I get into the fuel compensation tax, I would like to pay tribute to members on all sides, certainly on the opposition side, be they Conservative or NDP, and perhaps even Liberals—certainly to those members who did take the time in committee to deal with these very complex bills which started as that complex juggernaut with which the House was confronted weeks ago when the bells rang for many days.

We all know that the House was confronted with an omnibus bill which was unintelligible in its construction or political comment which made it difficult to criticize since it covered everything in energy under the sun. Due to the ringing of the bells and the restoration of some reason to the House, there is now this House order which puts a time limit on these bills, including C-103, and provides for debate during the supper hours. We used to debate during supper hour many years ago and perhaps, in situations like this, it might not be such a bad situation to use the time during the supper hour to make some progress.

I believe that the hon. members who are responsible for those bills being drafted under the time limit which we all know was imposed by a House order, deserve credit. They are more involved with the technicalities and interaction of these bills than certainly I am. I am not a member of the Standing Committee on Energy Legislation but I am a member of the Standing Committee on Transport. In that respect I would like

to express my views on the relevant part of Bill C-103, the fuel compensation Tax, as well as the amending motion moved by my party. That amendment in effect moves to strike the fuel compensation tax section out.

Although I do not know all the complexities of this energy taxation, I want to speak about the fuel compensation tax in an attempt to get members of the House, especially on the government side, to understand what will happen if they vote against our amendment.

When the Minister of Finance (Mr. MacEachen) stood in the House many months ago to introduce his infamous budget, it not only caused the downfall of the dollar and seriously affected businesses, farmers and home owners who cannot afford homes, but also caused his own political downfall. His hair that was fluffed and blown when he used to enter the Chamber is no longer blown or fluffed; it is flat on the top of his head like his political future because of that budget of November 12.

The business, political, and economic communities had to digest the massive amount of suggested tax changes which were contained in the budget. It was not a white paper, green paper, or blue paper. It was not a Benson tax paper, or Walter Gordon's tax paper in which the Canadian public had a chance to have an input and to suggest tax changes. These tax changes were all hidden in the budget. Since then we have stumbled upon one tax change or reform after another. Napoleon's retreat from Moscow many years ago seems like an orderly progression compared to the retreat of the Minister of Finance.

I think it is most appropriate that the Prime Minister (Mr. Trudeau) and the Minister of Finance are in Versailles in the Palace of Mirrors because, without reflecting on the Prime Minister, which would be an entirely new speech, the Minister of Finance must have concocted that budget in a Palace of Mirrors. What has happened is that those mirrors have become misty—the sun of reality has shone upon him, blinding him, and he has fortunately begun to react to the pressure from the public to begin implementing tax changes one after the other. Six retreats from Moscow is the MacEachen retreat from Cape Breton.

Mr. Dingwall: What did you do?

Mr. Nowlan: The parliamentary secretary has a relatively brief time in this Chamber before we go to the people. I say that kindly because you are a very enjoyable young man and I would like to believe that you have a longer political future but, quite frankly, in terms of the political waters of the deep east, or in deep Cape Breton, your political future is just about as firm as the Minister of Finance's.

Mr. Deputy Speaker: Order. The hon. member's remarks should be addressed to the Chair.

Mr. Nowlan: Excuse me, Mr. Speaker, you are quite correct. I should have been directing my remarks to the Chair, but I feel so kindly toward the parliamentary secretary that I do forget the procedure. I would like to get to the substance and, through you, just say hello to my hon. friend from Cape Breton. He is a fellow Nova Scotian, and in that sense he has many good characteristics.

With respect to the November 12 budget, the Minister of Finance had three mastheads to it, if I remember correctly. One of them was called equity. This was supposed to be one of the governing philosophies behind the budget.

Since I have been involved in politics for a number of years I realize that nothing should be assumed about what your audience may understand you to say, but in any event I have to make assumptions because I have not dissected the Speaker's ruling. Since I am not a member of the energy committee, I will not attempt to do that, but I am puzzled as to how the Chair took one amendment which was so clean—to repeal the section of the act which imposes the transportation fuel compensation recovery charge—and combine it with another motion. As I have said, I have not studied the ruling which was made when this debate started at six o'clock, but without reading the reasons of the ruling I am frankly disappointed that the Chair would combine the motions.

Mr. Deputy Speaker: With all due respect, Motion No. 1 is to be debated and voted on separately.

Mr. Dingwall: Are you finished?

Mr. Nowlan: No, I am not finished at all. I appreciate your comment, Mr. Speaker. I heard the Chair's ruling and, for the purposes of debate, I suppose matters should be consolidated. Now that the vote is on Motion No. 1 I will direct my remarks to that motion alone.

Motion No. 1 to amend Bill C-103 is short and simple. It simply attempts to delete the imposition of the transport fuel compensation recovery charge. As the hon. member for Vancouver-Kingsway does, I am sure members of the House understand what that transportation fuel compensation recovery charge means. You and I know, and perhaps some members, that the charge on fuel was imposed by the government in 1980, I believe, when the price of gas was not higher in Canada than in any other part of the world, especially in the United States. There was the fear expressed by some, including politicians, that Americans were coming to Canada to fill up with fuel at our deflated prices, and driving or flying back to the United States.

I am pleased to see the hon. member for Vancouver Kingsway talk about Vancouver, which is one of the true vibrant ports of the nation, and I appreciate the contest between Seattle and Vancouver. However, perhaps a more relevant concern was marine traffic on the Great-Lakes and the competition between Canadian lakers and American lakers. The purpose of the fuel charge at the time it was imposed was to equal the price of fuel used by lake boats relative to the price charged in the United States. It was as simple as that.

• (1910)

I cannot think of any better example of the lunacy of those parts of the National Energy Program which are lunatic than the transportation fuel compensatin recovery charge which has no capacity to change even though the circumstances have changed. We know that the price of gasoline in Canada is higher than in the United States. It is lower in the United States than in Canada. Yet we have this ridiculous situation in terms of equity that if one is a Canadian air carrier or Canadian lakeboat shipper, one has to pay the increased tax levied two years before when our prices were high and American prices were low, whereas the American air carriers and lakeboat operators do not have to pay this tax today.

That is not my evidence or opinion. The most pertinent evidence before the committee was heard as recently as Tuesday, May 18, at which time not only the Canadian Air Transport group appeared, but also Admiral Timbrell and the president of the Air Transport Association of Canada, Mr. Angus C. Morrison. Sandy Morrison is a very interesting Canadian who has had some history in Ottawa. There are some people in this chamber, and perhaps even the Chair, who remember when Sandy Morrison was an executive assistant to one of the ministers of transport at some other time.

Sandy Morrison is a great individual. I know him very well, I would not suggest that he was a political colleague of mine, to say the least, yet he is now president. I can understand why he is the president of the Air Transport Association of Canada. He knows many people in Ottawa. So be it. I am prepared to face that reality. If another party is in power for 40 years, there will be other Sandy Morrisons. That is fine, too. That is the name of the game, to a point. But Sandy—Angus C.—Morrison is President of the Air Transport Association of Canada. Even the ex-whip of the Liberal Party, the hon. member for Pontiac (Mr. Lefebvre), who was over here a moment ago, will, I think remember Mr. Morrison. Mr. Morrison has said, as I said earlier, that this transportation fuel compensation recovery charge, in today's climate, is a discriminatory charge against domestic air carriers. It is not simply discriminatory. I want to show the lunacy of the situation under this charge which was levied against all air carriers.

I want to deal with the air carriers and the marine carriers under this charge. As set out in the evidence before the energy committee, and by the minister and his officials in the Transport committee, the domestic carriers and the Air Carriers International have had to pay several millions of dollars under this charge.

When it was levied, the Government of Canada, this present government, was warned that it could not levy a special charge for fuel against international air carriers because that would do one of two things. It would breach the bilateral agreements between countries, or it would run straight in the face of the air associations around the world as it would breach their agreements.

Does Your Honour know what has happened and what makes this matter so idiotic? The United States said that the Government of Canada was levying a discriminating charge against international carriers, that it was unfair and that it would take the matter to wherever disputes are resolved, to arbitration within the system. Mainly because of this, the Government of Canada reluctantly said, "Do you know something? You are right. It is discriminatory".

We are not referring to several thousands of dollars, but, rather, many millions of dollars. To try to be as accurate here as I could, I was going to say $54 million domestically, and $50 million internationally. It is fairly close to that, and I could stand to be corrected. But let us say that the international carriers have said, "Hey, Government of Canada, under that discriminatory tax, you owe us approximately $50-odd million in rebate".

Lo and behold, because the Government of Canada was caught out in left field, it notified External Affairs which notified all the relevant embassies to say, "Please get the diplomatic couriers and an exchange of correspondence going so that a system or process could be set where we could pay back $50 million to the international carriers". Who is in competition with the international carriers in Canada but the domestic air carriers? We have now flipped this thing completely around from levying a tax against international carriers to ensure they paid the same for fuel that our domestic carriers were paying. They had to pay the same tax, under the breach of the IACA agreements and the bilateral agreements between Canada and other countries, flying into Canada.

Our government, because of pressure and because of the law of their agreements, has said, "Governments of the world, international government, you are right. We will have to pay back that $54 million in fuel compensation taxes." Yet, what is the situation with the domestic carriers? The domestic carriers have still been levied and have paid part of the debt of $50-odd million they have incurred under that tax. They have had no chance, and the question as to whether the government will pay back that tax to them has been turned down so far.

I do not want to get into the subject in depth because it is another law, but under another feature of the budget, which, in effect, I believe is Bill C-108, the government will not continue to charge the fuel compensation tax under Bill C-103 which, in effect, it has charged for two years. Under the tax changes which will eventually come up before the House in a ways and means motion, the same tax with the same impact will be levied against domestic carriers as we have levied before under Bill C-103.

There is the absolutely ridiculous situation involving domestic carriers. We all know how the air traffic industry today is in a very bottom line, almost thumb-sucking, very uncertain situation in trying to stay above the line between red and black. Yet, because of a direct policy of this government under Bill C-103 and the fuel compensation tax, which perhaps started off with some reason but which had no capability of changing when the circumstances changed, we are left in the ridiculous situation that if hon. members in the government vote against the amendment, they are voting to keep in place

discrimination against domestic and international carriers. That is what will happen if government members feel compelled to blindly support the government as they so often do.

I would like to refer to the other element, the marine part of this tax, and the interesting discrimination which will be incorporated in legislation, if this amendment does not carry. If I were a betting man, I would guess the odds were that it may not because the numbers are not on this side.

If I were a member from Ontario, especially a member from the Lakehead or an area joined to any lake system, I do not see how I could even begin to support that feature, Bill C-103, and allow the fuel compensation tax to stay because it also discriminates against the lake carriers. Today, our lake carriers are paying this tax, even though they are in competition with the American carriers. Again, I wish the press, who sometimes lambaste Members of Parliament, would pay attention to what goes on in the committee and find out some of the evidence, because I must say that I am a little jaundiced about what goes on in committee, the waste of time there, the hours and hours. But at least committees do collect a lot of interesting evidence and they are repositories of a lot of evidence.

What I said here earlier about the marine fuel compensation tax were not my words. They were the words of Admiral Timbrell, who happens to be—like Angus Morrison was the President of the Air Transport Association—the president of the Dominion Marine Association.

• (1920)

It is interesting for those members from Ontario especially, and even from Quebec, because they are affected by the evidence that Admiral Timbrell gave in that committee. He said, amongst other things, that his association represents 19 Canadian companies, that they have approximately 172 ships, or over 90 per cent of the Canadian fleet of large ships, 1,000 tons and greater. He said:

> We operate principally in the Great Lakes and down the St. Lawrence and outside, coastal and occasionally deep sea.

They basically are a St. Lawrence operation. He says again in his evidence, interestingly enough, on May 18, reported at page 20:26 of the committee minutes of proceedings:

> In an average year, we move about 90 million tonnes of cargo. To put it in perspective for you, we carry more in eight and a half months, which is our operating season, because of freeze-up, than Canadian Pacific rail does in twelve and slightly less than CN. About 50 per cent of our cargoes are foreign or are on international trade.

We know, of course, that CN and CP carry an awful lot of cargo. He mentions the twofold nature of the competition—with the United States and also competition in Canada. They compete against rail, they compete against bus, and those people do not pay the fuel compensation tax. He points out here, in a most interesting way:

> When the charge came on May 1 last year and until January 1, my companies had paid the equivalent or approximate sum of $5 million in the TFCRC. That $5 million on our international trade represented an increase of approximately 6 per cent on our charges.

He says that in addition there was a $500,000 bill for administration charges. In terms of the tight competition between the Canadian lake carrier and the American lake carrier, it is the evidence, according to the admiral, the president of the Dominion Marine Association—not me, not our party, but the president of the Dominion Marine Association that represents a conglomerate of Great Lake shipping, Upper Canada Lake shipping and Paul Martin's company. One of those is Paul Martin's company—another interesting Canadian who certainly has had an interesting political background.

All these gentlemen, regardless of their political background—that is the point—have said that this tax is discriminatory against Canadians trying to service the international market and/or the domestic market. He pointed this out here in a most interesting way. Perhaps I should read this for members opposite who were not privileged, as most of us were not, to be there at the committee hearing. He talked about the shipment of grain and how his association was so involved in grain, and how Canada gets the benefit of that traffic. He said as follows:

> Last year, an average year, we carried approximately 6 million tonnes of U.S. grain to the lower elevators. We charge approximately $10 a tonne, so there is $60 million U.S. we collected for moving that grain. For each load of grain that went through the seaway, the seaway collects approximately $21,000 out of a $25,000 bill. The other $4,000 is for a ship. So, for every cargo we do not take through the seaway, they lose $21,000. If that grain, the U.S. grain, does not arrive at our lower elevators at places like Baie-Comeau Port-Cartier, Three Rivers, Quebec, Montreal, then those elevators, which are Canadian investments, lose an equal amount.

He is saying, and he gives the figures, they have been losing that amount. If for no other reason than that, in terms of the fuel compensation tax, which is a discriminatory tax against Canadians in competition with Americans, I would ask members of this House, before they blindly vote the party line, to try to sort out some of this energy problem and, in terms of Bill C-103, vote for the amendment that we have moved in Motion No. 1. That motion is clear, simple but strong, and it says "delete the fuel compensation charge under Bill C-103, primarily because the circumstances have changed."

If we could move there, Mr. Speaker, that, and another whole speech I could give, might show Canadians outside the chamber that this chamber and members in it are a little responsive to some of the problems in reality in the economy. There is just no logical reason why domestic air carriers in Canada should not be refunded the same as international carriers, when the two carriers are in competition with another; and there is even less reason why our Canadian lake shippers, in competition with their American colleagues and competitors, should still be charged a fuel compensation tax when their American competitors are not.

That is discrimination. That is not equity, and that is why, Mr. Speaker, I conclude by saying that the Minister of Finance (Mr. MacEachen) is in the appropriate place tonight, in the palace of Versailles, in the palace of mirrors, because this whole budget is a mirror and this Bill C-103 and the fuel compensation tax is one of the most distorted mirrors in the energy scene.

Some hon. Members: Hear, hear!

Mr. Scott Fennell (Ontario): Mr. Speaker, I do not propose to add too extensive a discussion on this first motion, as I understand we will have many chances tonight to speak to this bill.

First of all, I am particularly concerned about the amendment in front of us, presented by our party. This is a simple motion, to delete this clause altogether. My colleague who spoke immediately before me said he was not in the committee. I was fortunate to be in that committee, to hear the pleading of the witnesses. I wished that the minister could have been there to listen to those witnesses.

I would like to refer particularly to one gentleman who with total dedication got a very strong point across. That is Mr. Currie of Wardair. The point that he brought out for us so clearly dealt with this clause. It is that Wardair is the only privately financed airline that is not either government owned or connected with a large financial institution. They have a debt to the Canadian government of $8.5 million.

Wardair is an airline that goes back in history to Yellowknife, to the Northwest Territories. A gentleman called Max Ward had the guts and the entrepreneurial spirit to start something Canadian, privately financed. This gentleman announced and brought out their first quarter earnings, showing a loss, because they have to show a liability of $8.5 million.

Let me compare that to KLM or British Airways or other foreign carriers which operate out of Canada. They got their money back. But Max Ward of Wardair did not get his money back. He is a Canadian, he is being discriminated against, according to the Constitution that the Liberal members are so proud of. There is something wrong when a Canadian citizen is discriminated against compared to foreigners. That is my stand for getting rid of this Clause 12.

Another point in regard to air transportation is that Mr. Lindsay, a vice president of the Air Transport Association and in charge of government affairs—I am sure he is a long-time friend of the government—gave evidence on May 18.

• (1930)

He said right at the beginning that Air Canada was making a profit, and Mr. Currie referred to why it was making a profit. At that date he stated Air Canada was making a profit. How can a vice-president of the Air Transport Association of Canada one day say Air Canada is making a profit and a week later the financial statements show Air Canada lost $27 million? Air Canada had to pay $26 million of it back to the government. I do not feel badly about Air Canada because whether it has a profit or a loss, it all ends up back in the same government pot. It is strictly a question of bookkeeping, and I would say the minister is probably a genius at manipulation of numbers, so it does not worry him, but it worries me because a man like Max Ward and Wardair are being discriminated against under this act.

I would now like to turn to the Dominion Marine Association and Rear Admiral Timbrell, who I found to be a very clear-thinking witness. He gave us a great deal of information. What he impressed upon me was that we do not have many industries in this country which are really Canadian. We cannot call the automobile industry Canadian. We can call the steel industry Canadian; my comments will reflect that. However, Rear Admiral Timbrell pointed out that what the government is doing is removing a benefit to a Canadian carrier. We could call it a non-tariff barrier, which every country in the world provides, but by removing this benefit, the government has put 17 ships out of business. Seventeen lake boats are out of business. They employed 500 people with a capital investment of $535 million.

This industry has always had a difficult time. It has never had a decent break from the government. I acknowledge that the shipbuilding industry has, but these people have not. They pay the price. They could buy their ships offshore, and the Canadian government would have to offset that by giving grants to the shipbuilding industry so it could compete with Japan, Taiwan and other countries, but this industry does not even have the advantage of the airline industry. It pays $40 million per lake boat, and it must finance that with money at 17 per cent to 20 per cent under this current administration.

We should encourage an industry which is purely Canadian and which has been successful, in spite of lack of incentives. Last year alone the industry paid $5 million in taxes, but this year it will lose $40 million in revenues. That is very bad thinking on the part of the government. It has prevented boats from travelling through the seaway, where the government could collect approximately $2 million. Five hundred people are now in the ranks of the unemployed. They are collecting unemployment insurance, and the government is not collecting any taxes from them. An interesting point is that these people are not low paid. The average wage on a boat is $30,000. The reason for that is the hours are 24 hours a day for eight months, and they take their holidays in the winter. These men are not paying taxes this year. They are among the 1.750 million people unemployed in the country, and I am including the 500,000 who are not even in the statistics. When we work out what the tax on their income would be, we find that it comes to in excess of $2.5 million. Then when we add to that the fact that these gentlemen are not able to buy anything because they have no income, we see that the government loses out on sales tax. The one I would like to mention in particular is the 24 cents excise tax on gas. There is also the 4.5 cents tax to buy Petrofina. So this sum of money is increased by another $1.5 million. As I calculate it, the government is out millions because of its being punitive to a Canadian industry.

I strongly urge that this House consider this motion and vote for it because the tax with which we are dealing is punitive. It benefits foreigners. It allows them to take our airline business away from us and allows American railroads, the American shipping industry to take grain shipments away from us via the Mississippi. I plead with the backbenchers of the Liberal Party to support this motion, especially if they want to get back into this House the next time around. Canadians are hurting. Jobs are needed. I plead with you, Mr. Speaker, as one of the members of that bench at times—you are not right now, but you are at times—to talk to your colleagues.

I would like to make one last point about a person in my riding. A small entrepreneur there decided it would conserve energy if transport trailers were shipped across Lake Ontario as opposed to going all the way around from Oshawa to Rochester. According to the information given to me by Rear Admiral Timbrell, it is some six times as efficient to go by ship as it is to go by truck. That gentleman started by going by carrier from Oshawa to Rochester, but this tax is one of the factors which put him out of business. We should provide grants to gentlemen like this who want to conserve. Transportation by boat is three times more fuel efficient than transportation by rail, and it is Canadian, not American.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, I would like to make a few points on Motion No. 1. It is incredible to me that this government would be in favour—which it will demonstrate if it votes against this amendment—of treating foreign carriers of Canadian goods or foreign carriers competing with Canadians more favourably than domestic carriers. Surely we should be encouraging Canadians to export and to be more competitive with other countries around the world. I refer specifically to agricultural commodities. Agricultural commodities are a very important earner of foreign exchange for this country. Many of our agricultural products come from the west. The bulk of grain exported to earn foreign exchange for this country comes from the west. Much of our country is land-locked, and it is important that we are capable of moving goods from the west efficiently to export positions. That usually means seaboards, either east or west, and it is important that Canadian carriers be as competitive as possible with the countries with which we compete for foreign markets.

To talk specifically about grain, we know there are American grain carriers on the Great Lakes. Those operators hire out and lease their boats to move grain. If we put Canadian carriers into a position where they are not competitive with American carriers, that puts us in western Canada in a very precarious position in terms of exporting our grain. I just cannot believe this government would be in favour, by voting against this amendment, of giving an unfair advantage. Initially, the government imposed this tax on foreign carriers. It subsequently removed that tax and gave an advantage to foreign carriers over Canadian carriers. That to me seems ludicrous.

Let us look at what the European Economic Community does in terms of some of the agricultural commodities it produces. The EEC pays domestic producers of wheat consumed in the European Economic Community about $9 a bushel, which is $4.50 more than we pay here.

• (1940)

Instead of taking that into account and trying to be as fair as possible with our domestic producers, the government proposed a tax which puts our producers at a disadvantage when compared to foreign producers. I find it incredible that it would do such a thing.

The government has recognized that we have problems with rail capacity in western Canada and we have to give it credit for addressing that problem. But, Mr. Speaker, there is some unused capacity at Thunder Bay. However, this tax means that our shippers cannot compete with the Americans. It does not make sense to have unused capacity in one port and then tax Canadians at a higher rate than foreigners who carry our commodities. That does not make any sense to me.

The government wonders why it does not have any support in western Canada. Perhaps it should look for answers at some of the measures it brings before this House such as the one we are considering tonight. This tax will hurt our capacity to move grain to export and will make us less competitive with the Americans who are our chief competitors for world markets.

The hon. member for Ontario (Mr. Fennell) who just spoke pointed out that 17 carriers will be put out of business. I do not know how many of them will not operate in the present shipping season and I do not know how many are grain carriers, but even if they stay in business they will be at a disadvantage because of this tax.

The hon. member for Annapolis Valley-Hants (Mr. Nowlan) went over many points that I should have liked to deal with. I do not want to prolong the debate, but I should like to point out that if it is fair that the government should revoke and remit the tax paid by foreign carriers that burn Canadian fuel because of an international obligation, surely it should be incumbent upon the government to treat Canadian carriers in the same way. Essentially that is all the motion asks. Members of the government who vote against the motion will really be voting in favour of discriminating against Canadian carriers of Canadian goods. That will hurt us on the international market.

We have problems with the Canadian dollar and with interest rates. One of the ways to solve these problems is to be competitive in the export market. Yesterday the Minister of Finance (Mr. MacEachen) arranged to borrow $750 million on foreign money markets to support the Canadian dollar. Surely the government should instead encourage Canadians to export goods rather than borrow the money. If we can sell the goods that we can produce very efficiently, then we will not have a debt. When we borrow money, not only do we have to pay the money back but we also have to pay interest on it. This tax will discourage Canadians from earning the money we need to support our dollar and to bring down interest rates.

I find it incredible that the opposition should have to bring in an amendment like this one. If the government were governing in the best interests of all Canadians, it would not draft a bill like this in the first place.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I will just take a few moments to reiterate the reasons for this amendment and to provide some reasons why members of the House, if they are to fulfil their responsibilities, will vote for it and strike Clause 12 from Bill C-103.

Clause 12 introduces a transportation fuel compensation recovery charge—a name long enough to confuse people as to its intent. That means it is confusing enough to deflect some of the political flack that should properly be directed at a government that would bring in what could only be described as an atrocious taxation measure.

The Minister of Energy, Mines and Resources (Mr. Lalonde) and spokesmen for the Liberal party repeatedly claim to have done a marvellous job in designing an energy policy for this country. In particular they are concerned about the consumers of energy in Canada and, as an expression of that concern, they have moved to protect Canadians from the world price. For a number of years that has been the theme of the Liberal Party—that it is protecting Canadian consumers from the world price. That is a fallacious claim, Mr. Speaker. Any Canadian who lives near the border or who has travelled in the United States knows that it is cheaper to buy gasoline there than in Canada, even though the United States is at world prices.

We also know, particularly people in western Canada, that the policy means that the Liberal Party would rob the politically weak part of the country to give to the politically strong part of the country. This is all done in the guise of national unity with advertisements on television and so on. All the while the government expresses concerns about the growth of separatism in western Canada.

When you start monkeying about in the marketplace, whether you be the Canadian government, the Polish government, the government of the Soviet Union or any other, you louse things up. No central planning or decision-making operation can compete with a free market system which has the tremendous advantage of decentralized decision-making. That is one element which is absolutely essential to efficiency and effectiveness. When the government claims that things can be done better through centralized planning, it keeps making the same kinds of dumb, stupid mistakes—not through malice, not necessarily through lack of intelligence, except to the extent that it cannot see that central planning schemes do not work. They have never worked anywhere; they will never work because they cannot compete with the efficiency and effectiveness of the free market system.

The transportation fuel recovery charge is a classic example of this. For the brief period when we had cheap fuel in Canada, people started to take advantage of it. Airlines going from New York to Montreal to Europe found it made sense to fuel up in Montreal because of the cheaper fuel. They did not load up in New York. Truckers would enter Canada with an empty tank and leave with a full one, and ships did the same thing. It is understandable.

But the clever genuises who designed the National Energy Program imposed a transportation fuel compensation recovery charge. One day a piece of paper was tabled in the House and there was a new tax. The House was not asked about it. Members were not asked about it—but there was a new tax. But these clever little geniuses who designed this tax forgot to see whether in fact it was permissible, given our obligations under bilateral agreements with other countries. Lo and behold it is not permissible, it violates some of our treaties.

• (1950)

That did not bother this government for awhile, the fact that provisions of the NEP violated our obligations under GATT and so on, and we have not seen the end of that yet. They are not bothered by any contract they sign with the provinces. Why should they be bothered by any of their international treaties? But then the Americans said they were going to take the issue to arbitration, and so the Canadian government caved in. How did they cave in? Well, through a little provision in the Financial Administration Act, I believe, which allows the Minister of National Revenue (Mr. Rompkey) to rebate certain taxes. Rather than come out and be honest and admit they made a mistake—oh, no, no such admission—quietly, through this other provision, they are going to rebate the tax, but only to foreign international carriers, not to Canadian international carriers.

These same little geniuses have come up with a new scheme. They are going to do the same thing, but supposedly through the income tax system. It remains to be seen whether or not it will work. In essence, then, this clause concerning air transport is cancelled. It came into existence and then disappeared before the House of Commons had a chance to discuss it. It will not in fact ever apply to foreign carriers who will now have the full sum of $46.5 million rebated to them. It will only apply to Canadian international carriers. They will have to pay that $50 million.

This, Mr. Speaker, is the incredible situation we have. The House of Commons is being asked to approve a tax which no longer exists. It came into existence and disappeared before we even got around to considering it or thinking about it. It was introduced to supposedly prevent foreign carriers from taking unfair advantage of an energy pricing scheme which was supposed to protect Canadians from the world price, but which will result in Canadian international carriers paying the full tax while foreign airlines do not. Mr. Speaker, Rube Goldberg could not have designed a more stupid, insane and asinine scheme than this one.

It is incredible that anyone could come forward with this piece of trash and not submit his resignation. This is an affront to democracy, decency and common sense. It really is unbelievable. We must be a very docile people to tolerate this kind of thing. Frankly, I do not understand why Max Ward has not strapped some machine guns on those jets of his and strafed this place. The only reason this tax still applies to Canadian carriers is because Max Ward happens to come from Edmonton and does not have that much political clout. If he had been born in the minister's riding, we would not have this asinine tax; we would not have this silly and absurd circumstance where the House of Commons is being asked to retroactively approve a discriminatory tax, one which was supposedly to prevent foreigners from taking advantage of energy policies which are supposed to protect Canadians. There is no simple

way to describe that stupid situation. I hope when those trained donkeys vote against this amendment, they at least have the decency to blush.

[*Translation*]

The Acting Speaker (Mr. Tousignant): Order, please. The question is on Motion No. 1. Is it the pleasure of the House to adopt this motion? All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Tousignant): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Tousignant): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Tousignant): Pursuant to the provisions of Standing Order 75(11), the recorded division stands deferred.

[*English*]

Mr. Deputy Speaker: The House will now deal with the second motion on the Order Paper.

Mr. Jim Hawkes (Calgary West) moved:

Motion No. 2

That Bill C-103, An Act to amend the Petroleum Administration Act and to enact provisions related thereto be amended in Clause 16 by striking out lines 42 to 44 at page 11 and substituting the following therefor:

"ration of the parties, the Gov-".

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, that amendment, standing by itself, is difficult to understand given that it contains two half-words "ration" and "Gov". The part of the act which this motion now seeks to amend reads as follows:

Where no agreement is entered into under section 22 with the government of a producer-province, or any such agreement is terminated by the declaration of the parties, or, in the opinion of the governor in council, is not effective or is not capable of being effective, the governor in council may, by regulation, establish maximum prices for the various qualities and kinds of crude oil to which this Part applies that are produced, extracted or recovered in that province.

If the amendment were to pass, Mr. Speaker, that section would now read:

• (2000)

Where no agreement is entered into under section 22 with the government of a producer-province, or any such agreement is terminated by the declaration of the parties, the Governor in Council may, by regulation, establish maximum prices for the various qualities and kinds of crude oil—

In other words, with this amendment the government of a producer-province may enter into an agreement setting crude oil prices if those parties agree they may change that agreement, or the agreement may be terminated. Without this amendment, what we have is a situation where the federal government unilaterally could terminate any agreement that it had entered into with a producer-province with respect to crude oil prices.

What we are trying to do through this amendment is to take out of the hands of the federal government the ability to unilaterally break a contract. Just on the surface, just from the point of view of common decency, convention, practice and established procedure, surely we should be able to do that. I like to think, I know it is naive, that Canadians and therefore the Canadian government can be trusted to keep their oral contracts. A promise made by any Canadian or by the Government of Canada should be kept. I would like to think that a handshake is all that you need to bind a contract.

Mr. Fennell: With this government?

Mr. Andre: I know that is naive. It would probably put too many lawyers out of business if we ever followed that practice in this country, but it is not necessarily a bad thing. At least in Canada a written contract should be binding. A written contract should be something that binds and commits. Written contracts, of course, have *force majeure* provisions. That is, if some extreme event occurs, the contract may not be enforceable. That is understandable.

But to write into law and to make the law of Canada state that the federal government may enter into a contract and break it at whatever time and for whatever reason it wants is bad practice. It is bad law. More than that, it contributes to disharmony and difficulties in this country when a federal government breaks its word and breaks its contract.

In existence right now is an agreement between the federal government and the producing provinces for the price of oil. The agreement was effective September 1, 1981. But there was an agreement before that which was entered into in late 1975 for crude oil pricing. That agreement was entered into by the provincial governments and the federal government. That agreement called for an increase in domestic crude oil of $1 every six months. That agreement was to last until the end of 1979. However, in late 1977 as we approached what everybody thought would be the 1978 election year and the Liberal Party looked like it might be having a little bit of difficulty, the then minister of energy, Mr. Alastair Gillespie said "I am going to have to cancel the contract as it applies on January 1, 1978."

There was no other reason than that, Mr. Speaker. The federal government had an agreement with the producing governments. The constituents of Etobicoke said "We do not like our prices going up." Their member, the minister of energy said "Okay, I will cancel the contract. I do not feel bound by written contracts." The political considerations of the Liberal Party were more important than the honour and integrity of the Government of Canada. That is what the minister of energy did at that time. That is why people in western Canada are joining the Western Canada Concept Party. They say that they cannot trust the federal government to honour written contracts.

Mr. Tousignant: Mr. Speaker, when the hon. member talks about agreements and handshakes, I would like to remind him that the only agreement they ever made was last fall in Europe and they broke it. That was the gentleman's agreement they made.

Mr. Deputy Speaker: The hon. member will have an opportunity to participate in debate. The hon. member for Calgary Centre (Mr. Andre).

Mr. Andre: The hon. member talks about keeping one's word. He should read the rest of this bill. He will come to the part where 14 cents a gallon is mentioned as the maximum amount which the Liberal Party would allow gasoline to increase. If he does the arithmetic, he will find that 14 cents has suddenly turned into 52 cents under this Liberal government. That is if he is talking about keeping words and promises.

That violation of a written contract is only one of a series of those sorts of things. Is it not an insult to decency and to common sense and is this constant bickering between the federal government and the provincial governments not a concern to us? We should worry about the integrity of our country. This constant fighting has weakened us so much. Should we not be saying "If we are going to keep this country together and if we are going to have parts of this country feel like they are part of the whole, then as a bare minimum we have to have a situation where written agreements are honoured, kept and cannot be broken unilaterally by the federal government unless some extreme situation occurs which would be covered by a *force majeure* provision."

We should be outraged by the actions of the former minister of energy, Mr. Gillespie, in his unilateral violation of that written contract. We should be outraged and we should say never again will we permit a government to act that irresponsibly. We should not allow the government to show so little concern for integrity. We should not be asking the House of Commons to legalize that immoral behaviour. But that is what we are doing. The government is asking the House of Commons to make legal what is clearly immoral.

Last Friday the Prime Minister (Mr. Trudeau) was asked at a press conference when he will call the byelections for the three vacancies. The Prime Minister answered that legally he does not have to call those byelections for six months. The reporter asked whether he felt he had a moral obligation to do so. The Prime Minister asked "What is immoral about acting legally?"

• (2010)

He cannot distinguish between moral obligations and legal obligations. If it is legal, it is moral. His only moral code is the Criminal Code. If it is immoral to break a contract, as it most assuredly is—at least it has been in this country and has been part of our traditions because Canadians keep their word and do not break contracts—then the way to make it moral is to make it legal. That is the feeling of the Prime Minister and his party. If breaking contracts is legal, it is moral. That is what members opposite are asking this House of Commons to pass. They want us to pass a law which would make it legal for the federal government to break contracts which would therefore make it moral, in their minds, to unilaterally break contracts.

Unfortunately, what will happen as a result of this legislation is that no province will enter into a contract with the federal government in which they will have confidence. The provinces will design their affairs accordingly.

There will be a continuation of the sentiment in the provinces of this country that the national government is a foreign government against which they should erect barricades because it is untrustworthy. There will be a continued balkanization in Canada. There will be the feeling in the different regions and provinces of Canada that the federal government cannot be trusted. Who can trust a government which says it will make it legal to act immorally in terms of honouring contractual agreements? Who would trust someone who said they would make legal what is immoral? That is what the federal government is asking for.

Although I know it falls on deaf ears, I would like to conclude by making the same plea. If the trained donkeys in the backbenches of the Liberal Party can screw up their courage, think about Canada and vote for this amendment, they will be serving their conscience, serving Canadian tradition and serving Canada of today and the future much better than by merely standing up and saying, "Aye, Sir, Aye" to the absurdities that continue to gush forth from the Department of Energy, Mines and Resources.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I did not intend to speak on this amendment, but I do have a couple of things to say. I invite hon. members across from me to put up a speaker to reply because I think a reply is called for. I will try to explain why in a couple of moments. I noted that the hon. member who just spoke took a crack at lawyers and was supported by some of my colleagues.

Mr. Blackburn: From Brant.

Mr. Waddell: If you are a lawyer, I suppose one of the things you learn in court is to try to put your case in such a manner that the judge or those judging it will accept it.

The hon. member for Calgary Centre (Mr. Andre) was attempting to make a case for his amendment to the government but spent 15 minutes insulting the government. There were a couple of remarks in the hon. member's speech which stirred me. He said that if Max Ward lived in the minister's riding, he would get help for his airline. I do not believe that this helps unity in Canada. We know what the implications are behind that statement. As a westerner, I do not believe that helps the situation.

The hon. member said that the federal government does not keep contracts. Although I do not like the federal government and have disagreed with the minister more than I have agreed with him, I have not seen the federal government break contracts in my experience. They have done many harmful things but they have not openly broken contracts.

Mr. Fennell: How about this one right here?

Mr. Waddell: I will come to that one in a moment. The hon. member for Calgary Centre said that the constituents of Etobicoke moved the former minister of energy to change an agreement. I would remind him that those same constituents voted for the member for Etobicoke Centre (Mr. Wilson) who is a Conservative. If the hon. member wishes to be in a future Government of Canada, he must reconcile the fact that the constituents of Etobicoke Centre want cheap gasoline and his western constituents quite legitimately want a top price for their resources. These two competing factors must somehow be combined in order to keep the country working. It does not help the situation for him to throw in these statements. They may backfire on him.

I find many problems with this amendment and the clause. I would like to hear more debate on some of the principles behind the clause. One of the principles is that oil prices should be set by agreement. They should be set by agreement because the provinces have control of their resources under our Constitution. They could set any price for oil and gas.

Mr. Mayer: Inside the provinces.

Mr. Waddell: That is true, but it would basically be better, as it goes to other parts of the country, that they be free to attempt to get the price they want.

I want a good price for western resources. If Ontario and Quebec are not prepared to charge proper rents and prices for their resources, that is their problem. We want good prices for our resources in western Canada. We still have the interest of the country in mind. Energy—Oil and gas—which we have been almost exclusively debating for two years is vital. It is important that we have a national energy policy.

If an agreement cannot be reached, it will probably necessitate a federal override. The federal government would have to set the prices but only after serious negotiations. We saw this happen in Canada when the federal government and the minister had to negotiate with Premier Lougheed. They eventually reached an agreement. Although many of us do not like the agreement—both the Conservatives and the New Democratic Party do not like it for different reasons—an agreement was reached. That is co-operative federalism.

One of the great tragedies which occurs in the House is not only when the hon. member for Calgary Centre insults the federal government about not keeping its contracts, insults electors in Etobicoke or the fact treatment would be different for someone in Quebec, we see the same problem on the other side with the Prime Minister (Mr. Trudeau). He said that co-operative federalism, is dead. He just likes to take everyone on in a fight, including provincial premiers and members of the House. This is not a good attitude either. He has not yet challenged me to a fight because he knows that he will easily win.

With respect to this particular question, what I believe must be considered is that once you have a contract, can you change it? The member from Calgary Centre said that the federal government can now break a contract at any time it chooses. That is not what the bill says. The bill talks about a contract being terminated. It says, " . . . in the opinion of the Governor in Council is not effective or is not capable of being effected." The contract is not capable of being effected. The real weakness in this bill is what does that mean?

• (2020)

I am told that the French version is a little different. It refers to what happens if the contracts cannot be executed or implemented. That is a little different. Suppose we had a separatist government in Newfoundland or a WCC separatist government in Alberta or a tremendous change in the world and Canada was at war, or there was a great depression or something like that—

An hon. Member: What do you mean, if?

Mr. Waddell: —it may be that the federal government would need to have power to change the contract. We must surely have better wording and a better guarantee than that because we in the west do not want the federal government to unilaterally act like that. We say there may be periods or extra special occasions when it could make changes. Therefore, what I have tried to do is to set out how a co-operative federalism approach would work. I have tried to keep away from throwing insults at others on this particular bill. The minister was in the House a few minutes ago. I asked that an hon. member for the government speak to show us how this wording will not allow a quick unilateral action by the federal government to change an existing contract, because if it does, we on this side of the House could not support it.

I found to my shock that the recent changes in the National Energy Program update the other day were unilateral changes by the federal government. The change which Premier Lougheed of Alberta made a few weeks ago, giving $5.4 billion to the industry, although it affected the federal-provincial agreement at that point, was also a unilateral change. I think that is a very dangerous way to move. I will grant that the hon. member for Calgary Centre did say at the end of his speech that we do need some co-operation in this country. Therefore I say to the government in closing that when we consider this amendment rationally and in the spirit of co-operative federalism, and we must consider this clause, let us hear from government. Can the government tell us that the wording in this clause, which I think is defective in the English language and is somewhat different in the French language, will not allow the governor in council to quickly act unilaterally to change one of these agreements? I point out that while this may sound technical, we are dealing with something which is really important. It has taken up most of the debate in Canada in the last couple of years. It relates to the agreement between the federal government and the provinces, mainly Alberta, but also my province of British Columbia, and Saskatchewan. It concerns fixing the price of the most important commodity that we have, that is, oil. All Canadians feel that way when they go to the gas pumps to fill up.

I believe I have made my comments in reply to the Conservative motion and I would like to hear the government reply to some of the points I have made, concerning the unclearness of the section.

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, I chose to speak on this particular amendment because it is a critical amendment having much to do with the whole terms of reference and the way that the whole energy program, or, as one hon. member once alluded, the whole national energy problem, has been created by the legislation brought before us in this House.

I rise at this time following the hon. member for Vancouver-Kingsway (Mr. Waddell). I do not know if anyone else could sort out exactly what he was saying. The one point we could take is that he was asking that a member from the government side stand up to speak. I think we understood that, but if the rest of what he said is any more clear to anyone else, perhaps one of the members could explain it to me, because I think he said that he does and that he does not. That may be all right in a courtship, but I do not really know whether the hon. member says he is supporting this motion or he is not.

An hon. Member: Sit down and let him explain it to you again, if you cannot understand it.

Mr. Gurbin: The real question is whether the hon. member for Vancouver-Kingsway can read. He made an allusion to the French translation, and that may be well and good. But if he can read English, the statement is very clear, and he has been correct in picking out the part of the clause that we are trying to amend which states:

—in the opinion of the governor in council is not effective or is not capable of being effective, the governor in council may, by regulation, establish maximum prices for the various qualities and kinds of crude oil to which this part applies that are produced, extracted or recovered in that province.

That could not be any more explicit. I do not think there was any intent on the part of the government to either mean or state anything than that written in black and white on that page, within that clause. Unless the government accepts the amendment that we are honestly offering, unless it is prepared to say that it will not act in a unilateral way, it means exactly what it has said. I do not share the same confidence of the hon. member who previously spoke that the government had any intention to write anything else down there on paper or could in any way explain its way out of the intent and meaning of that particular wording.

It has been historically proven, it has been shown to us time after time, that the government is not only capable, but desires to have the ability and the authority to use its power in a unilateral way. It is as clear as it can be. It has repeated time after time in bill after bill in the parts of the energy legislation with which we are dealing today.

My main point in rising to speak concerning this clause is to consider it from the perspective of what will happen to consumers, to the people of Canada, by this particular clause in the reference. This legislation, this whole bill, is saying that the government will raise taxes. There will be two main taxes, one called the Canadian ownership charge and the other called the petroleum compensation charge. While the whole National Energy Program has fallen on the head of the minister, and while he tries to justify an alibi and support the positions he has taken, which have been proven wrong time after time, we are now in a situation through this bill where Canadians are already paying 24 cents a gallon, roughly four or five cents a litre, if you like, for gas alone, for a petroleum compensation charge. This charge alone, right now, which is in excess, is doing all the things to consumers that the Liberal Party promised it would not do in the last election.

It is creating all of the increasing difficulties people are facing. It is increasing prices, hurting farmers, hurting commuters, hurting people who are using heating oil and who do not have any alternative. But on top of that 24 cents a gallon, which is already there, this bill and this particular clause gives the unilateral power to the federal government to charge an additional 24 cents a gallon at the discretion of the minister without agreement with the provinces. That would amount to a total of somewhere around 12 cents a litre. Every time a litre of gas went into a car, the federal government would have added 12 cents a litre by this petroleum compensation charge. This charge is now in excess of something like $1.5 billion. That is the figure, taking into account that there is much locked-in oil in western Canada that we have not brought out.

That extra charge is money sitting at the government's disposal, at the expense of the consumer, gaining interest for the government at a time when Canadians across the country are suffering under these increased prices. That is something which the government is prepared to unilaterally increase by an additional 24 cents a gallon by order in council. It would do the same thing with the Canadian ownership charge, which is now about $1.15 a barrel. This will provide a maximum level of about $4 a barrel. That charge is what each Canadian is paying each time a litre or a gallon of gasoline comes out of the pump. That is about four cents now. That charge, in a discretionary, in an arbitrary, even in a unilateral way, according to this clause, can be increased to a maximum of $4 a barrel.

• (2030)

Consumers across Canada are faced with these increased charges. They are faced with these prices that have been put in place and they are given those additional prices at the same time as the Liberal government is saying that we are going to have a fair energy policy, that we will have an energy policy that will make it right for Canadians to achieve self-sufficiency, and all these things. What have Canadians really got to show for that? What they have to show is that all the things that are really the hallmark now of the National Energy Program are really the cross that the minister has to bear. As boldly as he would like to tell Canadians that his energy program is working, the industry knows, and Canadians are gradually becoming aware, that this is a big fugue, really, that it is a con job, a job where Canadians are told one thing and precisely the opposite is happening. Capital is flowing from the country. The investors have lost confidence. Oil companies

have not been able to produce. Consumers are facing increasing prices and do not have anything to show for it. We have had a massive transfer of taxes into the federal coffers, taxes that have not increased our ability to achieve the self-sufficiency goal. In fact, last year, 1981, we had no new oil found. In spite of all the increased revenues that the federal government has got, our deficits continue to increase.

All of the negatives are there; and there is not a darned positive thing about it. There is just nothing that could give us any hope that this kind of measure, this kind of approach, will satisfy any of the claims that the minister makes for his energy program.

The Canadian Bar Association took particular exception to this clause. They suggested that any change that would be made would have to be made by consultation. We went through a long process in the country, in the opposition and the government side of the House, in dealing with the Constitution. The bottom line of that was the Supreme Court saying: "Yes, legally you can claim that right but really what we need and have to have traditionally in this country is co-operation and understanding and agreement that is reached by the provinces and agreed to by all the parties concerned." That was the legitimate response and the government finally acceded to that and we got an agreement that was in general accepted—with a notable exception.

What we are doing now is in a smaller way and in a less important way. We are saying that although the Canadian government could not do it at that level with that particular document, it does not really matter. The federal Liberal government is saying: "in spite of that, we are prepared to say here that we will do in a unilateral way whatever we please, regardless of what the producers may say, or what a producing province might say, or even what a consuming province might say; we will do it, we have the right and we are going to take the legal authority through this bill that we will pass because we have a majority in the House of Commons."

Several speakers have mentioned co-operative federalism. If there were a chance, if there were an opportunity for us to repair some of the bridges that have been nearly burned down in our relationships with the provinces, whether in the west or in the east or in central Canada, this bill will make sure we are not going to be able to restore that sense of co-operation, that sense of confidence between the provinces and the federal government, the kind of equanimity and happy relationship that we used to have and that I can remember well back in the late 1960s. That is gradually eroded each time this federal government has interfered, acted unilaterally, acted politically, in order to maintain power, in order to achieve control, in order to gain revenues, in fact, so that as a government they could become more and more involved in all of the things that are occurring in Canada. There are many things that most Canadians would like to support, but if we cannot do it in a co-operative way, if we cannot do it as a unit and as a nation, then we have lost everything.

The agreement that has been made so far took several years and caused a lot of grief. The agreements between Alberta and the federal government were agreements that ended with the system of prices and the system of increases that was laid down, that was acceptable to both parties and that Canadians in general accepted. People knew that energy prices had to go up in spite of the fact that it was a political tool, a very powerful argument for the Liberals in the last election.

Now, individual Canadian consumers are faced with all this discretionary power, orders in council and higher and higher and higher taxes and prices, that are really helping to put the crunch on the invididual Canadian. I think particularly of people in agriculture, and there are many in my constituency facing high prices for fertilizers and farm fuels; but I think it applies equally to almost any segment of Canadian economic activity. It looks as if it will get a lot worse and that it will continue to cost Canadians more and more.

The minister tries to justify and rationalize these increased costs and his energy program continually erodes, and we see with deep regret the country falling further and further behind in an international way. We saw the Minister of Energy, Mines and Resources (Mr. Lalonde) try to support the idea that it was not the energy program that was contributing in a major way to the fall of the Canadian dollar. I do not think that really washes now. Everyone knows that energy prices have caused a considerable amount of the inflationary push that we have had.

Many people know that because the money for investment in energy is gone, we have lost a lot of the interest rate reductions that we could have had. People in the areas affected directly certainly know that, because we failed at Alsands, tens of thousands of jobs are gone, lost. They know that because of the failure of Cold Lake, tens of thousands of jobs are lost. They know that the natural gas pipeline from Alaska is gone and that we have lost that. They know that there is failure after failure after failure in the energy program. No amount of argument, no amount of false bravado, can change the fact that the whole thing is in a shambles.

We need not only a major revision in the specifics of this and other bills that are part of the energy legislation, but we need a complete revision in the attitude of the government so that we can get the individual Canadians and particularly the small producers on a sound economic footing. We must restore the confidence to the business community, so that the minister and his government will have an opportunity to see that the economy starts to grow again. I do not think we can expect that out of this minister. He is completely in tune with the Minister of Finance (Mr. MacEachen). He supports his budget.

• (2040)

He supports all the measures the Minister of Finance has brought forward, as do all Liberal members. That is unfortunate for the Canadian people, and I hope the minister will at least accept the single suggestion in the amendment we have before us now or perhaps just the challenge of the hon. member for Vancouver-Kingsway (Mr. Waddell) to explain to this side of the House that that part of this clause does not mean

what it says, that the federal government will do unilaterally what it wishes and impose on Canadian consumers, businessmen and farmers the increases allowable under this legislation.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, I too am very concerned about this clause in the bill and hope we can prevail upon those who support the government to understand what the motion we have moved this evening is intended to do. What it is designed to do is take away from the cabinet the power unilaterally to revoke a pricing agreement.

I would like to speak for a moment about written agreements. I hope the minister will pay attention. A written agreement can be changed only with the consent of both parties. If the government intended to reduce taxes or prices by virtue of a new agreement, it seems to me it would have no trouble obtaining the consent of both of the parties which signed the agreement. It could bring about that change to lower prices or taxes. We are all accountable to our electorate. I think we would find it very difficult to go home to our constituents and say we had not supported lower taxes. Changes to an agreement can be made with the consent of both parties, and that seems a practical approach when it comes to reducing taxes. What the government clearly intends to do by this clause is to take unto itself the power to raise taxes unilaterally. I have to agree with the hon. member for Vancouver-Kingsway (Mr. Waddell) when he says, "If the government intends otherwise, I would like to hear from it." The best way we could hear from the government would be for it to support this amendment. Skipping the first part of the clause, it says:

—In the opinion of the governor in council, is not effective or is not capable of being effective, the governor in council may, by regulation, establish maximum prices for the various qualities and kinds of crude oil to which this part applies—

The key phrase is "not effective or is not capable of being effective". That means if it is not effective in terms of what the government intends to do with it. I am not a lawyer, but common sense tells me that clause means if it is not effective for the purposes the government intended. It does not mean it is ineffective for purposes solely of enforcement, which I could go along with, but it means it is not effective, or it can mean it is not effective in terms of the purposes the government intends for that particular excise tax.

As I have tried to point out, to me that means the government is taking upon itself the power to raise taxes. The government of the day has the power to bring bills before the House and to have them debated and passed by the House. It seems to me that is what a democratic system should be. It should be accountable to the people for taxes, for the way they are raised and paid and for the way they are dispensed with. However, this kind of clause in the bill erodes further the accountability of the parliamentary system to the people who sent us here to sit as watchdogs over their tax dollars.

I come from western Canada. Many people in my constituency are in the cattle business. Large deals, in terms of dollars, are made, although they are not large deals in terms of a farm's output. One might make a deal on the telephone whereby his word is his bond. The hon. member for Calgary Centre (Mr. Andre) referred to this in his opening remarks. One's word is one's bond. A person might want to sell a total year's production of cattle and, if he has a reputation for being an honest person, he makes that kind of deal over the telephone. He can give his word, and it is his bond. I agree with the hon. member for Calgary Centre that we should go back to the day when our word meant something. However, under this bill a written agreement between parties can be changed by only one of the parties involved.

If I go to a bank for a mortgage to buy a house, I negotiate the terms of that loan. It is agreed that payments will be made over a period of two, three, four or five years—whatever term is agreed upon—at a fixed rate of interest. If I were to begin paying my mortgage and after two or three months the bank telephoned me to tell me it had decided unilaterally to raise the price of my mortgage I would not be in favour of that. Nobody would. That would be the cause of many court cases, and I would hope that kind of thing would not be allowed and that banks would be forced to honour the terms of original agreements. Yet under this clause the government is asking for the power unilaterally to change an agreement which has been arrived at.

I see the distinguished Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. Dingwall) smiling. I hope he will take my remarks seriously. If he does not support this amendment, he will be agreeing that we have come to the point in our country where the government should have the power to change agreements it does not like unilaterally.

Two or three weeks ago we had the opportunity to talk with some people who arrange for the investment of funds in this country. In the course of the conversation the point was made that the people who deal with the investment of money in this country do not think past six months any more because after six months the rules will be changed and it will be a whole new ball game. That is a terrible statement to make and have it applicable to the country in which we live.

We are having troubles with our Canadian dollar. The situation has reached almost crisis proportions. Contrary to what the Minister of Finance (Mr. MacEachen) says, we in the opposition do not like to condemn our government. We do not like to condemn our country. We are proud of it. We want to do things which will make it productive and number one in the world. However, when we see that is not happening, we are made to feel sad. The point the Minister of Finance makes is that we should not condemn him because that causes problems. However, we should look at some of the things his government is doing, and I suggest this clause adds to insecurity and chases money out of the country. That causes problems for our dollar and problems for people who want to produce. Those problems are brought about by high interest rates. It is precisely this kind of legislation that the government is proposing that is causing these problems. When we think of what the National Energy Program and its back-in provisions have already done, we understand why nobody looks at us with any faith any more.

As I said, the people with whom I had an opportunity to speak said that within six months the rules will change and there will be a whole new ball game, so no one thinks beyond six months any more. Large amounts of money are leaving Canada and, by and large, going to the United States. Literally billions of dollars are being chased out of our country, and that is forcing the price of the American dollar up. One would normally think that when we sell our dollars out of the country, the price of the Canadian dollar would fall. Because we live so close to the Americans and because we are each other's best customers as far as trade is concerned, we have tried—I think for very good reasons—to tie the Canadian dollar to the American dollar. This is a very interesting point.

I see that the Minister of Energy, Mines and Resources (Mr. Lalonde) is not paying any attention. I think he should pay attention. I think the Minister of Finance should also pay attention. When this kind of clause serves the purpose of chasing massive amounts of Canadian dollars out of our country, that money leaving the country causes the price of the American dollar to rise. Subsequently, the price of the Canadian dollar rises with it, and this brings about an effect opposite to that which we might normally expect. It is like being in a boat that is sinking and instead of bailing it out, someone puts lead in it to make it sink faster. That is the effect that this clause will have.

• (2050)

I want to turn now to agriculture which is a subject that is near and dear to a lot of members from western Canada. At the present time, a tremendous amount of tax is paid on the fuel that is used for the production of food and we are already in the situation where we find it difficult to compete with the United States. I know we are each other's best customer, but we are also each other's closest competitor. We have to be competitive with the United States when selling our agricultural products on world markets.

I have here some figures given to me by the very distinguished hon. member for Red Deer (Mr. Towers). They show that in 1980, a farm of approximately 1,000 acres in Alberta paid approximately $11,800 in tax on petroleum products. In 1981 that tax increased to $16,700, an increase of almost $5,000 but the frightening thing is that by 1986 it is estimated that the tax will amount to $42,000. That means a tax of $40 per acre on land for petroleum tax alone.

That is a lot of money, yet this clause provides that the tax will increase. It provides that the agreement of the parties affected can be obtained to reduce a tax, but the only way I can see the clause being used is in the case where the government wants to unilaterally increase a tax. If the bill goes through without amendment, then producers in my part of the country—and I believe the figure would be comparable for any farming area in the country—can look forward to paying taxes of more than $40 per acre simply on the fuel necessary to farm the land.

If the government does not intend that the clause will be used in the way I have outlined, I would like the minister or the parliamentary secretary to reply and point out where I am wrong. I am hoping against hope that the members of the government who represent farming regions will support the amendment. If they vote for the bill as it stands, then they are in favour of imposing a higher tax in fuel used for the production of food as the years go by.

I want to point out that this $40 per acre does not include the tax on things made from a petroleum base such as most of the insecticides, herbicides, building materials and many other products used in agriculture. That is only the tax on the fuel burned to farm the land.

In closing, I should like to emphasize an important point that was made by the hon. member for Calgary Centre. It is actually a question for a philosopher and we know that in some of his musings the Prime Minister (Mr. Trudeau) likes to think of himself as a philosopher, so perhaps he can tussle with it. Someone said that simply because the majority is capable of doing something, that does not make it right. I took a philosophy course at university like a lot of other members and I remember that someone said simply because you have a majority and they are capable of imposing their will on the minority, that does not mean that their ability to impose their will makes it right.

Surely we must have some reason to be proud of the system that has brought this country to where it is today. This clause, however, puts us in a situation where we can simply say that because we have a majority, anything that majority does is, by definition, right. In my opinion, and I suspect in the opinion of most Canadians, that does not make it right at all. In fact, I think many people would say the opposite—that because you have the ability to impose your will on someone that does not make it right. There has to be some room for common sense and justice, otherwise we would simply be ruled by the largest and most powerful. In the same way that the government can impose its will on us because it has a majority, the people who are the biggest, the strongest or the most gifted could impose their will on the less gifted and less strong.

I urge members of the government who will support the bill to consider some of the implications of this clause if it goes through without the amendment we have put forward this evening.

I do not want to prolong the debate, Mr. Speaker, but I am glad to have had the opportunity to participate.

Mr. Scott Fennell (Ontario): Mr. Speaker, most people in Canada are a little confused by the name of the riding I represent and they are not sure if I represent the whole province or a little bit of it!

I was interested when the gentleman from Etobicoke who happens to represent the riding of Vancouver-Kingsway (Mr. Waddell) referred to himself as a westerner. I finally understood why he went west. Being from Etobicoke he is jealous of my colleague, the hon. member for Etobicoke Centre (Mr. Wilson). He could not get that riding if he wanted it. Even if he did get the nomination, he could not be elected there.

If the hon. member had been at committee with those of us who went over this bill word by word and clause by clause, he would understand what Clause 15 is about.

This motion asks that the words "in the opinion of" be deleted. As the clause stands, the minister need have no fear of not Canadianizing the oil industry because he will drive out not only foreign investment, but Canadian investment as well.

How can anyone be expected to invest in an industry where the minister can make a unilateral decision on the sale price of products? As has been mentioned before, billions of Canadians dollars have left the country in the past year. The minister was worried about foreign investment, but he does not have to worry about that.

This is totalitarian legislation. It is designed strictly for the Liberal government. It gives so much power to the minister that he can do what he wants without ever referring to his partners in confederation, the producer provinces. He could write up a contract with the producer provinces one day and next day cancel it, as soon as his bureaucrats in Ottawa got his ear and told him he did not have to go through with it.

I plead with the government to take the four words "in the opinion of" out of this clause. Make this a true partnership contract. That is what we have in Canada. I plead with the government not to try to impose its unilateral views on the citizens of this country. That is what is happening more and more with every piece of legislation.

• (2100)

I do not profess to be a lawyer, but I have been in the business world. I have signed many contracts, and I have done many contracts with a handshake. I will tell you one thing, Mr. Speaker, sure as the devil I would not make a contract with that government, by signature or handshake, because they have no sense of morality. They want to run it their way; they do not give a damn about Canadians or jobs for Canadians. They care only about one thing, themselves.

At least there is one member of that party who is honest. He participated in the committee, and he stood up in this House and expressed the views of the Liberal Party. He said "if we must be communists, we will be communists". At least he is honest. I respect that gentleman for saying that, because at least he told the public the truth. They do not care about the public, they care only about power, their jobs and their indexed pensions. I hope they have their six years in because the next time around they are going to have a terrible surprise.

We hear a lot of discussion in this House about rights. But what about duty, duty as Canadians, as cabinet ministers of that government? They have a duty to industry, to the ten provinces and territories. They have a duty to this country which they are not fulfilling. And I think I can explain why. The hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre), in one of the committee meetings, happened to say "I wish we had oil wells in our backyard." My colleague, the hon. member for Calgary Centre (Mr. Andre), jumped on it very quickly and said "I wish to God you had those wells in your backyard, too, if you did, we would not have this legislation in front of us". I am from the centre of this country and I object to the discrimination against the western portion of this country.

We were in committee today, and it was interesting. Hydro-Quebec and Ontario Hydro, provincial Crown corporations, came up with some changes. They were shot through right away; this is going to be changed, this is the way it is going to go. The private sector has been there and put their point across about the problems of the industry. Has the government made any changes on behalf of the industry? No, Mr. Speaker.

It will only make changes on behalf of Crown corporations and on behalf of the people its members represent. It is sad that they only represent such a small geographical portion of this country, but I understand why. It is because those people have enough common sense to not elect them to this House. I plead with hon. members opposite that when they stand up to vote, they wince as the camera goes by, because they are not helping Canada, the unity of Canada, and they are not helping Canadian citizens.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I will not take much of the time of the House on this motion but it does stand in my name and I would like to comment on it. I would like Canadians, those in our gallery this evening and those watching us on television, to consider what their situation would be if they signed a contract with a mortgage company, for whatever term, and the mortgage company then tore up that agreement and demanded its money instantly. How many millions of Canadians would lose their homes? Where would the mortgage companies be if a customer could tear up an agreement without their consent? Would they lend you money?

Where would we be if we used a credit card to make a purchase, at a certain interest rate, and then the company could change that rate? What if you thought you borrowed money at 10 per cent, but after you borrowed it the company said no, it was at 100 per cent? Where would we be if agreements freely entered into could be broken by one side alone without consultation or process? We would have chaos. The Minister of Energy, Mines and Resources (Mr. Lalonde), supported by the cabinet, is asking the elected members of this House to pass a clause which puts into jeopardy an agreement freely entered into by both parties. It gives the federal cabinet—not Parliament, not the elected representatives—an appointed group, the power to unilaterally break an agreement which they entered into on behalf of the Canadian people.

Each day in question period—I wish the minister would pay attention—he says "I cannot do this because I have an agreement with Alberta; I cannot do that because I have an agreement with Saskatchewan". I wish I could believe that. It would be so much easier to believe if he did not put in this legislation a clause which allows him to break that agreement at any time without consultation.

Even if we have faith in this cabinet and its wisdom, what about the future? What about the future for your children and my children? There will be an election sooner or later and a

new cabinet, and that cabinet could be sworn in at eleven o'clock in the morning and by noon it could issue a statement which completely cancelled an agreement entered into with any and all provincial governments. How would members of that party not serving in that cabinet feel? What if the Government of Canada enters into an agreement with Ontario or Quebec and that party's cabinet unilaterally abrogates that agreement? The backbenchers, people elected to represent the people of the provinces concerned, have no say.

• (2110)

It is just the cabinet, based on what information no one knows, because cabinet meetings are secret. We are dealing with principle. Our society runs in large measure on the fact that we have agreements with each other and that we mutually change agreements. We do not have the principle where two parties as matters of free choice enter into written agreements with each other that can be broken by one party.

When the Minister of Energy, Mines and Resources (Mr. Lalonde) stands in his place in this chamber, either during question period or at any other time, and says that he cannot do something because he has an agreement with another province, then we will know if this clause passes without amendment that that is a charade because the minister will have given himself the power to break any agreement. When he says that he cannot do something because an agreement is in place, what he would be saying to us is that he chooses to do something or chooses not to do something.

Simply, this clause says that the Canadian people cannot trust their federal government to keep an agreement, an agreement which it entered into on their behalf. This is awesome power the minister has. The minister was asked about that in committee. On that occasion he gave no clear indication why the clause was in the bill. We asked him why he wanted that power. We really did not get an answer. We asked him whether that clause was put in the bill by accident or by design of some civil servant. The minister did not really know.

We suggested that he take this clause out of the bill and that if he needed it later on that he should have the courage to come before Parliament, before the elected people, and defend the need to have the unilateral power to tear up an agreement with the provinces. If something like that is ever necessary, there is a proper forum and place in which to do it. But why does the minister need this power at this time, given the uncertainties that exist in Canada today and the stresses on our confederation? Surely we should not have a clause that encourages the present minister, or any future minister, to act unilaterally without consultation and be able to tear up an agreement that was entered into.

Agreements should be changed through mutual negotiation. Agreements should not be one-sided. In that context, I encourage those members who support the principle that agreements should be changed as a consequence of negotiation to vote for this amendment. The only members of this chamber who should vote against this amendment are those who really believe it is right to give the cabinet the power, without complication, to tear up an agreement made with another member of this confederation. That is not right. The House should indicate that in the strongest possible way. It is not an issue on which government's fall, but it is an issue of principle and this chamber should support the principle that lies behind the amendment.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Mr. Speaker, I will be brief. However, I do not want to leave unanswered on the record certain allegations that have been made tonight. I listened carefuly to the comments made on this particular amendment by the hon. member who has just spoken and by some of his predecessors. By listening to what they said, you would believe that what is being proposed here, as the hon. member mentioned, is that the governor in council, the cabinet, could at will tear up an agreement reached with a particular province concerning oil prices, an agreement that would have been arrived at freely. You would believe that this is a new provision, a new power which the government is trying to get for itself.

First, I would like to point out that the provision of the bill states that when there is no agreement, the governor in council, the cabinet, can by regulation establish maximum prices for various kinds of crude oil. Or, again, if there is an agreement and the agreement is terminated by the declaration of the parties, again, the governor in council can promulgate prices by regulation.

That is the point to which the hon. member who last spoke is objecting. It says that "where the agreement is not effective or not capable of being effective—", which in French reads: *"Lorsque . . . l'accord conclu n'est pas exécutoire ou n'est pas susceptible de le devenir."*

What does that mean? It means that if there is an agreement and it cannot be implemented or cannot be acted upon because of circumstances beyond the control of the parties, then the cabinet, the governor in council, can establish maximum prices for crude oil if there was an agreement that for whatever reason could not be implemented, could not be made effective. Some members have said that this would destroy the confidence in the industry. As I indicated, you would think this is a brand new provision which this government is trying to get to allow it to walk away from agreements made with any particular province. I would like to remind my hon. friends on the other side, who may not have paid attention to this provision as much as they should have, that this is not a new provision. This very provision is Section 36 of the Petroleum Administration Act and it has been there ever since 1975 when that act was passed by Parliament.

Mr. Mayer: That doesn't make it right.

Mr. Lalonde: Let me read this section from Bill C-47, the Petroleum Administration Act. It reads:

> Where no agreement is entered into pursuant to Section 22 with the government of a producer-province, or any such agreement is terminated by the declaration of the parties, or, in the opinion of the governor in council, is not effective or is not capable of being effective, the governor in council may, by

regulation, establish maximum prices for the various qualities and kinds of crude oil to which this part applies that are produced, extracted or recovered in that province.

● (2120)

That is section 23(1) here, word for word. It is simply reproduced because Sections 34 to 46 of Bill C-47, the Petroleum Administration Act, have been repeated. There is nothing new or anything that is frightening for the industry.

I would remind my hon. friends that the industry has known its golden years with respect to money and other matters with that provision. That provision had been examined by parliamentary committees, debated, voted and passed by Parliament in 1975. Therefore, all the agitation of my hon. friends in the Tory benches, I would have to say, is somewhat fabricated. If it is not fabricated, it took them seven years to become that outraged. I would invite them to go back to the bill which has been in effect since 1975. There is nothing changed. Nothing has been changed in this case either.

An hon. Member: It is wrong, then.

Mr. Lalonde: The hon. member says that it is wrong, then. I would remind him that his government was in office for nine months. If this was such a terrible detriment to the west, as I heard some of them say, why did they not introduce an amendment to this bill when they were in office, even for first reading?

I am not asking them to have passed a bill, since they did not have much time to do that, but they could have at least indicated the seriousness of their concern over this provision by introducing an amendment in Parliament indicating that they did not like this provision of the Petroleum Administration Act. They could have said, "We think it is outrageous and therefore we will quickly table, at least, an amendment for first reading."

They did not do that. I would suggest it was not because they did not have the time since it would have been a very easy amendment to draft. They did not do it because there is nothing very outrageous about it. It is a very simple and explainable provision. It is quite understandable because we must bear in mind that there may be special circumstances when a certain agreement with a certain province may become ineffective or unable to be implemented. As the government of the nation, it must have the power to assume its responsibility in the national interest and act to ensure that the prices for various kinds of crude oil will be determined at a time when a certain agreement for a particular reason becomes ineffective.

It is my hope that these few points will have at least removed the notion from the minds of my hon. friends that there is some secret plot which was suddenly invented in the last few months whereby the government and the Minister of Energy, Mines and Resources would be accumulating new powers that no one has ever heard of. Even the Conservative minister of energy, when he was in office, had this power and lived with it. The country did not suffer from it. On the contrary, I think it is a precautionary clause which is quite understandable and which has not given rise to arguments even from the producing provinces. I can tell hon. members that in two years this point has not been raised once with me by any particular provincial minister of energy.

An hon. Member: Why?

Mr. Lalonde: Why? Because, I am happy to say, the provincial ministers of energy appear to have more sense and have been a little more reasonable with these issues than some members opposite who have spoken tonight.

I do not want to spend any time on some of the more despicable remarks made by the hon. member for Calgary Centre (M. Andre). I think they were very well answered by the hon. member for Vancouver-Kingsway (Mr. Waddell). I will simply say that I regret that members of the House feel they have to resort to this kind of argument during a debate. I do not believe they are serving their cause and they are not serving themselves. They are not growing in their own minds by using that kind of argument or in the minds of the public. I do not believe that they serve the cause of understanding, tolerance and friendship between the various regions of this country which is so important.

I only want to say that the arguments that were used did not appropriately reflect the provisions of the bill which were being discussed. These provisions regarding taxation, particularly in the transportation field, will apply equally to foreign as well as domestic carriers. With respect to the hon. member who spent much time discussing maritime transportation, it has been made quite clear before the committee and barely needs to be repeated here that those provisions are not discriminatory against Canadian carriers or transporters. They apply equally to foreign as well as Canadian carriers. I reject those arguments which have been made.

Mr. Len Gustafson (Assiniboia): Mr. Speaker, I would like to briefly respond to the remarks made by the Minister of Energy, Mines and Resources (Mr. Lalonde) in regard to this portion of the bill which deals with the agreement. This agreement is very important to the industry today because the major problem facing the industry is a lack of confidence. This is just one more area where that confidence breaks down; the minister's right to break the agreement at his discretion. These powers given to the minister adds to the breakdown of confidence.

I sat in the committee for the past two years and listened to witnesses who appeared before that committee. Contrary to what the minister says, the matter of confidence was raised as the number one subject. I believe it was the Elf Aquitaine Company of France which said, with reference to Bill C-48 in particular, that they had never seen this type of legislation introduced in the free world which would allow confiscation as it did under Bill C-48.

In this clause we have the exact same kind of powers of discretion by the minister. If we realistically look at what has to happen in Canada today in order to restore confidence in

the National Energy Program and to get investment returning to Canada with respect to the National Energy Program, it is this very matter which must be dealt with. The timing of this was very important because of the actions of the minister with regard to the National Energy Program. That is the point which was being made by the hon. member who spoke previously and to whom the minister referred. It is most important that confidence be restored to the industry so it can depend on the government and on signed contracts.

If you consider the situation as it relates to the falling Canadian dollar today, I would suggest to Canadians and to the minister that the main reason for the weakening Canadian dollar is the National Energy Program and the lack of confidence that the minister himself has brought upon a very successful industry in Canada through the kind of directions he has given to the National Energy Program.

• (2130)

This bill is no exception and this is why it is so important. I would just like to say briefly, in these closing remarks, that I must respond to the minister. It is most important that this ordinary discretion on the part of the minister not be taken at this time to further weaken confidence in an industry that must go ahead in developing our resources. This country should be number one and should not be falling behind in the economic situation as we are today.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Ethier): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Ethier): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Ethier): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Ethier): Pursuant to Standing Order 75(11) the recorded division on the proposed motion stands deferred.

Mr. Jim Hawkes (Calgary West) moved:

Motion No. 3

Petroleum Administration Act

That Bill C-103, An Act to amend the Petroleum Administration Act and to enact provisions related thereto be amended in Clause 16 by striking out line 19 at page 12 and substituting the following therefor:

"(d) the probable effect on the explorers, producers".

He said: Mr. Speaker, I would simply like to refer to Motion No. 3 in its context. What we are asking or what precedes this amendment is the power of cabinet to set price. The motion that was brought forward by the minister—and we challenged it in committee—is the clause appearing in the bill and it asserts that in the setting of price, the cabinet should be concerned about the impact of that price on consumers and producers. What we seek to do through our amendment tonight is to change one word, and that is "explorers", because if we have learned with a sense of clarity what this minister's policy has done, we can see it so clearly in the exploration end of the business. Today in Canada one quarter of the wells being drilled were being drilled before that man became Minister of Energy, Mines and Resources (Mr. Lalonde).

In that period of time he has single-handedly destroyed three quarters of the exploration industry in this country. He has destroyed hundreds of family-owned, small firms which have gone into bankruptcy. He has caused people to lose their jobs and, subsequently, their homes. He has put the energy future of all of us at risk because the oil and gas industry begins by looking for the needle in the haystack.

Buried somewhere in the ground is a pool of oil or a reservoir of gas. We have technical ways of guessing where it might be, but then one needs half a million dollars to even drill a shallow well. Most wells would cost at least $1 million. Someone has to pay that money. One hires a drilling rig, hires truckers, caterpillar tractors, cooks, builds shacks and then one drills. One finds oil and gas or one does not find oil or gas. More frequently, one does not, but it takes much money and it is a high-stakes, high-risk venture. It takes money.

But this minister, through his National Energy Program, took the money away from the people who know how to look for oil and gas and two years later we have less of it. By analogy, if this minister had taken over a grocery store, bought it on behalf of the Canadian people, he would have started selling the groceries off the shelves, taken the money, gone somewhere and had a party.

Do hon. members know what the first use of the money should have been put to? It should have gone to the wholesalers to put the groceries back on the shelves for the next customers. But when one does not do that, but just sells the groceries and does not buy more with the money to put back on the shelves, pretty soon every shelf in the store is empty. That is what would happen and that is what the minister has done to this country.

Governments take 65 cents out of every dollar Canadians pay for oil and gas. There is not enough left in that 35 cents to look for oil and gas. So, we force them to sell it. We are selling the groceries off our shelves. This minister will not leave the industry enough money to drill the wells, to put that oil "back on the shelves" for the next generation, for your kids and for

my kids. In the process of doing that, he has caused all kinds of small, family-owned firms to go into bankruptcy.

Last week, the biggest auction sale in the history of western Canada was held, selling drilling rigs, caterpillar tractors, trucks, equipment, and the buyers were Americans, citizens of the United States of America. The prices were less than half-price. The minister stood in this House on Monday night, some three or four days after that auction sale, and said, "We will update the program". What did he brag about? He bragged about giving the oil industry $2 billion more. That is the way he said it. But what he really meant was that he would take $2 billion less away from them.

They found the oil and the money was theirs. With his taxation policies, he took too much away. He took so much away that we cannot drill the holes any more. We cannot find the oil. We are burning it. It is burning in this building right now. It is burning in all those cars out on the street. But there is no well drilling to replace it. It is going. Less than 100 wells are being drilled in this whole country—

Mr. Gustafson: Ninety-four, to be exact.

Mr. Hawkes: —on this day. We were up to 700, 800 or 900 in the course of a month, but this minister has taken away the future from your children and my children, at least in part. He is taking so much of the money that there is not enough left to hire the people to drill the wells. He stands in this chamber and tells us that we have an agreement with the provinces and that if we go out and find new oil, we will get the world price. Canadians believe him and the newspapers carry the headlines.

• (2140)

Then we read in Clause 16 that he can tear that agreement up on 30 seconds' notice. "Take your money today," he says to Canadians, "invest in an oil rig and go drill a well, and if you find it, you will get a certain price." But hidden in the legislation which his members intend to vote for is the principle that what he tells you today, he can break tomorrow without your consent, without your advice. That is what creates the instability. People do not trust.

The minister told us on Monday night that the energy program had accomplished great things and that it was going to do better things. Well, since Monday night we have stood in this House and said: "No, you have made it a little better than it was, but it is still rotten, it is still bad." The report card will be what happens on the stock exchange and what happens to the value of the dollar. Since Monday night, all stocks have gone down 200 points and the dollar has dropped for the first time in Canadian history, below 80 cents.

Knowledgeable people in Canada have judged this minister and his so-called revision. The program was rotten. It was revised. Canadians have said it is still rotten and it should be dropped. At the very least, I urge members of this chamber to add the simple word "explorers" so that when this minister or some future minister determines the price and taxes, there will be some protection for our kids, that we not sell the groceries today without replacing them, but have to take into consideration in price the need to drill more wells to replace the oil we are burning.

Some hon. Members: Hear, hear!

[*Translation*]

The Acting Speaker (Mr. Ethier): Is it the pleasure of the House to adopt the said motion? All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the nays have it.

An hon. Member: On division.

The Acting Speaker (Mr. Ethier): I declare the motion lost on division.

Motion No. 3 (Mr. Hawkes) negatived.

Mr. Jim Hawkes (Calgary West) moved:

Motion No. 4

That Bill C-103, An Act to amend the Petroleum Administration Act and to enact provisions related thereto be amended in Clause 31 by striking out line 13 at page 19 and substituting the following therefor:

"amount not exceeding twenty-eight dollars".

[*English*]

He said: I believe we should be on Motion No. 5.

The Acting Speaker (Mr. Ethier): Both motions should be debated together.

Mr. Jim Hawkes (Calgary West) moved:

Motion No. 5

That Bill C-103, An Act to amend the Petroleum Administration Act and to enact provisions related thereto be amended in Clause 31 by adding immediately after line 2 at page 20 the following:

"(1.4) The tariff of charges set out under subsection (1.1) shall be set at such a level that the aggregate of revenues from those charges does not exceed the amount required to pay the compensation payable under the provisions of Division 1 of this Act."

He said: Mr. Speaker, now we come to a substantive motion that is in large part responsible for a lot of the difficulties of the country. Canadians may remember the month of December, 1979, when the New Democratic Party said 18 cents a gallon tax was too much, the Liberal Party said the same thing, and they threw our government out of office.

Some hon. Members: Oh, oh!

Mr. Skelly: I rise on a point of order, Mr. Speaker, certainly the House would accept the apology of the hon. member for statements that have been looked at as mendacities certainly

mendacities concerning the National Democratic Party, about this party removing the Tories from power. It was the people of Canada who removed them.

Some hon. Members: Hear, hear!

Mr. Waddell: They know that very well.

Mr. Hawkes: It was all those western Liberals called the NDP who stood in this chamber in December, 1979, and either through revolt or through design threw out the Crosbie budget.

Mr. Anguish: I rise on a point of order, Mr. Speaker, there is no such thing as what the hon. member refers to. It is almost unparliamentary language.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Ethier): Order, please. If the hon. member has a point of order, I am certain that all hon. members want to hear it, but certainly not to entertain a debate. We will hear a point of order, if there is one. The hon. member for Calgary West (Mr. Hawkes).

Mr. Hawkes: I can understand their sense of embarrassment. The hon. member for St. John's West (Mr. Crosbie) as minister of finance in December, 1979, proposed to the Canadian people that there be a tax on gasoline of 18 cents a gallon. The Liberal Party and the New Democratic Party found that unacceptable on behalf of the Canadian people. We have seen it doubling, an increase of almost $1 a gallon since that time.

Some hon. Members: Oh, oh!

Mr. Anguish: I rise on a point of order, Mr. Speaker, it is a matter of the relevance of the speeches being given by the hon. member here this evening. I think he should try to be relevant to the motion that we are debating here. Instead, what he is talking about is the hindsight that the Conservative Party shares. The only thing they can talk about is hindsight.

The Acting Speaker (Mr. Ethier): Order, please. Perhaps with hindsight hon. members should all introduce points of order only when they are points of order. The hon. member for Calgary West.

Mr. Hawkes: Mr. Speaker, I would like to congratulate the Conservative members for going to the special energy committee and learning a little more about oil and gas taxation. The complaining members of the New Democratic Party from the west chose not to attend during those four weeks.

Mr. Waddell: I rise on a point of order, Mr. Speaker. I am a New Democratic Party member from the west. From time to time and many times I have attended in committee, but I was not asked to speak in this House. The hon. member has got to tell the truth to the House now.

Some hon. Members: Oh, oh!

Mr. Lalonde: He has never done that before, why do it now?

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Ethier): Order, please. I am sure hon. members will want to contribute to this debate.

Mr. Andre: Let us call an election and let the people decide.

The Acting Speaker (Mr. Ethier): I am sure hon. members would want to defend their stand and I am sure members of the House will want to take the opportunity to do so when they are recognized. I fail to see a point of order; and the hon. member is debating. The hon. member for Calgary West.

Mr. Hawkes: Mr. Speaker, if the member of the government would like unanimous consent to go to the Canadian people to decide the issue, we would be happy to give that unanimous consent just as quickly as we could. Mr. Speaker, you have read for our edification two amendments as part of a bloc. The first amendment has the effect of changing the words "seventy-five" to the words "twenty-eight." That may be a bit mysterious to many members in this House, to members who have not studied the issue. What it does with this clause before this Parliament, in one tax alone, through the use of the words "seventy-five" is empower the Minister of Energy, Mines and Resources (Mr. Lalonde) to raise gasoline prices 48 cents a gallon. That is not all the taxes that he has imposed on Canadians since February, 1980. This is just one and it is 48 cents a gallon.

• (2150)

In this chamber and in the committee my party has discovered that that possibility bothers members of the Liberal Party. They went to the Canadian people and said gas should not be taxed more than 18 cents a gallon.

Mr. Gustafson: And the NDP supported them.

Mr. Hawkes: Through this amendment we want to give them the opportunity, at least with respect to this one tax, to keep their commitment to the Canadian voters. All they have to do is vote for the number 28 instead of the number 75, and this one tax would be about 18 cents a gallon or less. That is what they told the voters. They said, "Vote for us, and we will see that your taxes do not go up that horrible 18 cents". The Minister of Energy, Mines and Ressources wants 48 cents a gallon, but we are giving Liberal backbenchers and members of the New Democratic Party an opportunity to keep their commitment to the voters. If they told voters 18 cents was too much, then it would be stretching logic to vote for 48 cents a gallon. They have the choice of the 48 cents the minister wants or the 18 cents they promised the voters who sent them to this chamber. This is their chance to keep their commitment to the voters who sent them here. It is a chance for all hon. members opposite to keep the commitment they made to the voters who sent them here. Do hon. members opposite remember their campaign brochures and their speeches? They said 18 cents was terrible. All they have to do to keep their commitment is to vote for Motion No. 4. That would keep this tax under 18

cents a gallon, and hon. members could keep their commitment to the voters. If they vote to reject the amendment before us, they vote for 48 cents a gallon.

I hope constituents listening to our discussion this evening will telephone their Members of Parliament and tell them whether they think they should vote for 48 cents when they were sent here to keep the tax under 18 cents. I hope that happens to members of the New Democratic Party too. I invite constituents to pick up their telephones tomorrow, telephone their Members of Parliament, Liberal or NDP, and tell them to vote for Motion No. 4 because it would restrict the taxing power of the minister to something less than 18 cents a gallon, and that would be in line with the brochures, pamphlets and advertising distributed and the speeches made by hon. members opposite.

I think it is generous of the Conservative Party of Canada to give hon. members in this chamber the opportunity to keep a campaign promise in this way. I hope hon. members will give a lot of thought to this at the weekend. They were sent here to uphold a principle, and by voting for this amendment they can uphold that principle with clarity, pride and dignity. However, if they choose to uphold the minister's desire for a 48 cents a gallon tax—just this one tax alone—surely they are breaking faith with the people who sent them here and the things they told them in December, 1979, in January, 1980, and in early February, 1981. That is the first half of the amendment, and I urge its consideration at the weekend.

The second half of the amendment would protect consumers. It would impose a maximum tax of 18 cents a gallon. That would be a break for the consumer. It would bring the price of gas at the pumps down right away. It would be cheaper. If the House voted for this amendment, gasoline and home heating oil would cost consumers less.

However, there is another principle, and the minister has enunciated it. He told us in committee that the petroleum compensation charge, according to his agreement with the producing provinces, shall not be set at a level greater than that required, so that the amount of money coming in through taxation and the amount paid out to Saudi Arabia and Mexico for imported oil would be the same. That is what the minister told us. However, I say to the consumers of Canada that they should beware. The minister has told consumers about his intentions, but nowhere in the wording of the clause is the minister restricted. Many times in the last few years we have been told by ministers that taxes were being levied for specific purposes, and as soon as Parliament has granted those taxing powers, the money has been used for other purposes. Through this amendment we are seeking to protect the consumers of Canada.

Mr. Gimaïel: Mr. Speaker, I rise on a point of order. Being a member of the Standing Committee on Energy Legislation, I heard everything the hon. member had to say on this subject. I can tell you, Mr. Speaker, that enough is enough.

Some hon. Members: Hear, hear!

Mr. Hawkes: Mr. Speaker, on behalf of the Conservative Party I would like to thank the hon. member for reminding Canadians that, yes, they have had enough. We have had enough of this minister, and we have had enough of this policy. I thank the hon. member for bringing this so forcefully to the attention of all Canadians.

Motion No. 4 says that the minister absolutely shall not charge more than 18 cents a gallon tax for compensation purposes. Motion No. 5 says he shall never tax at a rate greater than that required to provide compensation. If we had a decent policy under which wells were being drilled and no oil had to be imported, we would come to the point where this whole tax would disappear and it would be guaranteed in legislation that once the need had passed, the tax would no longer be collected. That is what Motion No. 5 would ensure. Motion No. 4 says there will be a maximum tax of 18 cents. Motion No. 5 says when the need is passed, which surely will happen, the government cannot collect the tax.

Surely a sane and sensible government would not collect a tax which is not needed, but I remind hon. members that in 1975 this Parliament approved an export charge. The purpose of that export charge was to pay for imports. It is now 1982, and this government is collecting that export charge and not putting a penny into paying for imports. It has a new charge of 48 cents a gallon, and there is no restriction in legislation which says it must be used for a specific purpose. There is no restriction in legislation which says that when the need is passed, the tax will disappear.

What we have here is a public relations exercise. People want this Parliament to approve taxes for good reasons, but the government does not want to restrict itself, through legislation, to those good reasons.

May I call it ten o'clock, Mr. Speaker?

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

HOUSING—CMHC ROLE IN RENEWING MORTGAGES ON UREA FORMALDEHYDE FOAM INSULATED HOUSES. (B) REQUEST THAT BANKS BE INSTRUCTED TO RENEW MORTGAGES

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, on February 15, as reported at page 14994 of *Hansard*, I inquired about CMHC guaranteeing mortgages on homes insulated with UFFI. The answer I received at that time was not satisfactory, nor could it be called positive. On April 30 I asked the same question, in effect, as reported at page 16780 of *Hansard*. In the reply I was assured that Canada Mortgage and Housing Corporation would guarantee all applications for renewal of mortgages, but I guess I specified banks particularly and not the general mortgage industry.

Since that time I have received reports that owners of houses with UFFI insulation are still having difficulty renewing their mortgages. Today I suggested to the minister that the government should spend some of its advertising money for this purpose. Someone interjected that it would perhaps be as valuable for the home owner as advertising the Canada goose! This in no way reflects on the Canada goose—I think it is a wonderful bird and I admire it. However, I think the Canadian public would get more value from money spent advertising that CMHC will guarantee any mortgage renewal request for any house in Canada insulated with UFFI.

The decline in the value of homes insulated with this material is seriously underestimated by the government. I do not think it understands the problem at all. It has been publicly stated that 80 to 90 per cent of the estates of most retiring people is constituted in the value of the home they own. It is also estimated that approximately 80,000 Canadian homes have insulation containing health hazardous formaldehyde.

An article in the Ottawa *Citizen* of May 4 states that about 3,000 people are seeking cuts in property taxes because of foam insulation. Another article in the Ottawa *Citizen* on April 30 carried the heading "Ottawa fears tax loss from foam insulation". The article states that the assessment review court decided that some Sault Ste. Marie homes were worth about half their previous value, and it cut the tax bills accordingly. The article states that it will be months before it is possible to process the appeals to the assessor in respect of the taxation to be paid this year. For many families, 80 per cent to 90 per cent of the value of the estate will virtually disappear because the houses they own have little if any value.

The minister told me that if I could give him a name, he would investigate the case. If the minister is interested, he will not have any difficulty finding out about one member of this House who has an interest in one of these homes. He needed a little security and when he sought a loan through a mortgage with the house as security, he was turned down cold. He was told that in effect they would rather lend him money without security than on the security of a home with UFFI insulation. This is a measure of the serious loss experienced by people who have used this insulation.

I have in my hand a document entitled "Urea Formaldehyde Foam Checklist". This checklist was to be handed to an occupant by the installer before the foam was installed. I have polled people in my constituency on whether they ever saw this form or anything like it. Directions for its use list several of the precautions that should have been exercised before urea formaldehyde foam insulation was installed in any home. It was supposed to assure that people would get a high quality insulation job. In part, it reads as follows:

> —the contractor is required to provide you, the consumer, with an information brochure before commencing the insulation . . . the onus for the manufacture and installation of urea formaldehyde foam insulation is on the contractor.
>
> Allergy-prone people or asthmatics may be more sensitive to formaldehyde fumes and should consult their doctor before selecting this type of insulation.

• (2205)

Two of my constituents have suffered as a result of being unfamiliar with this direction from the Department of Consumer and Corporate Affairs. Section A(1) of the checklist says:

> The materials to be used should have a Canada Mortgage and Housing Corporation (CMHC) acceptance number.

These were the directions issued by the government. It goes on:

> The contractor must have a licence bearing his/her photograph; ask to see it.
>
> All circuits with electrical wiring carrying 200 volts or more, in any of the cavities to be foamed, must be turned off.

Every clothes dryer or stove properly installed in Canada carries 200 volts or more. It gives a guide to temperatures. The material should not be installed in attics, or in homes with a vapour barrier outside the insulation. My home has; it is just fortunate that I did not use UFFI because I would have it inside an excellent vapour barrier. I could go on.

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Douglas Fisher (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, on April 30 the hon. member asked a very straightforward question:

> Is it the policy of the minister responsible for housing that the Canada Mortgage and Housing Corporation should guarantee all applications for renewal of mortgages for UFFI homes. If it is the policy of the government, has CMHC been so instructed and are they so behaving?

The minister answered in an equally straightforward fashion:

> Madam Speaker, the answer is yes.

It is very important to make that point, that CMHC is prepared to continue to guarantee mortgages on UFFI homes and provide guarantees on mortgage renewals for such homes even if no guarantee previously existed. It is very important to establish that fact for the understanding of the hon. member and those interested in this issue.

The major banks approve their mortgage renewals, provided the borrower has a good financial record. Most of the time the banks do not inquire whether a home has UFFI or not. They look at the financial record of the home owner when considering renewal. On the other hand, when the banks do learn of the presence of UFFI they know, as the hon. member has pointed out, that the home is potentially subject to devaluation. Because it is a financial transaction, they are then much more hesitant to make a loan to the full amount of the mortgage. On that basis they ask for a guarantee, and it is on that basis that the minister pointed out that CMHC is prepared to offer that guarantee. We all realize that we must give these home owners some assistance. As the minister has pointed out, CMHC is prepared to give that assistance. That is a very laudable position of both the minister and CMHC.

Adjournment Debate

THE ECONOMY—CLOSURE OF LUMBER MILL IN CHEMAINUS, B.C.—PROTECTION FOR JOBS. (B) INVESTMENT OF CAPITAL OUTSIDE OF CANADA

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, in late April MacMillan Bloedel announced the indefinite closure of its lumber mill at Chemainus, British Columbia. Since that time the company has indicated that it has no plans to either reopen the existing mill or proceed with earlier plans to build a new mill.

• (2210)

The mill manager was quoted in the local newspaper as saying that the new mill would not be built now because all available capital was needed for the building of a new pulp mill in Alabama. Consequently, people in my riding face a loss of 600 jobs in the basic industry. Today happens to be the last pay day for these employees. They get exactly one day's pay and after that they can look forward to the very uncertain future of unemployment insurance. Job loss has a multiple effect, the same as job creation.

In addition to the loss of 600 jobs in the Chemainus mill, there is a loss of jobs in small supporting industries, local shops and services. A shopkeeper pointed to the psychological factor involved when a major industry shuts down. Even people who still hold their jobs cut back on their purchases because of growing uncertainty. Certainly the depressed condition of the forest industry is a factor in the Chemainus closure. British Columbia suffers today because it has become totally dependent upon the export of raw resources. As a result, British Columbia is even more vulnerable to international markets than it would be if it had a more diversified economy.

Just this past weekend in the southern part of my riding in the View Royal area, Plumper Bay Sawmills has just announced bankruptcy. The bankruptcy story is becoming far too common in the entire forest industry of British Columbia.

The International Woodworkers of America union has pointed out that at the end of May 12,837 woodworkers or 25.7 per cent of the membership were laid off. This is an increase from 8,170 people who were laid off at the end of April. Anyone who knows anything about the lumber industry in British Columbia knows that springtime is the very time when loggers are getting back to work. However, at present they are facing increased lay-offs instead.

The B.C. Central Credit Union has pointed out that some $31 million a week is being paid out for unemployment insurance in British Columbia, and it predicts that total UIC payments in B.C. could run to $2 billion by the end of the year. The $522 million budgeted by the provincial government for welfare payments will not be enough unless conditions improve. And so we recognize the general problems of the British Columbia forest industry.

MacMillan Bloedel is not immune to these problems. However, MacMillan Bloedel has not acted in the long-term interests of the community at Chemainus. The lumber mill at Chemainus has been owned by different companies for over 120 years. There was a time when the present mill was one of the largest and most modern in the world. It was geared to cut the large and beautiful timber which grew on the east coast of Vancouver Island. It is a tragic fact that the largest and best of that timber has now been creamed by lumber companies such as MacMillan Bloedel.

The mill is now outdated and poor forestry practices in the past have caught up with the industry. British Columbians are having to pay while companies like MacMillan Bloedel take the money and run. The mill became outdated. The plant ran down and become antiquated. It did not gear up to cut the second growth timber and the smaller timber which was farther back in the hills.

Our party believes that if the multinational corporations are going to be making money from the resources of our province they should be investing their money in those provinces and creating permanent jobs.

• (2215)

When I asked the Minister of Finance (Mr. MacEachen) about the export of money to build a new mill in Alabama, his only answer was that he would take notice of it. We not only face a crisis in Chemainus, not only in the forest industry of British Columbia, but across Canada. The tragedy which the people face in Chemainus is one that is shared by hundreds of thousands of Canadians. We face a government that is incapable, unwilling, or both, to take action.

In this adjournment debate, I ask the government once again if it is willing to take some action to ensure that multinational corporations will act responsibly and that they will have the welfare of the communities in which they operate in mind and not simply cream our resources, take the money and run off to exploit some other part of the world.

[*Translation*]

Mr. André Maltais (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I shall try to give the hon. member a brief but nevertheless complete answer. First, the Canadian lumber industry is going through a difficult period right now, because the market is cyclical and demand is dropping in most parts of Canada and in the rest of the world, especially in countries that have their own lumber industries. Second, MacMillan Bloedel has invested over $650 million in Canada between 1979 and 1981. Third, the Alabama plant was built strictly with American funds, so there is no question of Canadian capital being drained to the United States. The plant is a sawmill built exclusively with American money. Fourth, what can be done now to help people who are laid off? I would have a great deal to say about the matter to the hon. member, because my own riding includes Baie-Comeau and Chute-aux-Outardes, both heavily dependent on the lumber industry, and we have problems there too. The Minister of the Environment and Minister of State for Science and Technology (Mr. Roberts) and the Minister of Employment and Immigration (Mr. Axworthy) have signed agreements with the government of British Columbia to provide

assistance for workers by bringing in specific projects that will directly help the people who are affected by these lay-offs. The agreements were signed not only with British Columbia, but also with Ontario and other provinces, and now we must wait and see whether the action taken by the federal government is a satisfactory response to provincial needs. Fifth, the hon. member is asking the minister whether we are going to take action to ensure that the multinationals are doing whatever they can and that they are truly working in the interests of Canadians.

I would therefore ask the hon. member whether he actually has some specific cases in which he can prove that the multinationals are taking advantage of the present situation, and if so, to let us know so that we can investigate the matter.

The Acting Speaker (Mr. Ethier): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until 11 a.m. tomorrow.

At 10.19 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, June 4, 1982

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

NATIONAL SOVEREIGNTY

TRANSPORTATION OF UNITED STATES ARMAMENTS ON ALASKA HIGHWAY—MOTION UNDER S.O. 43

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my motion under Standing Order 43 is in regard to an incident which occurred yesterday near Mile 475 on the Alaska Highway in northeastern British Columbia, involving a civilian commercial transport vehicle carrying United States Air Force bombs of the type M20 Rockeye. The vehicle overturned dislodging and spilling a number of these active projectiles over a wide area.

The Royal Canadian Mounted Police out of Fort Nelson, who were called to the scene, ordered the closure of the highway, and later in the day a United States military task force, including an explosive ordinance disposal team, arrived via Hercules aircraft at Fort Nelson, British Columbia, to take charge of the material. Having regard to the fact that this shipment was made—and the highly critical clean-up operation commenced—without the involvement or even the knowledge of our own military authorities, I move, seconded by the hon. member for Carleton-Charlotte (Mr. McCain):

That the Minister of National Defence be required to avail himself of the earliest opportunity to inform the House what action he is contemplating to implement or improve any regulations governing such movements of dangerous military hardware through our country by our NORAD partners.

Mr. Deputy Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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CANADIAN ARMED FORCES

ANNIVERSARY OF LANDINGS IN NORMANDY—MOTION UNDER S.O. 43

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, the matter I wish to raise is urgent as this is the last day I can do so this year in this chamber. It is important because the event, even though 38 years ago, led to the overthrow of the Hitlerian Fortress Europe by the western allies of which, at that time, Canada was the third principal force. Mr. Speaker, on June 6, 1944, allied forces stormed the beaches of Normandy, France, ultimately to achieve, 11 months later, VE Day on May 13, 1945. In that heroic struggle hundreds of thousands of Canadians participated, soldiers, airmen, sailors—not all men, since there were thousands of women in uniform in World War II.

It would be invidious to pick out units or formations for fear of missing out many brave men, whether soldiers storming the beaches, sailors manning the ships and boats of those first armadas, or the thousands of Canadian airmen who kept the skies relatively clear of the enemy or who prevented the movement of enemy reinforcements.

Mr. Speaker, I move, seconded by the hon. Minister of National Defence who, like myself, saw the June 6 landings as the first of the rescue mission to those of us who were on the wrong side of the battle lines by reason of earlier activity:

That this House go on record as saluting the bravery and sacrifice of those Canadians who on June 6, 1944, gave of their lives in the struggle to defeat the evils of Hitlerism and its heartfelt congratulations to those Canadians who survived to go on to ultimate victory.

Mr. Deputy Speaker: Is there unanimous consent to put this motion?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

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INTERNATIONAL JOINT COMMISSION

CALL FOR APPOINTMENT OF CANADIAN CHAIRMAN—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Mr. Speaker, fish in Lake Ontario have been discovered to contain the highest levels of dioxin ever recorded. Given the fact that the prime source of dioxin is the chemical dumps situated in the United States, making this a bilateral problem, and given, according to a press release from the office of the Prime Minister, that National Environment Week runs from May 20 to June 5 this year in Canada, I move, seconded by the hon. member for Portage-Marquette (Mr. Mayer):

S.O. 43

That the government indicate when it will start taking seriously the problem of pollution in the Niagara River, the Lake Erie ice boom, the Garrison Diversion project that will affect Manitoba, and show good faith by appointing a Canadian chairman to the International Joint Commission.

Mr. Deputy Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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• (1110)

TRANSPORT

FUNDING FOR VANCOUVER LIGHT RAPID TRANSIT SYSTEM—MOTION UNDER S.O. 43

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. On June 2 at Gladstone School in my Vancouver constituency, over 250 people met to protest the unilateral decision of the Government of British Columbia to impose an above-ground rapid transit system in the Commercial Drive area. Whereas the Government of Canada is contributing money to the Advanced Light Rapid Transit System, ALRT, which could be built underground for only an additional 1.5 per cent of the construction cost, I move, seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett):

That the Government of Canada increase its contribution so that the necessary funding can be provided to build underground and thus save this very vibrant local community from needless destruction.

Mr. Deputy Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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FARM CREDIT CORPORATION

AVAILABILITY OF ADDITIONAL FUNDING—MOTION UNDER S.O. 43

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, Bill C-88, passed by this House over two months ago, gives the Farm Credit Corporation, with the concurrence of the Minister of Finance (Mr. MacEachen), the power to raise money by any means, and I quote:

The Corporation may, with the approval of the Minister of Finance, borrow money by any means, including issuing and selling bonds, debentures, notes and other evidences of indebtedness of the Corporation.

Recently the Minister of Agriculture (Mr. Whelan) made statements to the effect that the FCC, because of this new provision, will have $1 billion of additional funds available to farmers at lower interest rates. Therefore I move, seconded by the hon. member for Provencher (Mr. Epp):

That the Minister of Agriculture be requested to make a statement on motions at the earliest possible date, advising Canadian farmers when this additional funding will be available and at what interest rate.

Mr. Deputy Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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ENERGY

COST OF PRINCE EDWARD ISLAND ELECTRICITY—USE OF DAIRY HEATERS—MOTION UNDER S.O. 43

Mr. Mel Gass (Malpeque): Mr. Speaker, electricity on Prince Edward Island is generated by oil-fired boilers causing that province to have one of the highest electricity rates in Canada. The majority of dairy farmers on P.E.I. use electrical hot water heaters for heating the water used for washing their milking equipment. There are heat exchangers on the market which dairy farmers could use to utilize heat from milk being cooled, to heat the water necessary for washing their equipment. Regular use of these heat exchangers would help to make eastern Canada less dependent on expensive foreign oil. Therefore I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That the Minister of Energy, Mines and Resources immediately change the Canada Oil Substitution Program so that it will include heat exchangers that are available to dairy farmers to utilize the heat from milk to heat water.

Mr. Deputy Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE ECONOMY

CALL FOR GOVERNMENT ACTION—MOTION UNDER S.O. 43

Mr. Len Gustafson (Assiniboia): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The announcement by President Reagan from the Versailles Economic Summit on behalf of the United States of America is a very positive one. Economic policies are bearing fruit, inflation in the U.S. is down, and interest rates are falling, he is happy to report. Personal savings are improving and economic recovery is imminent.

Mr. Deputy Speaker: If the motion is urgent, would the hon. member please get to the point?

Mr. Gustafson: Mr. Speaker, on the contrary the Canadian economic picture today shows the Canadian dollar as the weakest since the depression of 1930. Interest rates climbed today by .5 per cent. Unemployment is rampant. Therefore I move, seconded by the hon. member for Victoria-Haliburton (Mr. Scott):

That this House call on all members of the Liberal Party in the cabinet and backbenches to stop being puppets of the Prime Minister and stand up and be counted along with the opposition, and call on the Prime Minister and the Minister of Finance to bring some positive action to this sagging economic situation in Canada.

Mr. Deputy Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1115)

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

REQUEST FOR ANNOUNCEMENT OF STIMULATIVE ACTION

Hon. David Crombie (Rosedale): Mr. Speaker, in the absence of the Prime Minister my question is for the Acting Prime Minister. This week the government established two records, an all-time low for the dollar and an all-time high for unemployment. The statistics this morning show that unemployment stands at 10.2 per cent; that is an increase of 45 per cent over last year. We have lost 320,000 jobs since August; 22,000 last month alone. So far, Mr. Speaker, the government has refused to take off the federal tax on construction materials to help the construction industry. It has refused to expand the Small Business Loans Act to provide emergency funding. It has refused to increase its investment in research and development.

An hon. Member: Question.

Mr. Crombie: It has refused to support the Canadian automobile industry, and the Canadian textile and shoe manufacturing industries. Since the government has refused to do these things we have asked it to do, would the Acting Prime Minister tell us what things his government will do to get this country back on its feet?

Some hon. Members: Hear, hear!

Hon. Jean-Luc Pepin (Acting Prime Minister): Mr. Speaker, the figures this morning on unemployment are to be deplored. We are the first to do that. The government has done a number of things in the past with respect to employment, with respect to the structural aspect of it, and so on. This has been stated in the House on a great number of occasions.

There are some things that the opposition could do to help. Let me give some examples. In my own area of transportation, I have got a ports bill waiting in this House. Most of the members of the opposition have said they agree with it. The marine community of Canada wants it very badly. The opposition could help this morning very substantially by giving me this bill in the coming month. This would enhance the capacity of ports in Canada at this time.

I have got another initiative on western transportation—$17 billion in the next decade.

Some hon. Members: Oh, oh!

Mr. Pepin: I am telling you what I am doing. The members of the opposition could be very helpful in restoring confidence by approving of this move.

There is quite a number of things that this government is doing. The opposition could be very helpful, too, and it may be that they should take their responsibility for that today and for the rest of the month.

Mr. Crombie: Every unemployed Canadian knows the inadequacy of that answer.

* * *

LABOUR CONDITIONS

INCREASE IN UNEMPLOYMENT—REQUEST FOR GOVERNMENT POLICIES

Hon. David Crombie (Rosedale): My supplementary question is for the Minister of Employment and Immigration. This minister is responsible for the level of unemployment. He must be shaken by the fact that 320,000 jobs have been lost since last August, 22,000 last month alone. The government insists that somehow our salvation lies with the United States. In the United States the employment level has gone up, while ours is going down. Since these are made-in-Canada problems, where are the made-in-Canada solutions?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Mr. Speaker, we are all very disturbed by the increase in the number of unemployed, according to the return quoted this morning. At the same time, Mr. Speaker, the hon. member would know that this government has taken a number of very important initiatives in order to save jobs amongst workers. We now have well over 1,700 agreements under the work-sharing program, which affect 83,000 workers. As a result we have been able to save a number of jobs and have averted a number of lay-offs.

Equally, I would point out, as did my colleague, the Minister of Transport, that if the member from Rosedale is as anxious as he appears to be, he can help people come to grips with the unemployment problem. Today we will be debating a bill on training that will authorize expenditures of hundreds of millions of dollars to bring many new Canadians into the training programs. If the hon. member and his colleagues would co-operate, we could pass that bill today, have it in

committee, and have it ready to be operating within a week's time. It would provide many new places for tens of thousands of Canadians. This is a case where, if the opposition were as concerned as it appears to be, it has the opportunity to give us the assistance we need by helping us pass that legislation.

• (1120)

REQUEST FOR PROGRAMS TO ASSIST UNEMPLOYED

Hon. David Crombie (Rosedale): Mr. Speaker, my supplementary question is directed to the same minister. He knows that his work-sharing programs account for 69,000 avoided lay-offs. This does not at all touch the 1,241,000 people who are on the streets today. Despite the programs and pronouncements of the minister, we lost 22,000 jobs last month alone. Surely the minister's responsibility is for all the unemployed, not merely for the 69,000 in the work-sharing programs. His responsibility is for all people who are unemployed. The country is looking for some economic leadership from the minister and from the government. I should like to ask him one more time: what will he do for the people who are unemployed today?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Mr. Speaker, again, the time in question period would not give us full scope within which to state the number of programs we have in place. Let us just clear up some of the misinterpretation by the hon. member. To begin with, when he talks about 1.2 million people on the street, they are also on the street with substantial support from the unemployment insurance fund which was established to provide for support during this period of time.

Some hon. Members: Oh, oh!

Mr. Axworthy: Hon. members seem to discount the importance of that, but our unemployment insurance system is one of the most critical supports and foundations for unemployed people in the industrial world. The government is committed to maintaining it and, furthermore, building upon the program.

We have now signed agreements with the provinces of Ontario, British Columbia, and other provinces, to provide not only for training but for a number of new employment projects in the forestry and fisheries areas. We have a number of alternative programs to provide employment, and we would be much better off in the country if the opposition would give some co-operation and help, rather than simply always raising a big fuss and a lot of noise.

* * *

THE ECONOMY

EXCHANGE VALUE OF DOLLAR

Miss Pat Carney (Vancouver Centre): Mr. Speaker, my question is also directed to the Acting Prime Minister, in the absence of the Minister of Finance and of the Prime Minister. This week the Government of Canada had to defend the Canadian dollar by running down its foreign exchange reserves, by borrowing abroad, and by increasing the rate of the Bank of Canada and interest rates generally. If the Canadian dollar is so strong, why must it be defended by higher interest rates which are causing businesses to collapse at near depression lows, and are costing thousands of Canadians their jobs?

Hon. Jean-Luc Pepin (Acting Prime Minister): Mr. Speaker, I can only say what is obvious, that there is a major problem of confidence in the world today. The meeting at Versailles should—and we all pray that it will—bring about a good amount of confidence in the economy. Canada is reacting to the situation in the same way as the United Kingdom, Germany, and France. We are all looking for ways and means to get out of a very, very difficult international situation.

The Minister of Finance has repeatedly said what was at the roots of the problem. He indicated that fact that the inflation in the United States has gone down to 6 per cent or 7 per cent and the fact that interest rates remain at 16 per cent have created a U.S. dollar attractiveness in the world which is upsetting the world economy at this time.

The other day the Minister of Finance repeated that he would adjust to circumstances. He kept all his options open. He promised to the House that he would review the situation after his return from Versailles. He said that if he had to go to the market for more money, he would present his case to the finance committee and would indicate what were the figures. That is the situation in which we are now, and hopefully by next week, when the Prime Minister and the Minister of Finance return, we will have a better view of the next steps.

INTEREST AND INFLATION RATE LEVELS

Miss Pat Carney (Vancouver Centre): Mr. Speaker, my supplementary question is also directed to the Acting Prime Minister. I should like to correct him. The major problem is not lack of confidence in the international economy; it is lack of confidence in the way the government is running this economy. The government—and the Acting Prime Minister has just repeated this—has repeatedly blamed Canada's economic problems on American economic policy. If that is the case, why are United States interest rates and inflation rates coming down, while Canadian interest rates and inflation rates are continuing to be very high?

• (1125)

Hon. Jean-Luc Pepin (Acting Prime Minister): Mr. Speaker, I was not very original. I stated the position which is understood to be the one in all countries of the world. The United Kingdom, France and Germany also identify the source of major discomfort in the world today as being the situation which exists, as I explained, in the United States.

My colleague, the Minister of Employment and Immigration, and myself have indicated a number of things that the opposition could do in a positive fashion to help us all in this situation. I think the opposition has some responsibility also. I

mentioned the ports bill as being very important. The hon. member, who comes from the great city of Vancouver, knows that the marine community in Vancouver wants this bill. Why does she not come out now and arrange things so that this bill will be passed? It will create a great amount of enthusiasm in Vancouver about the future of ports and transportation in that city. The members of the opposition, I repeat, have some responsibility also.

REQUEST FOR EARLY INTRODUCTION OF NEW BUDGET

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Acting Prime Minister as well. Since last fall's budget, unemployment in Canada has continued to rise month after month. Today it has reached, in real numbers, almost two million Canadians. Every Canadian knows someone in our country who is unemployed. My question is straightforward. Will the government now acknowledge that its budget is completely out of date, and will it accept its responsibility to provide some job security to Canadians for the coming summer and say that it will bring in a budget before we recess, a budget that recognizes the need for action?

Hon. Jean-Luc Pepin (Acting Prime Minister): Mr. Speaker, obviously I cannot answer that question except by repeating what we all said here this morning. The Minister of Employment and Immigration said in particular that a number of programs have been created to take care of chronic unemployment as well as structural unemployment. I will not repeat them all. He has reported in the past few days on a number of programs such as job sharing, and a number of initiatives to help students through the summer. All these things have been done.

There is hope that the meeting at Versailles—I underline "hope"—might begin to resolve some of the more basic issues in the world today. The Prime Minister and the Minister of Finance went there, and they said repeatedly before they left that what will come out of Versailles will influence their decisions in the future. That is all I can really say. The hon. member cannot expect me to say more than that today.

Mr. Broadbent: The minister should know, as all Canadians know, that the programs that the government has produced up to this point are simply not working. Something in addition is required, and that is the message we are trying to get through to the government.

INVESTMENT IN MANUFACTURING

Hon. Edward Broadbent (Oshawa): Mr. Speaker, Canada faces an economic crisis the likes of which we have not seen since the war. What is required now is economic leadership by a government that will level with the people of Canada and make it clear that there are no quick fixes, but will produce some grounds for hope. In this context my supplementary question is for the Acting Prime Minister. Since he and his colleagues refuse to commit themselves to produce a budget before the recess, I would at least ask him if the government will recognize that the way we can get job security is to put investment into the manufacturing sector, and at least commit the government to produce some new initiatives to create manufacturing jobs before we recess.

Hon. Jean-Luc Pepin (Acting Prime Minister): Mr. Speaker, what the hon. member is saying is that what is needed is more government spending. Most people, if not all, agree that one of the causes of inflation in Canada today is the deficit in government expenditures. Most people say that the deficit accumulated by this government is excessive.

• (1130)

My hon. friend has recently discovered that manufacturing will be the solution to Canadian economic problems. At other times in the past others have said that natural resources would be the solution. At other times maybe a few NDPers have said that services were the key to prosperity. But on the manufacturing side, on the industrial development side, there is hardly a day that the Minister of Industry, Trade and Commerce or another minister does not announce a major initiative, a major participation on the part of the federal government in some project.

My friend loves to go to the west coast. At Prince Rupert three quarters of a billion dollars are being invested in that port. If he goes to Roberts Bank he will find that we are quadrupling the facilities at that port. In Vancouver, container terminals have been expanded.

Some hon. Members: Order.

Mr. Pepin: I am just repeating this to help hon. members in the House and the population to realize the extent of what the government does now. My hon. friend would like us to do more. That is a debatable argument because, if we did much more, we would contribute to the deficit which contributes to inflation.

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, what the minister has said would be humorous if it were not so sad. It is true that something has been done in Prince Rupert, but it is also true that more than 100,000 men and women today are out of a job in the province of British Columbia alone. It is true that we need much more action. That is what we are demanding on this side, and that is what the government does not seem to understand. I point out, before I ask my last question, that it was the Minister of Finance himself, not people on this side of the House, who said that his budget was outdated and that we needed a new economic statement.

REQUEST THAT GOVERNMENT RESIGN

Hon. Edward Broadbent (Oshawa): I would like to ask, in view of the answers that the minister is giving us, whether he is not really admitting that the government has given up its serious obligation to govern, that it refuses to provide any

economic leadership and that, in short, it has lost any sense of mandate to govern, and should resign.

Some hon. Members: Hear, hear!

Hon. Jean-Luc Pepin (Acting Prime Minister): Mr. Speaker, before the Prime Minister and the Minister of Finance left, they indicated that, upon their return with the assessment they will be able to make of the world situation following the meeting at Versailles, they will be in a position to review the situation. They have repeatedly said that.

What I was trying to argue with my hon. friend is on the sort of mood that he tries to create that the Government of Canada is not doing anything. I was trying to counter that suggestion to the best of my ability, in the field in which I operate, the field of transportation. I could take the hon. member from coast to coast and show him what is happening, and he would realize how much the Government of Canada is doing. It is high time that he gave the impression to the people of Canada that he recognizes that. So, now he seems to agree with me.

Mr. Broadbent: No, no.

Mr. Pepin: I will try it again, then, at the next opportunity. The next question is, how much more can the Government of Canada do? If the Government of Canada does a lot more than it does now, it brings about a series of problems—

Mr. Deputy Speaker: Order.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MR. AND MRS. ROLLY FOX

Mr. Deputy Speaker: I would like to call the attention of the House to the presence in the Speaker's Gallery of Mr. and Mrs. Rolly Fox, the parents of Terry Fox.

Some hon. Members: Hear, hear!

* * *

NATIONAL SOVEREIGNTY

TRANSPORTATION OF UNITED STATES ARMAMENTS ON ALASKA HIGHWAY

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I have a question for the Minister of National Defence, of which I have given him notice. It is with regard to the incident which occurred yesterday in northeastern British Columbia, at Mile 375 on the Alaska Highway, involving a civilian commercial transport vehicle carrying dangerous military hardware, namely, United States Air Force bombs of the type M-20 Rockeye. The vehicle overturned, spilling a number of these bombs over a wide area. Incredibly, no one was on site to inform the public of the hazards associated with this incident, nor was our military authority nor the minister's office informed of the shipment.

First of all, it was done without consent. The clean-up operation, involving a United States military team which arrived in Fort Nelson in a Hercules aircraft, was also carried out without the knowledge and consent of our own military authorities. I would like to ask the minister whether he is prepared, after the question period, to make a statement with regard to this important and serious incident?

Hon. J. Gilles Lamontagne (Minister of National Defence): Mr. Speaker, I have the details here of the accident to which the hon. member for Prince George-Peace River has referred. I will supply him with some of the details of this accident, if he wants them, but I do not think there is any need to make a statement on this issue. The involvement of the Department of National Defence is only marginal. It was routine shipment of munitions from Alaska to the United States, which happens quite often. All precautions were taken. The shipment was passed through customs, the necessary permit was obtained from the Department of Energy, Mines and Resources, and everything which had to be done was done. All the munitions were properly crated and rendered what we call "safe", so they could not explode.

Mr. Epp: What else could they do?

Mr. Lamontagne: I repeat, all precautions were taken to ensure that there could be no accident. The accident was probably caused by the driver. I do not know exactly how it happened, but as far as the public in the area is concerned, there was no risk to life, risk of explosion or anything like that. The clean-up is under the control of the emergency people from Alaska and from the company, and the Alaska Highway will be opened in due course.

Mr. Oberle: Mr. Speaker, I do not think that the answer is sufficient.

CLOSING OF HIGHWAY TO CIVILIAN TRAFFIC

Mr. F. Oberle (Prince George-Peace River): The fact is that this shipment was made under permit from the Department of Energy, Mines and Resources. It was not a specific permit, but one which covers all such shipments on an annual basis. The fact is that the military authorities who were asked about the danger instructed the RCMP to close the highway. The highway has been closed to civilian traffic for a day. These bombs are loaded. They were equipped with safety pins, yes, but I am told by the military officials that if a train had hit the truck, say, near the metropolitan centre of Vancouver, these bombs may well have exploded.

It is incredible that our military authorities are not informed of these shipments. I am not denying that these shipments have to be made. Certainly under our arrangements with NORAD, our air space and our highways will from time to time be exposed to these dangers. We should certainly be prepared to

accept these dangers, but there must surely be more control. We must be informed so that, when an incident occurs, the public can be informed of the danger and hazards associated with it, and civilian transportation facilities can be kept in place.

I ask the minister again, will he first of all order his officials to review the procedures governing such shipments? And, at the earliest opportunity, will he make a statement in the House on the outcome of such a review and what he intends to do to allay some of the obvious fears that the people in my constituency presently have concerning the future?

Hon. J. Gilles Lamontagne (Minister of National Defence): Mr. Speaker, for the satisfaction of the hon. member I can certainly look into the procedures followed at the moment to review whether they are still safe. But, as I have just mentioned, every possible precaution was indeed taken. As far as being advised of every shipment is concerned, our department is usually advised of what is going on. But in the case of the normal transportation of ammunition, where safety procedures are in fact respected, we just take it for granted that everything is going well, and the proof is that everything was taken into consideration, that is, there was no explosion or anything to risk the lives of any of the people in the area. Despite that, I think that we can look into the procedures to see if they can be improved.

* * *

LABOUR CONDITIONS

INCREASE IN YOUTH UNEMPLOYMENT

Hon. Jake Epp (Provencher): Mr. Speaker, I would like to direct my question to the Acting Prime Minister, who says the opposition has some responsibility. If he remembers, the hon. member for Rosedale gave him five options. But I want to ask him a specific question about youth unemployment.

Canadian youth between the ages of 20 and 24 today are facing a staggering 20.2 per cent unemployment rate. One out of every five of these people is unemployed, out of work, has no job. The minister and his government place a lot of stress on important initiatives. I therefore ask the minister why youth unemployment is going up despite these programs and initiatives.

• (1140)

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Mr. Speaker, the situation with young people in this country is one that is now being shared across the economy. There is a lack of growth in the economy. This is something that is being shared by all industrial countries. We have tried to put a program in place that will supply work for over 55,000 young people this summer, through our Summer Canada program. At the same time we have put in place a network of over 400 employment offices across Canada, the purpose of which is to begin working with businessmen to develop job placements for students and to provide an area where students can register for those jobs.

As I said in the House before, we need the active co-operation of members to work in their own constituencies and regions to help businessmen register the jobs in those places so that they will be available to the students. Again, we are dealing with a situation and circumstance which is shared by all countries, as we have seen in the discussions as a prelude to the Summit meeting. We are taking initiatives in this country to try to respond to this to the best of our ability.

ROLE OF GOVERNMENT

Hon. Jake Epp (Provencher): Mr. Speaker, my supplementary question is to the Acting Prime Minister. Despite the comments of the Minister of Employment and Immigration, those initiatives are not working. Youth unemployment is going up, not down. The minister said that is due to a lack of growth. Can the Acting Prime Minister indicate why this lack of growth is now directly related to the government's budget, its economic leadership and, for example, the loss of jobs through the operations of FIRA?

Hon. Jean-Luc Pepin (Acting Prime Minister): Mr. Speaker, the last point in particular regarding the treatment of foreign investment in Canada is debatable. In a debate on that subject, different positions are taken. This morning I tried to indicate to the opposition that a number of things can be done which necessitate their support. I was quite blunt about it. There are a number of instances in which they could be helpful in restoring confidence. Occasionally the opposition should do something other than oppose.

I might mention that this morning great emphasis was placed on the unemployment figures. Another stack of figures came out this morning. No one has mentioned them yet. The trade figures are quite good. We are now running a surplus of $5 billion, which is up $3 billion from a year ago at this time. Yet, I repeat, nobody has mentioned that fact.

I also tried to indicate that there is an element of positivism, if I might put it that way, which should be in the air at this time. There should be an element of confidence in the air. Every one of us has a responsibility in that regard. Yesterday I read an article from Paris "Match" which stated that, of five leading countries, Canada is considered the place with the highest standard and the place which inspires most confidence. It is about time that we reimported that confidence.

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ENERGY

COST OF PRINCE EDWARD ISLAND ELECTRICITY—USE OF DAIRY HEATERS

Mr. Mel Gass (Malpeque): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. I gave him notice of this yesterday, and further notice today. Electricity on Prince Edward Island is all generated by oil-fired boilers, causing Prince Edward Island to have one of the highest electricity rates in Canada. I am sure the minister is

aware that there are other means of reducing the use of oil. The majority of dairy farmers on P.E.I. use electric hot water heaters to heat the water used for washing their milking equipment. There are heat exchangers on the market which dairy farmers could use to utilize the heat from the milk being cooled, to heat the water necessary for washing their equipment. Is the minister prepared to make use of heat exchangers that are available to dairy farmers eligible for COSP, off oil conversion?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Mr. Speaker, I thank the hon. member for having given me notice of this question and having sent me further information this morning concerning the machines to which he has referred. I will be pleased to examine this question with my officials and inform the hon. member of the conclusion we reach. I would advise my hon. friend, as he may well know, that we have expanded the COSP program in the maritimes, and conversion to propane is now eligible for COSP grants. I will study the suggestion with great attention.

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[*Translation*]

EMPLOYMENT

REQUEST THAT GOVERNMENT REMEDY UNEMPLOYMENT IN NORTHWESTERN QUEBEC

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, my question is directed to the Acting Prime Minister. This month it seems that, once again, northwestern Quebec has the highest unemployment rate in Canada. Nearly 27 per cent of the workers in this area are unemployed at the present time, which demonstrates the abject failure of the Liberal economic policies. Would the Acting Prime Minister agree, on behalf of the government, to implement job-creation programs immediately in order to help this northern area where unemployment has taken such disastrous proportions?

[*English*]

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Mr. Speaker, in response to the hon. member's question, a number of negotiations have been carried out between members of this government and those in Quebec. We announced that we are working with the Government of Quebec to establish a program under Section 38 dealing with the forestry industry. We have opened up discussions in other areas where we can apply our job-creation money to assist those in those hard-hit areas. In addition, the members of the government and their respective departments have provided initiatives, as my seatmate, the minister of trade, has, for example, which brought about major investment in Bombardier and which will provide close to 20,000 jobs in that province. We are looking at a number of programs in the area of the Gaspé. There are a number of initiatives that have been taken by the government to provide aid to the Province of Quebec. We are certainly open to further suggestions because we want to co-operate with all sectors of that province to ensure that the people there have the employment they require.

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[*Translation*]

FISHERIES

DEVELOPMENT OF FISHING INDUSTRY IN QUEBEC—POSITION OF MINISTER

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. In Quebec City, his counterpart, the Hon. Jean Garon, stated before a parliamentary committee that the Minister of Fisheries and Oceans failed to meet his commitment to arrange for a meeting, and that the federal minister was working hard to solve the problems of his own province, namely New Brunswick, and ignoring the problems of Quebec. Could the minister inform us whether his policies are seriously holding back the development of the fisheries industry in Quebec and whether it is true that he does not want to meet his provincial counterpart?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Mr. Speaker, if the most dramatic increase ever in the history of the Maritime fisieries means holding back the fisheries in Quebec, I have the impression that fishermen would be asking me to hold back a bit more. After all, fishermen in Quebec have received the lion's share and a big lion at that, as a result of an increase in quotas for the Gulf of St. Lawrence. I am sure that the member for Manicouagan and other hon. members can give convincing proof that this is happening. As for the meeting with Mr. Garon, several appointments were set up, but at the last minute I always received a call that the minister would not be able to make it. There comes a time when decisions must be made and they must be announced: that time came for me. I must say, Mr. Speaker, that I did not go out of my way to pick a fight with the Quebec Minister of Fisheries. I think that in certain areas we have been able to co-operate, but with respect to others the minister is making allegations which are not altogether accurate. For instance, he says that the reduction in herring quotas was done on the spur of the moment, although he knows perfectly well, or he would if he took the trouble to read the files of his officials, that the herring problem has been going on for at least three or four years. In any case, I shall refrain from further comment, because it would only make matters worse.

• (1150)

[*English*]

EMPLOYMENT

QUERY RESPECTING GOVERNMENT PLANS

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, my supplementary question is addressed to the Minister of Employment and Immigration. In spite of all the claims he has made about creating employment and keeping people off the unemployment rolls, by virtue of the statistics put out today his efforts have clearly been inadequate. The president of the Board of Trade of Sydney, Nova Scotia, has said—

Mr. Deputy Speaker: Order, please. Would the hon. member please put his supplementary question?

Mr. Keeper: What is the minister planning to do which will be adequate to meet the employment needs of some one million Canadians? What is he planning to do today?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Mr. Speaker, when it comes to what we can do today, the hon. member can be equally helpful because a bill dealing with a new national training program will be presented for second reading. That bill will provide employment prospects for tens of thousands of Canadians. If the opposition cooperates and allows passage of that bill, those Canadians can be in new training positions within weeks or months. It is as much up to the opposition as it is us as to what will be done.

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FISHERIES

NEGOTIATIONS ON ENTRY OF SPAIN TO NORTH ATLANTIC FISHERIES ORGANIZATION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Fisheries and Oceans. There are reports that Canada and Spain may have reached a fisheries agreement which would give our Atlantic fishing industry greater access to the multimillion dollar Spanish cod market. Since the Spanish fleet is presently overfishing outside Canada's economic zone, or 200-mile limit, and has for 17 years implemented non-tariff barriers against Canadian fish exports, has Spain now agreed to enter the North Atlantic Fisheries Organization—or NAFO, as it is called in the trade—and has Spain agreed to abide by its regulations?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Mr. Speaker, there have been some negotiations, and the Spanish government has indicated a readiness to join the North Atlantic Fisheries Organization. The matter as to whether we will have a final agreement is still open. We are looking at the negotiations, and suggestions which have emerged from the negotiations, and I am not in a position to give a final judgment yet.

Mr. Deputy Speaker: The hon. member for Hillsborough.

Mr. Crouse: Mr. Speaker, I have a supplementary question.

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THE ECONOMY

REPORTED STATEMENT BY MEMBER FOR OTTAWA CENTRE

Mr. Tom McMillan (Hillsborough): Mr. Speaker, my question is directed to the Acting Prime Minister. The Canadian Press has apparently quoted the Liberal Member of Parliament for Ottawa Centre in response to the unemployment figures released by Statistics Canada today, to the effect that "the situation has deteriorated much faster than I ever imagined, and it is much worse than I hoped we would ever have to endure". He said that there must be changes, and "MacEachen knows it".

Does the Acting Prime Minister agree with the perceptive statement made by the hon. member for Ottawa Centre as quoted by the Canadian Press and, if so, can we reasonably expect the major changes to which the hon. member has said we can look forward?

Hon. Jean-Luc Pepin (Acting Prime Minister): Mr. Speaker, I am quite sure the hon. member for Ottawa Centre, who is quite familiar with the Minister of Finance, could find many quotes from the Minister of Finance to justify what he has said.

Mr. Deputy Speaker: The hon. member for South Shore on a short supplementary.

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FISHERIES

ACCESS TO SPANISH MARKET FOR CANADIAN FISH EXPORTS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a short supplementary for the Minister of Fisheries and Oceans. Since Canada should only give allocations to the Spanish fleet after Spain proves its willingness to open its markets to Canadian exports, and in view of the very high rate of unemployment in Canada today, and especially in the fisheries industry, has the minister received this assurance and, if so, how many tonnes of Canadian salt cod can we expect to sell this year to the Spanish market as well as to the European Economic Community?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Mr. Speaker, I said to the hon. member in my first answer that we had not arrived at a final conclusion as to whether the advantages offered under the negotiations would justify going ahead, or whether our goals were completely met. I certainly would hesitate to stand here and say that if there is a signed treaty or a signed agreement I would not accept the word of the nation with which we would be signing an agreement, and I am sure the hon. member did not want to imply that.

On the question of unemployment, I might say that what worries me—and it should worry the Canadian industry—is that our overdependency on one market is leaving us more exposed than I would like to see, to having full warehouses of unsold fish. It is necessary to discuss in a very rational way the leverage we have to get into some non-traditional markets. Frankly, I hope the industry will stop wanting to have it both ways, which is to get all the fish but then to have nothing left to negotiate some market entrance. I fear this debate has been going on for too long in the industry.

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THE JUDICIARY

CANADIAN JUDICIAL COUNCIL REPORT ON BRITISH COLUMBIA SUPREME COURT JUSTICE

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I have a question for the Minister of Justice. It has to do with the submission to him of the report of the Canadian Judicial Council on the conduct of Mr. Justice Thomas Berger of the British Columbia Supreme Court. Since this case is unprecedented and it is important that the country and the judiciary be fully informed as to what, if any, are the recommendations in that report on judicial conduct, is it the intention of the Minister of Justice to release that report in its entirety and, if so, would he inform the House today?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Mr. Speaker, I think this is unprecedented. It is a very important precedent because the division of powers in our country is very well established, and we have to make sure it will remain so. The report is on that very subject, and after a lot of reflection I have decided to make the report public later on today. I hope it will not be considered as a precedent, but because there has been a long and very great debate in Canada about this subject, I think it is my duty to make the report public.

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REGIONAL DEVELOPMENT

PROPOSAL TO ESTABLISH OILSEED CRUSHING PLANT AT MELFORT, SASK.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion. On March 23 in a committee I inquired of the minister whether the application by Cargill Grain for an oilseed crushing plant at Melfort was being considered, at which time he assured me he would review the case. It is now two months since that time, and since the Minister of Employment and Immigration has been talking about joint job-creation programs, and this being one of those kinds of programs which would create jobs, has the minister reviewed the case, and is he now in a position to assure Cargill that he will accept its application and that the project will go ahead? What is the situation?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Mr. Speaker, the application in question was rejected by my predecessor. After I became minister, the Cargill company presented what it said was some new information justifying a fresh look at the situation. I have been taking a fresh look at it, but I have not concluded my work.

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LABOUR CONDITIONS

UNEMPLOYMENT LEVELS IN BRITISH COLUMBIA—QUERY RESPECTING JOB-CREATION PROGRAMS

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, since the Acting Prime Minister seems to be totally unaware of the unemployment crisis in British Columbia, I will turn to his seatmate, the Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion, and ask him if he is aware that the unemployment rate in British Columbia has gone up 70 per cent since this time last year. Is he aware that at present the unemployment rate is 11 per cent and, in some areas like Prince George, 19 percent? Will the minister therefore tell the House specifically what job-creation programs the government has in mind for British Columbia, particularly job creation in industry, and what programs there are to make permanent jobs available in industry?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Mr. Speaker, we have been making some announcements involving specific job creation on a permanent basis. For example, we have supported AEL Microtel and its new microchip facility, which will create some 500 jobs. We have supported the Duke Point industrial park and marine terminal, which has just opened in Nanaimo with the very substantial support of the federal government. We have assisted Ebco Industries in the setting up of a numerical-controlled machining centre to compete more effectively in the aerospace sector. These are some of the initiatives we are taking in the manufacturing sector to create jobs in British Columbia. We intend to proceed along those lines because we recognize the seriousness of the situation and the importance of diversification of the British Columbia economy.

• (1200)

At the same time, unfortunately, we are not in a position to take steps to improve and deal with the very serious recession in the major markets for British Columbia products, namely, the United States and western Europe. I hope there will be an improvement there. In the meantime we are working to try to deal with some of the most severe aspects of the situation in British Columbia which we recognize as serious. We are taking some initiatives which are designed to create long-term manufacturing jobs, an objective which I hope we all share, for the workers of British Columbia.

[*Translation*]

AIRPORTS

TRANSFER OF FLIGHTS FROM DORVAL TO MIRABEL—CONSEQUENCES TO REGIONAL ECONOMY

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, my question is directed to the Acting Prime Minister and Minister of Transport—

Miss Jewett: A supplementary, Mr. Speaker.

Mr. Prud'homme: Later! The minister will soon be announcing his decision on the transfer of flights from Dorval to Mirabel. Could the minister give us the assurance that one of the criteria in his recommendation to cabinet will be to consider the serious economic consequences any transfer of flights from Dorval to Mirabel might have for the general economy of Montreal Island and its immediate surroundings?

Hon. Jean-Luc Pepin (Acting Prime Minister and Minister of Transport): Mr. Speaker, I have no decision for the House this morning, but I shall comment in a somewhat philosophical vein on the issue itself. There are people who are saying that we must take into account the immediate interests of the workers, employees, carriers and so forth. Others are saying that no, on the contrary, we must look to the future and ask ourselves whether the drawbacks of a double airport at Montreal are not substantial enough to justify the immediate transfer of these flights. I merely wish to show that there are two sides to the issue and obviously, both sides will be taken into account in the decision we shall make.

* * *

[*English*]

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Mr. Deputy Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by hon. members on Thursday, June 3, 1982 and finds that the petitions meet the requirements of the Standing Orders as to form.

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POINT OF ORDER

MR. FORRESTALL—REPLY OF MR. PEPIN RESPECTING PORTS AUTHORITY BILL

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I rise on a point of order and I want to do so before the Acting Prime Minister leaves the chamber. Earlier in the question period I am afraid he unintentionally misled the House with the response that he gave to the lead question from this side. I wish I could get his attention for a moment, Mr. Speaker.

Mr. Deputy Speaker: Order, please. There is a point of order before the House.

Mr. Forrestall: Mr. Speaker, the Acting Prime Minister has charged that the opposition is holding up passage in this House or is even holding up debate in this House on the content of the new ports authority bill. Where the minister has unintentionally misled the House with this charge and accusation lies in the fact that the government—and he is very much aware of this—has limited debate in this matter to a short day. If we cannot guarantee and promise a short day, in the words of the government House leader, he will not let the bill come forward.

I would not want the minister to leave the impression among the port communities in this country that I, having responsibility for this party for leading this legislation through—

Mr. Deputy Speaker: Order, please. I believe the hon. member has made his point and it is not a point of order.

ROUTINE PROCEEDINGS

[*English*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

PRESENTATION OF THIRTEENTH REPORT OF STANDING COMMITTEE

Mr. John Evans (Ottawa Centre): Mr. Speaker, I have the honour to present the thirteenth report of the Standing Committee on Finance, Trade and Economic Affairs.

* * *

SENATE AND HOUSE OF COMMONS ACT

AMENDMENT RESPECTING INDEXATION OF MEMBERS' SALARIES

Mr. Bill Yurko (Edmonton East) moved for leave to introduce Bill C-656, to amend the Senate and House of Commons Act (salaries).

He said: Mr. Speaker, this bill imposes a maximum annual upper limit of 6 per cent on the indexation of members' salaries. This is a direction in leadership that this House would be very wise to consider seriously in this very difficult economic period.

Just consider, Mr. Speaker, the effect on the nation of members of the House not following the direction of this bill, if we should undertake to give ourselves a 10 per cent or 11 per cent increase in January. I recommend this bill to every member of the House.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,156, 4,277.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Text*]

DND—CONTRACTS FOR SUPERHEATER HEADERS AND SKIS

Question No. 4,156—**Mr. McKinnon:**

1. Did the Department of National Defence place a $1,440,000 order with Babcock and Wilcox Ltd. for superheater headers ship sets under contract no. 15MJ.2701385-III (2MJ81-02435) and, if so, how many sets were ordered?

2. Did the department purchase skis from K.K.W. Sports Enterprises Ltd. for $10,875, contract for ski instruction from Silver Star School of Skiing for $38,400 and purchase ski tow services from Silver Star Sports Ltd. for $19,200 and, if so (a) how many pairs of skis were purchased for $10,875 (b) who is using the skis (c) who is using the ski instruction and towing services (d) how many soldiers are taking part in the ski training program (e) how many instructors were provided (f) over how long a period does the program run (g) what is the purpose of the program (h) will there be other similar programs and, if so (i) how many soldiers will take part (ii) what is the expected total cost?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of National Defence and Supply and Services as follows:

1. The Department of Supply and Services, on behalf of the Department of National Defence, placed a $1,440,000 order with Babcock and Wilcox Ltd. for 12 sets of superheater headers.

2. (a) and (b) Yes. The Department of National Defence purchased 150 pairs of cross-country skis which constituted part of a normal replacement purchase for the Ace Mobile Force (AMF) battle group.

(c), (d), (e), (f), (g) and (h)(i), (ii) The contract for ski instruction and ski tow services is in support of the ski training program for 1 Canadian Brigade Group. Five hundred and twenty two soldiers participated in the program which was conducted over a five-week period starting February 2, 1982 and ending March 10, 1982. In support of the program 16 instructors were provided. The purpose of the program is to train soldiers in alpine skills, encourage and maintain physical fitness and enhance esprit de corps. Similar programs are being planned annually for a maximum of 640 soldiers at a cost approximately the same as for this year's.

LIBERATION STRUGGLE OF THE PEOPLES OF SOUTHERN AFRICA

Question No. 4,277—**Mr. Taylor:**

1. Will the government be represented at the Canada-wide conference to be held in Ottawa, May 7 to 9, 1982?

2. Did the government contribute directly or through CIDA towards the cost of running the conference and, if so, what amount?

3. Did the government contribute directly or through CIDA or any other government organization towards the travelling expenses of Sam Nujoma of the South West Africa People's Organization (SWAPO) and Oliver Tambo, the leader of the African National Congress (South Africa), who are planning a tour of Canada in April 1982 prior to the conference in May and, if so, what amount?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. The government will not send delegates to the Canadian Conference in Solidarity with the Liberation Struggle of the Peoples of Southern Africa held in Ottawa, May 7-9, 1982. An official of the Department of External Affairs will attend the conference as an invited guest.

2. The Department of External Affairs and CIDA will not contribute toward the running of the conference.

3. The Department of External Affairs and CIDA will not contribute toward the travelling expenses of persons from Africa.

[*Translation*]

Mr. Deputy Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

THE ECONOMY

ALLEGED NATIONAL EMERGENCY

Mr. Deputy Speaker: I have received a notice under Standing Order 26 from the hon. member for Oshawa (Mr. Broadbent). I believe the hon. member for Hamilton Mountain (Mr. Deans) is going to present the argument on his behalf.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, on behalf of my leader who is unavoidably absent, I ask leave, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), to move adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the crisis in the Canadian economy, composed of the following disturbing elements: the record high level of unemployment of 10.2 per cent of the work force, nearly two million Canadians if the hidden unemployed are included; the collapse of the National Energy Program; the weakening of the Canadian dollar; and the increase in Canadian interst rates. All of these elements constitute an economic national emergency unprecedented in the post-war period requiring immediate action to put into place a program of national economic regeneration.

Mr. Deputy Speaker: As provided for in Section (2) of Standing Order 26, the hon. member for Oshawa has given me due notice of his intention to move the adjournment of the House to discuss the crisis in the Canadian economy.

There can be no doubt as to the importance of this subject for all members of the House. The application refers to problems which have been of concern to the House and various aspects of this chronic and continuing problem have been discussed almost on a daily basis for an extended period of time.

• (1210)

A series of bills relating to the National Energy Program have been and will be discussed by the House for weeks. Since December 10, 1981 the elements enumerated by the hon. member have been chosen as the subject matter of at least eight opposition motions under our supply procedures and debated in this House. I must draw to the hon. member's attention the fact that on December 18, 1980 he, together with the Right Hon. Leader of the Opposition (Mr. Clark), sought leave to move the adjournment of the House for the purpose of, and I use his own words as reported on page 5888 of *Hansard* of that date:

—discussing a specific and important matter requiring urgent consideration, namely, the economic crisis in Canada—

That application was accepted by the Chair. I must point out that the application was accepted on the eve of a proposed adjournment of the House for a period of time. Today the proposed subject is "the crisis in the Canadian economy".

As Madam Speaker pointed out to the House last Wednesday, the Chair is bound by the conditions laid down in Standing Order 26. Section (16)(d) of that Standing Order reads as follows:

—the motion must not revive discussion on a matter which has been discussed in the same session pursuant to the provisions of this Standing Order—

Therefore, the Chair cannot accept the hon. member's request for an emergency debate on this subject at this time.

GOVERNMENT ORDERS

[*English*]

NATIONAL TRAINING ACT

MEASURE TO ESTABLISH

Hon. Lloyd Axworthy (Minister of Employment and Immigration) moved that Bill C-115, to establish a national program for occupational training, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, as we discussed during question period this morning, members of this House are quite justifiably concerned about the level of unemployment in this country and are asking for some real answers on that issue. How can we come to grips with the problems facing many Canadians without jobs? Mr. Speaker, today members of this House have the opportunity to do something very real, tangible and concrete about that problem. We are introducing for second reading a bill which will authorize the government to put in place a brand new national training program, one that will affect young people, workers in existing plants and factories, and those coming into the work force. The bill will affect literally hundreds of thousands of Canadians who are attempting to respond to changing economic conditions. So, Mr. Speaker, in a very immediate sense there is an opportunity for this House to show Canadians that we are concerned, not just in a rhetorical way, but in a very clear and real way, and that this Parliament can take action to respond to their needs.

Equally important is the fact that this bill will provide a foundation and framework for developing responses to the job market throughout the 1980s. We will be experiencing major alterations in the way people work in Canada. There will be a new world of work, a new technology and new industry which will require a substantially different set of skills on the part of Canadians. There is no doubt in my mind, Mr. Speaker, that one of the most important investments we can make as a government is to ensure Canadians are capable of responding to this new technology with the appropriate skills.

[*Translation*]

In the '80s we are going to see a number of changes; changes in the price of energy, in our industries, in computer science and in technology. Workers will have to adapt to these changes. Mobility, re-training and new work standards are aspects that will become more important for Canadian workers. For instance, there will be more women in the labour market. Training and education will be necessary to fill the positions that will be developed during the '80s. The job world is changing.

[*English*]

Yesterday, Mr. Speaker, I addressed a conference of combined representatives of community colleges across Canada, the people who provide a large proportion of this training. The conference dealt with the impact of new technology. They realize that in a very few years there will be major adjustments for people working in the service industries, such as insurance companies, banks and the public service. Secretarial pools will be replaced by word processors. Of course, this raises, honestly so, the fear over the impact this new technology will have, and whether it will put people out of work. Mr. Speaker, I do not fully associate myself with those concerns because I believe new technology also creates work, but only if people are trained for and able to adapt to the new skills required. So we are talking about an investment in the future of this country of immense proportions. We are talking about assuring hundreds of thousands of Canadians that they have hope in the future.

It is important to note as an historical footnote that the introduction of this training act is one of the first clear examples of the way in which the parliamentary task forces, established two years ago, have been able to have a major impact on government policy. Members will recall that at the beginning of the new Parliament the government established five or six task forces to enable it to come to grips with changes in the economy and society. One of the most important of those was the task force chaired by the hon. member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand), but with a membership from all three parties. That task force visited communities right across Canada and met with all kinds of Canadians in business, labour and education. A very clear message came from those Canadians that we needed changes in our training programs. We needed more money, new institutions, and we needed to improve substantially our flexibility in order to produce a first-class training system, one of the best in the world. I want to say to Members of Parliament, particularly those on that committee who spent many long hours working on the report, that they can see in this bill a very clear reflection of their investment of time, energy and creativity in that task force.

This government has honoured their work by bringing forward a new training bill which will give us the opportunity to establish the foundations of a new training system in Canada. I wanted to pay my own compliments, Mr. Speaker, to the members of that task force for the work they have undertaken. Equally so to those members of the Standing Committee on Labour, Manpower and Immigration, with whom it has been my great delight and pleasure to meet on many occasions during the two years I have been the minister of this department. On those occasions they provided a number of new and creative suggestions as to how we should deal with training in Canada. Again, this bill is a reflection of their contribution.

The bill is not something which is necessarily the subject of partisan debate; it is something we can all agree to and should agree to because it reflects a sharing of responsibility of members from all parties. That is what gives me particular pleasure in being able to bring forward this bill. However, I want to provide one caution, Mr. Speaker. I do so with a clear realization that Members of Parliament will want to have the opportunity to debate this bill and to discuss its merits and suggest whatever kinds of amendments or concerns they might have.

• (1220)

I would put toward them a very clear choice. We can either spend a long time going over territory that we have gone over before and thereby run the risk of having this bill sit on the agenda for months on end, or perhaps even lose the bill because at the close of the summer session it may die on the Order Paper; or we can enact this bill with dispatch so that it can become law and we can get down to the business of training Canadians in a new kind of way.

I make a special appeal to members of this House, in particular in this debate today on second reading, to allow us to have second reading today so that the bill can go to committee. Then we can spend time in committee going over the details. If we are not given the opportunity to pass the bill on second reading, with the kind of parliamentary timetable and agenda that we are facing we are running the risk of not having this bill proceed further. I particularly address my remarks to the members of the opposition to help them realize that the choice is in their hands. With the kind of demand they were making today in question period, a legitimate demand, that this government do something to help Canadians and especially young Canadians, it is very clearly their responsibility. We can do something very real today by giving this bill passage and moving it through committee so that it will become the law of the land and we can get on with the training of Canadians.

Why is it so important, Mr. Speaker? Let me spend a moment giving a short history to show why this bill is central to the initiation and development of a new training system for Canadians. The Allmand task force, a task force that was commissioned by my own department, clearly showed that there were major faults in the present system. Perhaps the most important omission was that our present training system, largely funded by the federal government to the tune of over $800 million in the past year, was training a number of people for jobs that were not there, jobs that no longer existed. In some regions of the country over 30 per cent of those enrolling in the training programs supported under the Adult Occupational Training Act were in surplus occupations. That engendered enormous frustration on the part of the people who enrolled in those programs. It simply meant that we were not making good use of the money that was being expended in large sums in an effort to help Canadians get these new skills.

The recommendation that we have received is to develop a program that will target our training dollars towards those occupations which are in demand, to put the money where the jobs will be, to ensure that at the end of the training program there will be employment. This legislation is the keystone of that recommendation.

We were also told, Mr. Speaker, that it was very important, before we went forward with legislation, to have very close and open consultation, so that not only would we take the recommendations of the task force but we would also have two federal-provincial conferences on the issue of training; that we would present a basic policy framework to provincial ministers, sharing in the responsibility, so that they would have the opportunity to react.

The national training program that we put forward last January contained the following elements. First, that we have to improve substantially the planning of manpower and labour market programs. We need much better information than we now have. Although we were in a modern technology society, we were flying blind in terms of assessing needs. We did some at the federal level and some at the provincial manpower commission level, some of the schools did some, but it was fragmentary; no one integrated the information.

We are proposing to develop what we call an occupational protective system. Under that system we will take the best information that can be gathered at the federal level, the

statistics that we have, and the kind of information we develop in terms of a national labour market, and combine and integrate that with the information obtained by provincial governments and manpower commissions and departments of colleges and universities. We would also integrate that with private industry information so that we can get a real assessment as to what industry requirements sector by sector will be.

To that end, over the past year we have been signing a number of employment agreements with different industrial sectors. We have signed agreements with the mining associations, with aerospace, with the graphics industry, with the foundries industry. We can begin to put in place a network of arrangements across the country with private industry so that we can share information, and when we have that information we can identify where the shortfall may be, where the problems may be and target our resources.

Therefore, one of the key elements in the new national training program is a national program of information development and planning, so that we have a clear ability—not perfect but certainly an improvement on what we have now—to plan where we want to go. And what about an information pool, a reservoir of information? We will be in a position to begin designating priority occupations in consultation with provincial governments and private industry. By priority occupations we do not mean just those that are in demand on the national level. We mean those which also have regional and local requirements. That means that we will be able to target our resources in training to those occupations where there is a need, so that our training programs will have a direct relationship to the job market. We need the authority to do that, Mr. Speaker. That is one of the key ingredients and elements in this bill. It will give us authority to begin providing those designated occupations so that federal dollars going into the training system will be allocated to wherever the demand may be.

We also recognize that if we are to make major changes in the training system, adjustments will have to be made, changes will have to be brought about. In particular, there will have to be a substantial modernization of training facilities. I have visited many of our community colleges and plants and factories. I found to my horror that sometimes people are training on equipment that is 30 or 40 years out of date. They simply do not have up-to-date facilities. They know that we are moving into a new era of information technology, yet many of our schools and training systems simply do not have a computer terminal.

Let me give an example from a visit I made a few weeks ago to the marine college on Prince Edward Island. One of the anomalies or paradoxes we face is that, in a growing industry on the east coast of Canada, the offshore oil and gas industry, we are having to recruit workers from offshore because there are not enough trained marine engineers or navigators to supply the needs of those industries. Yet we have a college, a good college, on Prince Edward Island that is training people for those occupations, but they are working on navigational machinery which was built during the Second World War. They say: "We need a new computer, a new simulator, and we can turn out an additional hundred marine engineers a year to supply the industry". So for lack of one piece of equipment, we are denying a high-skilled, high-technology job to 100 Canadians per year.

At the same time we realize that there are enormous demands for expansion of training facilities. The hon. member for Rosedale (Mr. Crombie) knows that in Toronto there was a report just last week that Seneca College has received over 15,000 applications from people for their high-technology training school and they have places for only 8,000. Seneca College now has applications in front of us and the provincial government of Ontario for expansion of that program.

This legislation authorizes the Government of Canada to go into a new program called the skills growth fund. It will provide direct grants to training centres and institutions across Canada for the expansion and modernization of facilities.

An hon. Member: The provinces didn't do it.

Mr. Axworthy: Whatever the reason, I am not going to lay the blame. I simply say that if we are going to bring about a new system of training we have to recognize that we will need a new curriculum, new courses. We will have to retrain many of our faculty members, provide new equipment and new facilities. Mr. Speaker, we have put $108 million this year on the line to be spent, and we could be spending it the very moment this legislation is passed. Those 15,000 applicants for Seneca College in Toronto could be going to school next fall if we get the legislation passed now. They could be in the new training classes. But we need the money to do it, and this is why we need to have this bill passed right away. We cannot pass it if we are not given authority by Members of Parliament to spend the money. It is not a matter of budget. We have increased the training budget by 15 per cent this year to over $1 billion, but under the laws of the land I cannot spend it unless I have the authority of Parliament. This is why we are here today, asking for authority to modernize substantially the system of training for all Canadians.

• (1230)

Equally important is the question of the kind of training. In this respect I should like to turn to some of the recommendations of the Allmand task force which we took into account. Not only should we be training in high technology jobs, as critical as that may be; we must begin to tackle the problem of the hard core unemployed, such as young persons, drop-outs and persons who do not get a chance and for reasons of lack of education or skills are always on the sidelines in the job market.

We have carefully analysed the problem of youth unemployment. Something close to 200,000 young people in the country are on what we call the margin of society. They are the people who drop out of school at grade seven or grade eight. They may obtain jobs for a couple of months washing dishes, but generally they are in and out of the job market. They are virtually the transients of the job market. We believe we can tackle that problem, come to grips with the structurally

unemployed and give those people a chance through the introduction of training programs.

Up to this point in time, the Adult Occupational Training Act has provided major deterrents to doing this because of certain age requirements. This bill contains a fundamental change in the flexibility which we can offer to young Canadians, because we are changing the definition of who is eligible for training under the act. I draw the attention of hon. members to the definition of "adult" under the old act as someone who was one year beyond the school system. We are now defining an adult as any person which the school system says is of a school-leaving age. This means that we can now open up training to those who drop out of school at grades seven and eight.

The hon. member for York South-Weston (Mrs. Appolloni) has offered suggestions on more than one occasion that we must do this. This bill responds to that responsibility. I also draw this to the attention of hon. members from western Canada where there is a problem with high unemployment among native people. We know that something like 70 per cent of young natives leave school before graduation. Under this program we would be able to begin developing training programs for these people to provide them with new skills and opportunities to obtain jobs and, therefore, they could take advantage of the changes in the marketplace.

In addition, we are talking in this bill about recognizing the changing labour market by providing the ability to waive the requirement that training only be offered for 52 weeks. This is in recognition of the fact that many training programs, particularly in the high skills area, extend beyond the normal 52-week period. The bill authorizes my commission to waive that responsibility, and where training is to be provided beyond 52 weeks, we can again provide funding. Equally, we can now provide new funding for Canadians not only in traditional or conventional training centres but for those in new kinds of consortiums or arrangements put together by employers. Rather than agreeing to supply training for one employer, which we found tended to discriminate against the smaller business person with a small shop employing only 40 or 50 people which would not want to commence a program on their own, we are authorizing an arrangement whereby small employers can come together, either through a union or an employers' association, to initiate a joint training program. This means that one employer might provide training for machinists, another for heavy duty mechanics, and another for pipefitters, for example. This would mean that small factories in manufacturing areas would be able to become involved in a training consortium.

Also there is provision under the bill whereby we would provide direct training for certain special groups that want to provide training in new skills for people in society with special needs. This would be beneficial to organizations such as the Gabriel Dumont Centre in Saskatchewan which is operated by non-status natives who want to get into training programs which are related to their own needs. Under the program we would be able to provide training assistance under the industrial training program for such people. It will substantially expand the flexibility of our training system to provide new kinds of training facilities, new polytechnics, new études, new centres and new institutes which were previously difficult to form under the national training program. We have broadened the range of training facilities.

Also the bill will enable the federal government to develop new financial arrangements with the provinces to eliminate much of the red tape and the administrative regulatory handicaps which were there before. For example, previously in the training system we would have purchased courses from a provincial institute. This required very detailed record keeping to ensure that the course was administered and that people attended the course, and the provinces had to submit their bills at the end of the year. Under this new arrangement we have the alternative of engaging in a flat rate formula with the provinces, so that we can eliminate red tape, provide for the purchase of courses and the sharing of administrative costs on a direct fee basis. This recommendation was strongly suggested to us by provincial governments.

We have attempted in this bill to respond to a number of concerns. I should like to talk for a moment about some of the ongoing misconceptions about these areas. First, let me talk about the grand, old perennial Canadian problem called "money". Members of Parliament have asked many times what commitment the government is making to future employment for Canadians. As I indicated, we are making a commitment this year of over $1 billion, which is well over a 15 per cent increase over last year. The money is allocated to our reserve to be spent the moment the bill is passed. We have made a commitment, and we can provide for the alternatives which many hon. members of the House have requested.

A second misconception concerns jurisdiction and the suggestions that at times there are problems relating to who will deliver the program or whether it is really an intrusion of the federal government into provincial jurisdiction. The fact of the matter is that we are again doing what hon. members have requested, that is, ensuring accountability for federal money which is spent to ensure that we will spend the money according to the needs and demands of the national marketplace, but not in any arbitrary or unilateral way.

The entire thesis of this bill and our training program is to consult with the provinces and private industry, to develop priority occupations based upon those consultations, to work jointly and to share responsibility, but still to maintain accountability at the federal level for the money we spend. We are not intruding; we are simply engaging in a more wholesome partnership where obviously as a federal government we must share responsibility with provincial institutions, the private sector and labour unions. Under this bill we will be able to begin to enact that kind of shared responsibility and to provide for a combination and a partnership in the training of Canadians. I hope hon. members will not be deluded by those tangential arguments which we often hear because people are

more interested at times in creating mischief, disruption and confrontation than in trying to create something which is positive and will work.

This legislation is not written in stone. It can go to committee, we are prepared to look at amendments there and to respond to the preoccupations of hon. members. We are also prepared to consider that this is simply a foundation or a base upon which we can then build the training program. We do not say that it has all the answers, but we are talking about the beginning of a new system. We see the need for substantial new retraining programs across the country which we can provide under the bill. We see the need for new co-op education programs so that we can provide much closer arrangements between industries and schools. We see the need for major changes in adult retraining so that when the adult population faces the need to change jobs or their occupation they can begin to develop programs either through the community college, their union or their employer. A new training act is necessary to bring that about. We need a new training act that is based upon the operation of basic principles that allow the federal government to operate through the medium of a national labour market and which would also ensure that we can target our resources and modernize the system. That is the purpose and direction of this bill.

• (1240)

I strongly recommend this legislation to members of the House. Again, I reiterate that it is my sincere hope that members will recognize how much responsibility we have on this Friday afternoon. Friday afternoon is not usually a time that is used to make great advances in Parliament. Most members find it convenient to return to their ridings on Friday afternoon. I would say, however, that we have an opportunity today to do something very important and significant for Canadians. By giving this bill second reading we will launch the means for the initiation of a new training plan for Canadians which will ensure them the opportunity to meet the future working world.

Hon. David Crombie (Rosedale): Mr. Speaker, first I would like to say that I am pleased to participate in this debate today. I would like to underline the minister's last comment. I also believe that this is not simply a minor event which is occurring during the longest session of Parliament's history. I have reviewed all the legislation which we have dealt with in the House, including the budget statement, the National Energy Program and the Constitution debate. If I had to choose a piece of legislation which will or ought to have a greater impact on Canadians in the next 20 years, it is this piece of legislation.

No member of the House should underestimate the significance of the bill which is before us. Its importance should not simply be considered for what it will achieve in the next year or two, but indeed in the next 20 years. After reading the bill and the available literature, and after engaging in discussions with people, I was astonished by how little most of the people to whom I talked knew about the history of technical, technological and vocational education in this country and, indeed, the history of the federal government's role in these areas. I thought I might spend some time on that history for the benefit of those who have not had the opportunity to look at it. I think it will be instructive not only to ourselves but also to the government and others who may be interested.

The principles in the bill which we are discussing today on second reading are not new. They are an extension of certain principles developed in the past but they are not of themselves new. It is perhaps a type of arrogance of any current generation which makes it believe that everything it does is brand new. That is why I think the historical record is instructive.

It comes as no surprise to anyone in the House that education was given to the provinces in 1867. Interestingly enough, it was within eight or ten years—by 1876—that the federal government took its first step into the field of education. What is equally interesting is that this first step occurred in the minister's home province of Manitoba where the federal government provided lands for the development of an institution which would one day become the University of Manitoba. In the same year the federal government began programs for training its own people under RCMP programs.

Almost as soon as confederation was achieved the federal government began to move into the field of education on demand in the sense that there needed to be some involvement from the central government which dealt with matters common to all Canadians.

I will not go through the complete history but there are certain watersheds in the historical development which can be instructive. It was not until 1980 that we decided in our Canadian way to do something about the fact that we had an embarrassment of riches which we discovered when we opened up the west. We found that we had a tremendous amount of natural resources. As the new technology of that age and the new economy at that time began to develop, we realized that there were shortages of skilled people and that there were no programs or funds available to train the young Canadians of the first decade of the twentieth century for future jobs. In 1910 we established a royal commission on industrial training and vocational education. One of the great unusual consequences of that royal commission was that it was one of those royal commissions that was effective. It was actually used and its recommendations were put into law.

Two acts which were spin-offs of that first big watershed in 1910 and flowed out of the recommendations of the royal commission were the agricultural assistance act and the agricultural instruction act. Those spawned the first animal husbandry courses and the first agricultural institutions in western Canada. The National Research Council was established in 1916 as a result of one of the recommendations.

In 1919 the bulwark for the next 20 years of technological education was established. It was the technical education act which lasted from 1919 to 1939. It provided to a generation and a half of Canadians the financial and institutional base by which it coped with the technology of that generation.

In 1942 there was another watershed: the vocational training and co-ordination act was adopted. It was quickly adopted for two reasons; first, the old act had died; and second, we had a new reality in Canada, which was the war. We needed to train people for a host of new technologies coming into the world which were ushered in by the war. Therefore, the vocational training and vocational act of 1942 became the new federal base.

The Veterans Rehabilitation Act of 1945 was established to direct for the first time in any significant way funding by the federal government to students in technical, technological and vocational training.

In 1960 we began the phase which we are presently going through. The Technical and Vocational Training and Assistance Act was established by the Conservative government of John Diefenbaker. I mention this as a watershed along with 1910 and 1942. The 1960 act brought about a major change in the role of the federal government in technical and technological education. In fact, it provided vast quantities of funds for capital development in much the same way as the principle of the minister's bill. It established funds for technical and vocational high schools, not simply for people who were in the high school system but for technical and vocational high schools. This was done in the Atlantic provinces, western Canada and central Canada.

Those who benefited from technical and vocational education in those days were direct beneficiaries of a large infusion of funds, programs and schools as well as the training of teachers by the federal government. For those interested in the extent to which the federal government was involved in technical, technological and vocational training in Canada through the 1960 program, the fact is that the federal government in the short span of seven years established 688 new schools and renovated 440 of those schools from one end of the country to the other.

This brings us up to 1967. A new act called the Adult Occupational Training Act became the base for Canadian manpower training programs which we have enjoyed since that time. The purpose of that act in 1967 is worth quoting. This was an act "designed to contribute to the economic and social development of Canadians while reducing regional and individual disparities and providing employment related training".

Maybe everthing else old is new again and maybe there is nothing new under the sun. The point I am making in all of this historical development is that the federal government in Canada has been involved in a long history of training, over 70 years. It has provided billions of dollars, thousands of programs and trained millions of Canadians. Now, I emphasize that because I know there are people who are not aware that this is not a new reality. It is a new time and we have new technologies, but the federal government has always been, at least since 1910, and in my view ought to continue to be, one which plays a leading role in the development of funds, institutions, programs and teachers for technical, technological and vocational education.

• (1250)

That historical development also establishes, I think, certain Canadian ways in which we have gone about the federal role, and there are three principles that I think are worth mentioning. First of all, in 1910, from 1939 to 1942, in 1960 and in 1967, each time that the federal government took another step and participated in the development of technological and vocational education, it did so in relation to clearly understood national, industrial and economic strategies. National technical, technological and vocational training is not something that is stuck in the door all by itself. It is just not a sheaf of paper or a bunch of programs that have no connection with anything else. The motivation each time that this country has taken a leap forward in its economic programs and its industrial strategy has been the adoption of a national training program.

Now, it is important to emphasize that first principle. I wish the government well, but if it is to sell its program, not just to other governments but to the people of this country, then it will have to make its goals more clear than what we have heard so far in terms of national industrial strategies and national economic recovery programs. Because then people will understand the funds and the involvement in provincial policies which will also be required.

Indeed, as the minister himself indicated, we are going into a new world, as we did in 1910, as we did in 1942 and as we did in 1967. We are going into a new world where the speed of change is very great—a world of robots, a world of computers, a technological revolution. I guess that that type of technological revolution was just as scary at the turn of the century, in a sense, but it offered the same opportunities. One thing is clear with the current one. We now live in an integrated world economy where, unless we do have a national industrial strategy of economic recovery and a national training program which fits it, we will not become world competitive.

The second principle usually does not occupy the interest of parliamentarians at the federal level, but it is one worth pointing out because there are parts of the bill which will receive considerable scrutiny in committee, at least from me. It involves the way in which we balance education, in its broadest definition, and technical education. I will not spend much time on it today, but I wish to flag the problem within the bill. I think there is an idea that we must somehow move away from educational institutions, and that if there has been a bias in that direction, we must move away over to the other bias so that we have more and more exclusion of institution and more and more employer-based education.

As any educator would advise, there are a number of philosophies. There is one which suggests that the most important way in which to have technological and vocational education is to have it in the workplace. The extreme opposite is to have it only in the educational institutions. Indeed, we have veered from one to the other. Throughout the western world one will find countries which represent one philosophy more than the other.

What is required, and it certainly fits well in the Canadian mould, is a balance. There must be a balance between the

training of people for jobs and the training of people for life. There is no dichotomy in the individual's mind. There is always a dichotomy between levels of government and government bureaucracies. I heard what the minister pointed out in his speech. At least, I hope the minister said what I think I heard him say, because it is a good idea. When people work at whatever they do, they develop their own personalities. Their work tells them who and what they are and who and what they will become. Therefore, when we talk about training, it is wise to ensure that that training takes place within the context of an over-all educational program. I speak not only of philosophy here. If the federal government persists in the view, which I hope it does not, that it can split training from education and therefore split itself from provincial co-operation, it will not only cause a problem between governments, but will also mean that it has not done its work well in serving the people of Canada. It is absolutely essential that that second principle of balance between education and training, between institutions and the work place, be maintained.

I might say that a while ago I spent some time on this matter. For the minister's edification, he might want to speak to the chairman of his advisory committee on immigration, Mr. Tom Sosa, who is vice-president of Ryerson Polytechnical Institute. I have a great love and affection for what I call the Ryerson model. It did not always do the job it was supposed to do, but its model was the best model. I commend it to the minister.

The problem for technological and technical education in the province of Ontario in the fifties and sixties was that the moneys went to the universities and there was nothing for that level of technical and technological education. Up until 1966, there was only one institute in the province of Ontario which carried out that level. That was Ryerson Polytechnical Institute or the old Ryerson Institute of Technology established in 1948. The principle behind the model was that one should link work to the job and link work to education so that it carried out an in-service program at the same time carried out a program within the educational institution. That model, I might say, was broken during the change in educational philosophy across the country in the 1960s. Previously Ryerson had to finance itself on the basis of running a very tight ship, ensuring that its graduates had jobs and that its departments were able to fund the students who were coming in. Co-operation between industry on the one hand and the high schools on the other was what made the Ryerson model work. I commend it to the minister.

The third principle is the principle which makes the other two possible. In my view, the first principle is that the government must make clear its national industrial and economic recovery goals in order to make sense out of a national program of technical education. Second, it must create that balance between the needs of education for individuals and the need for training. Third, it must establish co-operation between the levels of government.

With regard to the minister and, indeed, any minister, it is always easier if one does not have to try to talk to the people who will also be involved with you in the same business. It is simply easier to do it yourself.

I note that the hour is now one o'clock, Mr. Speaker; I would like to continue after the lunch hour.

The Acting Speaker (Mr. Ethier): Order, please. It being one o'clock, I do now leave the chair until two o'clock.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Crombie: Mr. Speaker, prior to the lunch break I had commenced my remarks by going through the historical development of technical, technological and vocational education. I had outlined the three significant principles that come from that historical development. In my view, these three principles have served us exceedingly well and will serve us in the future if the government pays attention to them.

The first principle is that any program of national training should be part of a national economic recovery as it was in 1910, 1942, 1960 and 1967. It is important that that principle be understood by the government. Second, the program must be an appropriate balance between the needs of so-called education for life and the needs of technical training, education specifically for the workplace, that a balance be maintained and that we not sacrifice one for the other as has so often been the case at other times and in other places. The third principle, the one I was dealing with when the hour struck one o'clock, is the principle of co-operation.

Throughout each of our watershed periods when the federal government has become involved in a significant way with respect to technical and technological education there has been the requisite, not easy to achieve, co-operation with the provinces. That in my view, particularly with this bill, is a very important principle. As it stands right now, the bill commits the government to consultation but does not commit it to agreement. I recognize some of the difficulties the minister may see, but when we do the questioning during committee stage and report stage, we will be able to develop an argument and the minister will see the value of agreement with the provinces.

To put it in the shortest possible way I can, if the government cannot find agreement with the provinces, we will have lost two things, with disharmony again being on us. First, we will have lost that intricate relationship between education and training. We would have the provincial governments dealing with education and the federal government dealing with training. We will have lost the necessary integration between the two. In short, we will have lost the second principle.

Also, we would have lost the opportunity to develop what is inherent in the principles of this bill, namely the best possible approach that a federal political system can take in terms of

the development of training in technical and technological education.

The third principle, that of co-operation between the two levels of government, is essential. Indeed, the other two principles which have served us so well will not be successful unless that co-operation is clear and obvious. The best way to do that is in connection with agreements so that the individual is served by both levels of government rather than having them at war one with the other.

In his speech the other day to the presidents of community colleges from across the country, the minister said at the bottom of page 8 of his speech: "We will invest in new facilities, equipment, curriculum and build the kinds of institutions needed to train Canadians in new skills for new jobs". I support that. I think all Canadians support that. What is important is the definition of "we". "We" should not be the federal government and should not even be the federal Parliament. If it is to be successful, "we" means the federal level, the provincial level, private institutions and those involved in the delivery of education. "We" means all of those who deliver the service, and it also means those who receive that service. It is on the definition of "we" that I think the success or failure of the minister's bill will be determined.

• (1410)

This brings me finally to the specifics of the legislation now before us. As I think I probably have been able to demonstrate, this bill in 1982 is serving the same need Canadians had in 1910, in 1942, in 1960 and again in 1967. We have a system today that has many problems, and I suppose as too often Canadians try to do, we try to point the finger at who caused the problems. Who is to blame? The fact is we are all to blame. The federal government is to blame.

The minister says we have been pouring millions of dollars into training programs for which there are no jobs. Most of those millions of dollars have come from the federal government. The federal government had the opportunity for approval of those programs and, indeed, as the task force on work in the eighties pointed out, the minister's own department wasted—I think that was the word used—millions of dollars training people for no jobs. There clearly is a responsibility at the federal level. The provincial governments have their share too.

The glories of an educational institution being run like a grand corporation caught the imagination of too many people involved in education in the sixties and seventies, and far more money was spent on administrative and on non-teaching and non-learning aspects of technical, technological and vocational education than needed to be. The provinces too often looked for the glory and less for the delivery of the service. However, we as parents were also responsible. Particularly in this field we have for too long—for the last 30 years—assumed that somehow if we were involved in technical, technological or vocational work, that was not quite up to snuff in relation to what people ought to be. We put far too much emphasis on grants to universities and too little on the importance of doing the good, honest work required. We lost the sense of having pride in good labour done. We lost that in the last generation and a half, and I am hoping one of the things which will come out of this bill will be a recapturing of the understanding of the contribution that technical, technological and vocational jobs make, not just to the economy of the country but, indeed, to society as a whole. Who we blame is not important to the future. I think we are all to blame. The fact is we now have a technical, technological and vocational system that is not serving us.

The specifics of the bill are four in number. First, the minister argues as a question of principle at second reading of the bill that we have to have the identification of priority occupations, and those ought to be the major business of the federal government. I agree with that. That was clearly the principle in 1960. It was also clearly the principle in 1967, in 1942 and in 1910. That is the principle now. It is a good principle. The federal government should be concerned about those priority occupations which will allow us to deal with the technical and technological revolution that is already upon us. Indeed, we should have been concerned about it eight or ten years ago.

Second, the bill argues for a greater opportunity to have employers and non-educational institutions involved in the delivery of technical, technological and vocational training outside institutions. I support that too. I think there are lots of opportunities to use the facilities of those non-educational institutions. To give an example, what is the best marketing school in Canada? Some people might think it is the University of Western Ontario. I think most people would understand it is Procter and Gamble—sorry to Lever Brothers! There is great value in training in the workplace, but not at the cost of education in the institution. The principle is good. We are going to have to wait until the regulations and the agreements show whether that balance between education and training is maintained.

Third, the bill talks about the necessity for projecting employment needs and offers what is known in the trade as COPS, the Canada occupational projection system. It is a computer-based system which allows for some understanding of what we are going to need in the future. I think the minister would admit that it is not terrific, but it is all we have at this point.

What I would like to suggest to the minister, and will be suggesting in the committee, is that he pick up on a suggestion which has been made to him on a number of occasions. He could refine it to his own use, but it is a suggestion with respect to participation by the Canadian Labour Congress and the Business Council on National Issues. It is not very often both labour and management get together with a proposal. They have made a proposal to the minister. It seems to me that even if the specifics of that proposal are not sufficient for the minister and if he would like to use COPS in connection with it, I think the Business Council on National Issues and the Canadian Labour Congress would be happy to listen to some proposals from the minister so that they could participate in labour market projections. We should not simply write labour

market projections off as a theoretical system. Being able to project what we will need in terms of skilled talent is a very, very important matter. Otherwise, our ability to be able to organize resources in time and, indeed to be able even to lead the market for a change, would be lost.

Finally, the bill would spend more money both in terms of capital costs and in terms of funds for individuals. Indeed, one measure that I think is excellent would increase benefits to individuals from 60 per cent to 70 per cent and would therefore give people the incentive to get involved in the training programs proposed in the bill.

I can conclude my remarks by saying two things. As I have tried to indicate, this bill has a noble tradition. It is a tradition not known to very many Canadians, but it is a tradition which has served us well, and it has served us well because we have observed those three principles. I implore the minister to pay attention to those principles: national training should be related to national economic recovery; national training should have a balance between the needs of education and the needs of the workplace; and national training should be done within the atmosphere and framework of co-operation and the search for agreement between the two levels of government. If the government does that, I think the name Axworthy will be right up there with the names of those people who piloted the bills through in 1910, in 1942, 1960 and 1967, and that will be well deserved.

However, if the minister fails to pay attention to those principles, he will not only have failed, but we also will have lost the one opportunity we have to become competitive in the world and to be on the road to recovery for the next 20 years.

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, the unemployment line, the soup kitchen, children attending Salvation Army services not just for spiritual sustenance but for food, are all realities in Canada today. Canadians are in deep trouble. Unemployment is at its highest level since the depression. We are spending some $1 billion on training while skilled jobs go begging. Yet in spite of this situation, things could be different if we had the political will to make them different.

I would like to take a few minutes to describe to hon. members the kind of situation we find ourselves in in Canada today. We have an intolerable level of unemployment. In real terms the number of unemployed is some two million, yet at this time of record levels of unemployment we still have shortages of skilled workers. There are jobs for skilled workers that are not filled by Canadians. This situation is not temporary, although sometimes the government would like us to believe that it is. All the predictions made by economic forecasters lead us to believe that any recovery will be slow and that we are not going to return to the kind of economic growth that we once knew. Put simply, we are facing an economy in which a large number of people are unemployed, bankruptcies have increased, inflation continues to soar and, in the last few days, we have seen the failure of the Canadian dollar. That is a clear indication of a failing economy.

• (1420)

It is not enough to recognize the over-all economic problems that we face, Mr. Speaker. There are other and more particular problems with employment and training. There are some very grave inequities in the way people are able to earn income. Some are able to make a pretty good living while others are not. I am thinking of groups normally designated as disadvantaged—women, natives, the handicapped and even immigrants.

I should like to say something about the employment of women. We all know that on average women earn something in the order of 60 per cent of the income that men earn. By and large they work in what are known as job ghettos. The technological changes of the future are a threat to the low paying jobs that women presently occupy. The microchip revolution will deskill a lot of jobs so that the work women presently do will require less skill and, as a result, they will lose earning power. There are other jobs that will become more highly skilled, of course, but it will be more difficult for women in the future to climb the ladder of their careers than it has in the past.

Most Canadians are aware that the vast majority of native people have neither the education nor the equality of opportunity that is necessary to be successful in the working world and to earn a decent income. They have been in this position for a long time, of course, but that is no justification for the situation continuing.

Handicapped people are also disadvantaged in the economy and in the job market. Very real barriers exist for handicapped people, not only in the physical sense of access to buildings where they might work and participate in community activities, but also in terms of attitude. We have not really learned to accept the handicapped person as someone with full rights of citizenship and the full right to earn a decent living.

Many immigrants were attracted to this country by the promise of prosperity, but recently some lured here to work in the garment industry, for example, have been disappointed. Rather than steady employment and a good income they have been faced with lay-offs, part-time employment and shattered dreams. Many of them work for less than the minimum wage and many are underemployed. I can think of a Philippino man who was trained and qualified as an engineer in his own country but found when he came to Canada that he could not use his skills and had to work as a draftsman. There are some people who feel that he may not have had the same standard of training as a Canadian engineer, but I would remind hon. members that the educational system in the Philippines was established by the United States and that the same training manuals are used there as are used in Canada. In fact, in Canada and in the Philippines, the education of engineers is modelled on the United States system, so there is no reason for the inequity that continues to exist.

The labour market not only demonstrates the inequitable and intolerable state of employment among disadvantaged groups but there is also a great deal of waste. There is waste of the great human potential that exists in this country. The

hopes, dreams and futures of our young people are being laid to waste. Our record high level of unemployment has reached almost two million in real terms and about half that number are young people. They are losing the opportunity to gain the training and experience which are necessary for them to work their way up in the job market. Not only are their hopes and dreams shattered by the present economic mess and lack of training, but there is another shocking problem that should not exist in any industrialized western democracy. The task force report entitled "Work for Tomorrow—Employment Opportunities for the '80s" identified the extent of functional illiteracy in this country. A very significant portion of our population does not have the basic education necessary to make a living in an industrialized society. There is a waste of human potential and a waste of economic potential as a result. If those people were given an opportunity to be functionally literate, they would be an asset to our society and to our economy.

All these problems—record high unemployment, inequities in the labour market, the waste of human potential—exist in a country that has very real and great potential, a country that has an educated population and great resources. A country like ours should not put up with these kinds of problems.

• (1430)

How has the government responded to the situation we face today? Its response has been disappointing, to say the least. It has been what I would describe as a public relations response. This bill, C-115, the legislative authority for the national training program, does not tell us a great deal about that program. It does not tell us what the government intends to do. In order to find out something about that, we have to go to the press releases issued by the Minister of Employment and Immigration (Mr. Axworthy). I am looking at one now dated May 21, 1982 in which he described the so-called new national training program. But it does not tell us a heck of a lot about what the program is going to look like either. It is a well-crafted document which certainly touches on all the key points. It mentions native people, handicapped people, women, and it mentions there will be new initiatives. But it does not tell us a heck of a lot about how they are going to do these things. It tells us they are going to train native people and others for national occupations, but no substance, no detail and no specifics. That is what I mean when I say it is a public relations response; it makes for good press releases and good speeches, but it has no substance.

I do not want you, Mr. Speaker, to accept my comments on the basis of my assertions alone. I would like to examine a few of the things mentioned in this national training program. The first thing I want to comment on is the approach to forecasting the kinds of jobs for which people will have to be trained. The proposed forecasting system is called the Canadian occupations projection system, or COPS for short. It is a macroeconomic system which involves consultation with various groups in society. It is a system devised by the same institution, the federal government, which has failed so dismally in the past in its predictions for job needs and training. But the real problem with the system is that it offers no real way of obtaining access to information about private sector investment intentions. Just where do corporations intend to invest in the future and, therefore, what kinds of jobs will result and what kind of training do we have to put in place?

Of course, it is quite natural that a corporation would want to keep its investment decisions confidential because of competitive factors. You cannot just make this information available willy-nilly because your competitors will take advantage of it. Yet we must find a way if we are to be able in any way to forecast the kinds of jobs which will exist in the future.

In addition, Mr. Speaker, having a macroeconomic prediction model, or even consulting with other groups about what they want, is no substitute for an industrial strategy. An industrial strategy should involve public participation in the determination of investment decisions in this country over the coming years. In other words, where are we going to put our dollars, what kind of industry are we going to develop, and therefore what kind of labour market are we going to have? Without a well-thought-out industrial plan, without some public involvement in the direction of investment, we have really no way of knowing just what the economy is going to look like in the future.

I would like to move on to another aspect of this so-called national training program. I say so-called because it really is not all that it purports to be. There is a section in this bill dealing with industrial training, the essence of which is that it will provide incentive funds to industry to train workers on the job or in other settings. Well, Mr. Speaker, this is not new. A system based on incentives has been in place in this country now for quite some time. It is also a system which has led us to our present circumstances of extremely high unemployment and jobs which lack skilled workers. As a part of this system of training incentives there has been an effort to move funding away from community colleges which, of course, come under provincial jurisdiction. It looks like there will be a reduction of 10 per cent in funding to community colleges. I say that based on the fact that the guarantee being given to provincial governments and community colleges is that their funding will not fall below 90 per cent of what it was before. I suggest, Mr. Speaker, that guarantee will become the ceiling. In effect, you will have community colleges, the basic instrument we have for training people, facing a reduction in funding. This comes at a time when there is no way they can afford to do with less.

Another aspect of this training policy, Mr. Speaker, is what is called national occupations. The federal government, by legislation, is going to take upon itself the authority to designate certain occupations as national occupations. It is going to say: okay, this is an occupation in which we need trained people and this is where we are going to put our money.

What is wrong with that, Mr. Speaker? The problem is that you have the same old department making the decision about where to put the money. They have dressed it up a bit by putting it in legislation and calling it a "national occupation", but if you still have the same employment department making decisions about where our dollars are going, our experience to date with regard to how successful that department has been in

terms of putting the money in the right place to produce the required trained workers leaves us with very little confidence that anything really constructive will come out of this legislative designation of national occupations.

• (1440)

This bill leaves the federal government in a neat little position of being able to respond to public pressure from time to time. For example, if we became aware suddenly of a great shortage of machinists, although it might be a little too late, if it became a public issue and a political issue, it would not be a hard task for the government to add that activity to the designated list of national occupations and tell the people that the government is doing something. The problem would be, of course, that it would be far too late.

This national training program claims that it will give women, natives and disabled people better access to training. That is on page 4 of the backgrounder, the federal proposals, the press release that I mentioned. That one line does not mean much. It is nice to know that the federal government intends to give natives, for example, better access to training. The government said the same thing in the last federal budget with regard to economic development. They had a line there that said there would be some $350 million for native economic development. Native leaders have called me and asked where that money is. They say they know it was in the budget, that they have been trying to find out from the government about it and they ask what they intend to do with it, how they intent to spend it, what shape the program will be that will be so financed. They cannot find out; they are worried that one day they will wake up and find the program has been laid down and they will have to live with it, regardless of the content or structure of the programs and without their really having any say about what the program should be. The same thing applies here. There is talk about giving natives better access to training. It would have been far better to get the native leadership involved in the development of that program before it was announced.

The government also claims that there will be better access to training for women. With the technological change going on in our society, with the microchip revolution, with the gaps in the career ladder that this is going to cause for women, it will be even more difficult than today for them to advance and reach a level of economic equality with men.

Women want not just a one-line mention in a press release. They want some real guarantees that they will have access to the highly skilled occupations that will be created by technological change. They want a real guarantee that they will get first crack at those jobs. They want to know that adequate and worth-while training will be provided so that they can move from low level occupations into the new highly skilled occupations, and therefore be able to jump the gap in the career ladder that is created by technological change.

Another aspect of this program is the skills growth fund. This is the fund of $108 million for facilities and equipment, to help in the updating of the training equipment available in institutions across the country. We do not know much about that item from this press release. I wonder how far $108 million will go in this great big land.

An hon. Member: A drop in the bucket.

Mr. Keeper: We have ten provinces, and if you divide that sum equally it may mean only $10.8 million for each province. It is not a great deal when you consider the expense of bringing facilities up to modern technological standards.

Over all, Mr. Speaker, this program touches all the right bases in terms of identifying the issues, but when you take a closer look at it and try to find out the specifics and what it means, it is like punching a pillow; you really cannot get at it. We do not have adequate information and we are not told what is really being intended. That is not an adequate response to the situation we are facing today of high unemployment, lack of skilled workers and inequities in the labour market. That is an inadequate response.

Some might believe that is the best that can be done. I think a lot more could be done, Mr. Speaker. We could find really concrete ways of working with the very difficult problems we face. We do not have to be superficial in our approach. We do not have to accept the manpower department programs as they have always been. We can have a positive impact upon the type of training that is to take place in this country. We could have a comprehensive training system that would meet the needs of our economy for the future and provide Canadians with real opportunities to train for interesting and exciting jobs in the future.

Let me give some examples, Mr. Speaker, to demonstrate what I have been saying, that it is possible to do better than what is proposed in this national training program. Going back to the question of the economy and jobs, what this country needs now, and needs badly, is an industrial strategy. It needs a plan to create manufacturing jobs throughout the country, not jobs in one region but jobs in all regions. It is obvious to everyone that the economic strategy this government has been following, based upon resource export, has really failed. That is literally demonstrated with the failure of the megaprojects in recent times. We need a plan for developing our industrial economy. We need a plan for investment in manufacturing, so that there will be jobs for which Canadians can be trained and to which people can look forward.

With regard to projecting what kind of positions people will need to be trained for, as my colleague from the Conservative Party mentioned, there was a joint submission from the Canadian Labour Congress and the Business Council on National Issues, a proposal for a labour market institute. This offers at least one real and concrete way of adding to the information that we have and will allow us to make better predictions about the jobs for which we need to train people. It offers an institutional setting in which researchers could talk to businessmen to find out something about their investment decisions without making the information generally available to the public. Therefore, this information about their investment decisions could be the basis for the kinds of prediction

the institution would make about training needs for the future. It would be a real way of bolstering, making more accurate, and placing a more solid data base under the projection system we use for making decisions concerning the jobs for which we are training people.

• (1450)

With regard to the system that we use to train people for predicted jobs, we need an industrial training system which is comprehensive, in the sense that it encourages and demands that all employers become involved in training. One of the main problems with training in the country today is that a very small percentage of employers train people for skilled jobs. Of course, those employers can be raided by other employers of those skilled workers once they have made an investment in them.

We must devise a system which makes it mandatory for all employers in the country to train and to contribute to the cost of training. This would be a way of ensuring that employers train and that there are skilled workers to fill the jobs of the future. Such a comprehensive industrial training system would view training as an investment. We would not have to rely only upon skilled immigrants, we would be training people who are in Canada to fill those skilled jobs.

Turning to the disadvantaged—and I will briefly mention native people—over the last few years there has been demonstrated success with what are called new careers programs. These programs may last several years in length of training. They take people with very low levels of education and train them for professional occupations, such as teachers, lawyers and doctors, over four or five years, and this results in a real difference in the income levels of these people. There is no mention of this in the national training program, but such a commitment would mean a real difference in the program. There is no mention of or commitment to a new career training strategy. If that is to be the intention, it should be spelled out.

With regard to women, we need a real assurance or some guarantee from the government that women who are displaced in the workplace as a result of technological change will have first crack at the jobs which come up, and that they will have adequate training in order to be ready and available for them.

In regard to the handicapped, a very good study was conducted by the Special Committee on the Disabled and the Handicapped entitled "Obstacles". A solid commitment should be spelled out to the very good recommendations in this report with regard to employment for the handicapped.

The problem of functional illiteracy was mentioned in another parliamentary report on manpower. It is a very severe problem in this country that saps the wealth of the nation. Why do we not have a war on functional illiteracy in this country? Is it not time that all Canadians should have an adequate education, at least an education which allows them to enter the labour market? There are many ways of approaching the difficult problems we face. I encourage the government to look harder at the possibility of implementing some of these approaches to training and employment problems in the country.

In conclusion, unemployment in Canada is the highest it has been since the depression of the 1930s. When a real recovery begins—and there is no evidence of it yet occurring—it looks as though it will be very slow. The market is begging for skilled workers, yet we continue to spend billions of dollars on training in a haphazard manner. Canadians could be doing the work which we all know needs to be done. Canadian factories could be producing a cornucopia of wealth. Women, natives, handicapped persons, immigrants, youths and all Canadians could be trained for skilled jobs. To paraphrase a former practitioner of our trade, politics, the art of the possible, some people see things as they are and ask why; I dream not the impossible dream but of real things yet to be, and ask why not?

[*Translation*]

Mr. Gilles Marceau (Jonquière): Mr. Speaker, I am rising in the House today to express my support for Bill C-115, an Act to establish a national program for occupational training, because I am convinced that this legislation will make a major contribution toward adjusting our training system in Canada to the demands of the electronic age. I must admit that I would have preferred to take part in a debate in more cheerful circumstances. I would have preferred to praise our accomplishments across Canada, our abundant wealth and our very advantageous economic situation. Unfortunately, the situation is quite different, not to say alarming. Mr. Speaker, I have decided to take part in this debate for two reasons. First of all, because the unemployment rate in Canada, although it is impossible to give the exact figures, has reached a record high, and although we can say that all industrialized countries are faced with this kind of problem, I do not think we can draw any consolation from a comparison with other countries, although on the other hand, such a comparison does oblige us to be more realistic and to recognize that Canada, notwithstanding its constant and renewed efforts, will never be able to insulate itself from other countries and their problems, just as they do not insulate themselves from the prosperity enjoyed by industrialized countries.

My second reason, Mr. Speaker, is that I have had the honour and the privilege of sitting on a seven-member task force, one member of which, I am sad to say, is no longer with us, and here, I would like to take this opportunity to pay tribute to our colleague Bruce Lonsdale, who passed away several months ago, and who made a major contribution to the work of our committee. The task force, Mr. Speaker, was fortunate in being able to travel across Canada and to find out for itself, during often very spirited discussions with the public, about the real problems of unemployment and solutions that could be considered. The committee, on which I acted as co-chairman with the member for Calgary West (Mr. Hawkes), submitted 186 recommendations. The Minister of Employment

and Immigration (Mr. Axworthy) has accepted several of these recommendations, and I would like to take this opportunity to thank him and to ask him to continue implementing of the basic recommendations of this report on employment opportunities for the '80s.

• (1500)

Mr. Speaker, although there are continuing regional and sectorial manpower shortages, Canadians are experiencing the highest unemployment levels in 40 years. Although this unusual situation is very cold comfort for those who are unemployed, it does point to a number of shortcomings in Canada's manpower policy and leads us to expect that our problems will soon get worse. Until now, Canada has been unable to meet the demand for skilled workers in the traditional trades and it has been unable to adjust to the needs of a developing economy. Until the middle of the seventies, most of our requirements for skilled manpower were filled by immigrant workers from abroad. However, a rise in the standard of living in the European emigration countries led to a serious drop in the number of immigrants. The resulting decline in the numbers of skilled manpower has given us an economy that is plagued by inflation while at the same time not being able to provide enough jobs for less skilled workers. This situation has been aggravated by a recession that is both national and international. Unskilled workers are the last to be hired and the first to be fired.

Businesses can no longer operate at full capacity are being restructured and that, as a result, less skilled workers and those with the least seniority are being laid off first. This has led to a decline in the number of on-the-job training programs and thus in the number of opportunities for workers to gain experience. Consequently, today's recession is contributing to tomorrow's shortage of skilled workers. In extreme cases, recessionary pressures are weakening the economy's structures to the point where businesses that could be productive are going bankrupt. Our manpower policy must cope with these problems, first of all, by restructuring Canadian industry so as to facilitate adjustment of the labour market to new demands. Subsequently, workers already on the labour market must be trained or retrained for the trades that are necessary to a proper functioning of the economy. Finally, jobs must be structured to take account of the specific needs of workers. For instance, allowances must be made for the particular needs of the increasing number of women who are carrying a twofold responsibility for work in the home and in the labour force.

In addition to the recurring weaknesses of our manpower policy in these areas, Canada's decision-makers will be confronted with further major problems during this decade. The ongoing trend toward opening up occupations and the wave of investment for the purpose of integrating new technology should lead us to expect important changes in the sectorial and occupational balance of regions where there is a manpower demand. If Canada is unable to respond to the new demand for skilled manpower, it may be prevented from upgrading its production potential and jobs will literally have to be exported. The arrival of fewer young workers on the labour market means on the one hand that the economy will not have to absorb a large number of workers with more experience as was the case during the last decade. On the other hand, as the average age of the workers increases, adjustment to the new requirements will have to depend to a greater extent on the retraining of those who are already part of the labour force. Finally, the women's rate of participation is expected to go on increasing while the service sector, which has been the traditional source of female employment, will probably be the most affected by the technological changes, and especially by the microelectronics revolution.

The two basic questions concerning training are how and where it is given and who pays for it. How do we achieve a balance between experience and on-the-job training on the one hand and academic training on the other ? A changing economy needs a labour force that not only is specialized, but that also has transferable specializations. Obviously it is easier to learn some of the trades on the job and a different approach is needed for others. The lack of basic training is restricting many Canadians to unskilled jobs and is virtually excluding them from training and retraining programs. Over four million Canadians are functionally illiterate. On-the-job experience cannot teach them to read or write any better or to improve their marginal situation in relation to the labour force as a whole. On the other hand, to the extent that training is transferable, each employer is tempted to attract specialized workers away from other employers since he can then benefit from these workers without any cost to him. It is because of this market deficiency that the government has had to subsidize training facilities through its tax revenues. However, these programs which range from university and college courses to manpower training programs have too often ignored the requirements of the labour market.

On a national level, there is a shortage of engineers and a surplus of arts graduates. Regional manpower programs have trained workers for jobs that require little specialization in areas affected by chronic unemployment. Financing must be more selective and the programs better co-ordinated. In addition, people often say that a given training program does not meet the specific needs of the industry. Attempts to reduce work situations reproduced in laboratories and workshops have proven costly and outdated and they have shown that our teaching institutions do not have the required resources at their disposal. Universities have had to deal with both basic training and fundamental research. We shall need a much broader spectrum of on-the-job training programs to match theory with practice.

While off-the-job training has sometimes been inadequate, the very serious shortage of specialized workers in the fields that traditionally require an apprenticeship period point to the

obvious failure of this procedure in Canada as compared with students trained in teaching institutions. Apprentices are often laid off during a recession. Besides, apprenticeship programs are often spread out over conventional four-year periods without any consideration for the actual requirements of the trade. The government has already implemented various industrial training subsidization programs, but we obviously have to do more. Already the fundamental question of who should pay for this training and who should distribute the funds is being asked.

• (1510)

In that respect, Mr. Speaker, when I was travelling across Canada and consulting with the people, the most frequent comments we heard were the following: young people realize they are trained in skills where there is absolutely no prospect of short, medium, or long-term employment. They complained all across Canada that they were insufficiently and inadequately counselled; in that regard, this legislation fulfils that requirement in part. Another comment we heard was that often young people do receive theoretical education but no adequate practical training, which prevents them from filling jobs within a reasonable time-frame. Those two basic complaints were heard over and over and over again, Mr. Speaker. There are, in my opinion, five training principles that should be adhered to and closely examined. First, more specialized training should be provided in Canada. Second, more on-the-job training should be provided. Third, a greater number of Canadians should be attracted to highly skilled trades. This is one of the major objectives of the legislation now before us. Four, ongoing education, retraining and upgrading should be provided in order to meet the increasing demand for new technology and the changing concept of competition on the world markets. Five, fair and equitable funding should be studied in depth.

Mr. Speaker, I would like to make a few comments on those training aspects, and say a few words on in-plant training. During our travels, we often heard that in the area of training it was essential to give higher priority to on-the-job training in order to meet industry's current needs. The Canadian government will spend $166 million in 1982-83 to help employers provide training that is often costly and time-consuming. Employers who wish to train workers or upgrade training in trades such as tool-making, welding, industrial maintenance mechanics, electronics and engineering technicians, oil production and other first-class trades will be given priority in the allotment of federal funds. The current critical trade skills training program will be integrated within the industrial training program, and CTST training will be improved. Such initiatives are aimed at helping the industry set up the structures needed to train each year 10,000 highly skilled workers by 1984-85.

In addition to training workers in the critical trades, the industrial training program will stress training in the trades where job demand is high, the retraining of workers affected by technological and industrial changes, the training of the unemployed, the training of women in fields where jobs are usually held by men, and the training of adults with specific needs. This scheme strikes me as very interesting and encouraging, Mr. Speaker, and I urge the Minister of Employment and Immigration (Mr. Axworthy) to pursue his efforts in that direction.

With regard to institutional training, Mr. Speaker, I should also like to make a few comments. As we pointed out in our report on employment opportunities, institutional training should complement in-plant training by giving higher priority to the critical trades, that is those where a shortage of skilled labour exists. I believe the minister got the message. The number of skilled workers can be increased not only by extending the traditional apprenticeship training but also by giving some training prior to the apprenticeship stage provided by provincial educational institutions. That is why the federal government is willing to finance a major expansion of pre-apprenticeship training in the critical trades, provided the provincial governments agree to include that training in their apprenticeship programs, and provided there is a real demand in the industry for that type of trainees. The federal government will also buy more pre-job training courses, because requirements having been increased in such trades as computer programming, industrial design and word processing. Thus, training prior to apprenticeship and employment will be available, which it is not at the present time, enabling one to acquire skills to a higher or a lesser degree. Simultaneously, the federal government will progressively abandon its purchases of non-productive courses or reduce them according to the actual needs of the economy. The funds the government intends to inject into training will also go to the training in school of apprentices in the Red Seal jobs and other trades where demand in high.

Mr. Speaker, I said that a fifth important aspect of training that bears scrutiny is that of financing. I should like to repeat Recommendation 40 of our task force report on employment opportunities which suggested the following solution to the government, and I quote:

> 40. To help finance industrial training, the government should establish a refundable tax on salaries, wages and other remuneration (a payroll tax-credit system), in the following manner:
>
> (a) A payroll tax should be applied to employers, equal to a designated percentage (perhaps 0.5%) of their payroll.
>
> (b) Any amount of money up to the designated percentage of payroll spent on training approved by existing training authorities, or training leading to a degree from a recognized education or training institution, should be credited against the payroll tax.

• (1520)

Mr. Speaker, that is a suggestion we have made, which the minister has not yet implemented but to which he has certainly given consideration, for it is a significant part of what I feel is the answer to the problem of training funding.

We need the National Training Act that is now before us to upgrade our training system, in order to better respond to the challenge of technological change. To be able to fill the positions of tomorrow, Canadians must have the opportunity to take updated training courses using modern equipment, and that is specifically the purpose of the National Training Act. This bill will authorize the setting up of the skills growth fund, the easing of requirements that have limited in the past our capacity to train specialized workers, as well as the introduction of incentives to retrain workers. All these elements are prior conditions to the upgrading of our training system. This upgrading is urgently needed because technological developments are rapidly changing our daily lives.

For instance, our letters are typed on word processors. Surgeons use laser beams for microsurgery and our children do not simply attend ordinary day camps any more, but computer camps. Moreover, most job opportunities available nowadays are for men and women familiar with digital components, micro-processors, optical fibers and computers. Our capacity to adapt to these changes will have a strong impact on Canada's economic growth, productivity and trade balance. On a more personal level, we are offering every Canadian the possibility of stimulating and rewarding professions.

Pessimists fear that the technological revolution will open the door to massive unemployment. In West Germany, for instance, some foresee that office work will soon be 40 per cent automated, which will cause millions of office workers to lose their jobs. According to a Canada Council report, if we delay promoting the development of technologies in the areas of micro-processors and telecommunications, we will lag behind more advanced nations for quite a long time. A great many operations in the manufacturing industry would become obsolete overnight. Our trade balance, already precarious, might never recover. Structural unemployment could result in permanent unemployment for many Canadians, a lowering of our standard of living and possibly compel some to emigrate. That is what the Canada Council is saying will happen unless we make all-encompassing changes. Although the Canada Council has elected to paint such a grim picture of the negative consequences the technological revolution may entail, Canadians are nevertheless aware of the urgent need to make changes now. We must promote technological innovations by providing funds for research and development and devising the most modern and efficient training system. As an optimist, I feel that the technological revolution is offering us a unique opportunity to make the best possible use of our most precious assets, which are our human resources, increase productivity and create new jobs. In the area of computer graphics for instance, computer assisted design and manufacturing might make incredible increases in productivity possible, if we put the available technology to work. This new technology will liberate workers from tedious and repetitive jobs. They will be able to control the quality of their own work. Moreover, the kinds of jobs created through the practical application of advanced technology, if we approach them the right way, may be rid of the obstacles and prejudices that are at the present time hindering professional groups.

By shifting the emphasis toward trades in great demand, the new training legislation will make it possible to increase retraining opportunities. Women who hold most clerical jobs in offices and in the service sector will be disproportionately affected by the advent of new technology and we must see to it that they are given the opportunity to upgrade their skills or, if they prefer, switch to fields which so far have been the preserve of men. These past few years, Canadians have gained international recognition in the field of technological innovation. For instance, the Telidon system developed by Canada's Department of Communications is now being widely acknowledged as the world's leading videotex/teletex technology. In addition, our reputation has been greatly enhanced in international quarters with the unveiling of the space shuttle remote-controlled manipulator arm made in Canada. The National Training Act will help us benefit from such achievements. It will enable us to ensure that we have modern and efficient training facilities to train the number of workers needed by industry. It will also make it easier to alleviate some of our strict and restrictive requirements and to offer better incentives for retraining workers left behind by the industrial revolution.

The legislation introduced by the minister will pave the way toward faster economic growth and a better employment outlook for Canadians. Mr. Speaker, I feel that this bill should be adopted soon, before the end of the session. This legislation will give us the legislative authority to go ahead with major initiatives such as the skills growth fund. This fund is of vital importance if we seriously aim at training enough highly skilled workers to meet the needs of our economy, but the money will not be available unless the National Training Act does become law. Without that authority, we cannot earmark funds to build or expand a single training institution, no matter how urgently it may be needed. As it is, the institutions we do have fall far short of training all the skilled labour at the rate required by the industry. Unless we greatly speed up the rate of expansion, we can expect severe shortages of about 9,000 skilled workers a year over the next five years. Capital expenditures of that magnitude call for huge investments. The provinces are busy setting up programs that will require investments of many million dollars. For its part, the federal cabinet has set aside a $108-million fund for that purpose for the current and next fiscal years, but those funds are frozen until the bill is passed.

Mr. Speaker, I should like to refer briefly to the basic aspects of this legislative measure, first and foremost the skills growth fund. Manpower sources and the existing training institutions will not turn out enough expert technicians and tradesmen to meet the demand in the eighties. With a view to

promoting manpower training in high priority jobs, the federal government will establish under the new act the skills growth fund, in co-operation with the provinces, so as to expand or upgrade our technical training equipment and facilities. The provinces, the industries or non-profit organizations could be asked to administer the institutions. They would also be responsible for training designated groups such as native people in skills in great demand.

• (1530)

Second, the legislation will broaden the range of training courses provided as well as the classes of workers eligible to take those courses. It will provide a list of priority skills and the variety of courses available in those fields. Under the new legislation, higher allowances may be paid to laid-off workers in designated industries and areas, under the special industry and labour adjustment program, who decide to retrain in order to acquire skills in great demand when a high rate of vacancy is not expected in their former occupation. The allowances paid would increase insurable earnings or unemployment insurance benefits from 60 to 70 per cent or if the benefits have expired, additional benefits would be paid if the workers are enrolled in retraining programs.

Third, the bill will provide higher financial allowances in order to encourage laid-off apprentices to acquire skills in trades where there is a shortage of manpower and workers to retrain in fields where technological change has caused their lay-offs but where jobs are still available. Additional special allowances would be paid to laid-off apprentices attending critical trade skills training courses. The additional payments would be added to other forms of income support.

Fourth, the bill will remove the present requirement that adults have completed their studies 12 months before enrolling for training courses to enable young drop-outs to attend those courses that are essential to them. As for skilled workers, the new legislation will authorize the Employment Commission to remove the present requirement under which a trainee must wait a year before enrolling in a training institution. In some cases, when young people or members of special groups have left the regular school system and wish to acquire new skills, a delay of one year is a real waste of human resources at a time when the need is greatest.

Fifth, under the new legislation, workers will be allowed to receive a more specialized training for a period longer than today's 52-week limit. This provision, which will remove the 52-week limit for training courses and allow the financing of training programs over a longer period, is of major importance and it is essential that it be approved as soon as possible.

Highly-specialized training programs in occupations of national importance would benefit the most from this provision. Removal of this restriction will also make it possible to combine preparatory courses with personal training on the basis of existing opportunities. This would benefit many workers, such as women who re-enter the labour market and native people who need such a combination to acquire skills and find jobs. Sixth, the new legislation will provide support for employers who have to train highly-specialized Canadian workers abroad. Under this bill, the Commission would be able to negotiate with the employers training agreements for programs—

Mr. Deputy Speaker: Order, please! I am sorry to interrupt the hon. member, but his time has expired. He may continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Marceau: I am grateful to my colleagues and I shall not abuse the leave I have been given. I shall conclude my comments in a few minutes. This provision would benefit a great number of workers, such as women who re-enter the labour market. This provision also would be applied in a moderate way, but it could be extremely useful when production methods require the use of new technology which is not yet taught in Canada. In such a case, Canadian workers could be trained where techniques were developed, acquire the latest skills and therefore gain access to key jobs deriving from economic expansion.

Seven, the legislation will simplify agreement procedures with employers and the payment to provinces of money provided for in the contract, in order to reduce paper work and accelerate training.

Mr. Speaker, I would like to say that the progress of the economy in quantitative and qualitative terms over the eighties implies a major increase in the resources committed to the acquisition of higher skills. Under the new legislation, we intend to establish a national training program centred on trades, where there is very strong worker demand for the retraining of labour affected by new technology, and on unemployed worker training to prepare for jobs in the future.

Mr. Speaker, I would like to give my wholehearted support to this legislation, even though I feel it will not solve all our problems. I find, however, that members on all sides react positively to the legislation. I commend them for that. I am ready to support the bill and I invite my colleagues to do so, with the hope that it will be a major tool toward the solution of the disquieting problem of unemployment, Canada's number one problem, to which all members are committed to bring a fast answer.

[*English*]

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, you know of my special interest in this subject, so you will understand that I am delighted to be able to participate in this debate on this day. Unfortunately, this is not a very good day to discuss a measure like this, in light of the statistics announced earlier showing that we have record unemployment.

Not even in the deepest of the depression did we have the numbers of unemployed we have today.

Mr. Deans: We are leading the industrialized world.

Mr. Oberle: What the statistics do not readily reveal is that over half of the 1.25 million unemployed—and that is only the official statistic; the number is closer to two million—are under the age of 24, and that is a serious indictment respecting the ability of this government to come to grips with a very serious situation.

It is very difficult to discuss this bill without providing the backdrop of what it is intended to do and the problem it is supposed to solve. Many of my colleagues have repeatedly said that we have entered a new era of technological and industrial revolution, one that will proceed and accelerate at a pace ten times as fast as the industrial revolution which has been under way for 200 years. If that is so and if all the promises and opportunities this new technological and microelectronic revolution will bring with it are realized, I am very much afraid this bill will do very little to respond to these opportunities and challenges. However, to be fair, it is a small step and it is in a general direction, so we are looking forward to discussing this matter in committee further and providing the minister with some ideas that we on this side of the House have developed.

• (1540)

I am rather pleased that in his speeches the minister uses some statistics that I have assembled and some from reports made by his department and others who have studied what I call the human resource paradox. There are major industrial projects, particularly in new industries, that cannot proceed because of a serious shortage of manpower skills on the one hand and, on the other, because there are large numbers of unemployed who have no opportunity to find work.

The minister and the government must come to grips with the fact that in the post-war period it was commonplace, every time manpower skills were needed, to bring in well trained, seasoned immigrants to fill the jobs. The average Canadian workers were left to find jobs as labourers and acquire skills as they went along. That would not help us respond to the challenges and the opportunities of the last ten or 15 years of this century and the beginning of the next.

This bill is supposed to carve out a role for the federal government to re-enter or to broaden its participation in the field of education. We all know that since confederation there has been an ongoing dispute between the federal and provincial governments. The provinces have guarded their jurisdiction over culture and education very jealously, rejecting every effort of the federal government to carve out a role for itself. My illustrious colleague, the hon. member for Rosedale (Mr. Crombie) outlined for us how the federal government from time to time, and with varying degrees of success, has intervened in this area.

There is a new twist, however, in the way that the minister proposes to intervene in the field of education. May I say at the outset that I agree with the notion that the federal government will have a major role in this area. It will have to pay for what I call its deliberate policy of neglect of our educational system which is supposed to train young people for the transition from school to work.

At the end of this month another 200,000 young people will graduate from our schools and will enter the job market for the first time. The provinces seem to think that their role is complete then, and that unless a young person goes on to university it is the responsibility of the federal government to find him a job and, if that is not possible, to find a way of getting him on the unemployment insurance rolls.

The federal government should begin to establish a national focus for education. The minister has proposed a new definition of the word occupation. Clause 2 of the bill reads in part as follows:

> "occupational training" means any instruction, other than university instruction, that provides a person with skills for, or improves a person's skills in, an occupation;

So occupational training is no longer regarded as education and, as a result, the federal government feels justified in entering the field. I am not worried about that because I think we should seize any opportunity to help in this area. To be educated in school will now mean that the schools look after academic requirements. The minister will probably agree with me that the primary and secondary school system is geared to fulfilling academic requirements—everyone wants their children to become doctors, lawyers and engineers and nobody wants their children to scramble through life in a blue collar job.

I think that governments, unions, schools and industry all have a role to play in removing the stigma attached to blue collar trades. Some of these do quite well, I am told. It is reported that some plumbers make more money than doctors these days, so a stigma should not be attached to a blue collar job. Nevertheless, our education system is still geared to the academic side which prepares young people for university.

I have assembled some statistics on how many young people who graduate go on to university. I became interested in the subject after reading a report of a commission appointed by our OECD trading partners. It has studied the educational system in this country and made some recommendations. These were rather startling. It found that Canada has spent more money than any other country in the western world—and one can assume that means any country in the world—on educational facilities. In the sixties there was a great push to build new schools, learning institutions and universities. Money was no object, and we outclassed every other country in our generosity to our educational system.

The commission found that the product of these schools was mediocre in comparison to the educational skills, academic or vocational, of other systems. That finding offended me and I became interested in the subject. Having studied it, I then decided to write my own paper and to that end I assembled some statistics.

I found that about 30 per cent of people who passed grade nine and entered the last three years of secondary schooling

did not complete school. In general they enter the labour market and find jobs washing dishes, driving trucks, or labouring in the hopes that they will acquire skills as they go along. Too often they just stand around on the streets, particularly when the economy is in the state it is in now. Their hopes and dreams are shattered and no one knows what happens to them.

Of the 70 per cent that complete school, only 30 per cent advance to post-secondary institutions, and of those, only 19 per cent get a degree. So 70 per cent of the graduating school population on the job market is totally unskilled and 200,000 of them will enter the job market at the end of this month.

• (1550)

The OECD people, and I in my report, looked at a number of other countries and what they are doing to overcome this problem. It is no secret, Mr. Speaker, that I grew up and went to school in another country. Therefore I have personal experience in this particular area, so it was not very difficult for me to make comparisons. The secondary school system in most of the industrial countries we compete with is a dual system. Young people make their decision on what they will do for the rest of their lives at a much earlier age, usually 14 or 15, in consultation with their parents and guidance counsellors. When you consider, Mr. Speaker, that it costs the taxpayer $3,200 a year to keep a student in school, and when you consider that 70 per cent of those in grades 11 and 12 are totally bored by the system and will not get anything out of it, that is getting to be pretty ridiculous.

When I moved my family here my son and daughter were to go to grade 13. I asked an official of the Ontario Department of Education why, for heaven's sakes, in this province there are 13 grades of school instead of 12, as is the case in most other provinces? The reason stated was that we cannot afford to send out another 100,000 people to stand around on street corners. In fact, the official said, it is a glorified babysitting service.

It is for that reason, Mr. Speaker, that I see some failings in this bill, particularly where the minister says he will use some of this new-found money to build additional educational facilities and buy additional equipment. I know the minister has read my report, and he complimented me on it. It is not, of course, the be all and end all. Some people say the attitudes in our country are not conducive to the kind of dual system that exists in Germany and Japan and in other countries with which we compete. However, I ask myself from time to time whether this is not the time for government and politicians to change their attitude toward education because we know the system is failing and our young people are not properly served. Someone has to do something. Now, who should do so if not our senior levels of government?

There are other components of this bill which worry me, for example, where it says that those people who can prove they have not been in school for at least a 12-month period can qualify for vocational or occupational training courses. There is a qualification, and I respect that, that the commission or inspector can waive that particular provision. But why is it in there in the first place? According to the report of the OECD inspectors, we are not doing too bad a job in adult training. Our regional colleges are doing a good job in training our adults, but we are spending most of our time and resources in chasing the horse after it has left the barn. Neither this bill nor any other measure laid before us since I have been here has been designed in any way to come to grips with the root cause of the problem: to challenge our young people at a much earlier age to make a decision.

Mr. Deans: That is nonsense.

Mr. Oberle: My friend says this is nonsense. I invite him to read the OECD report and my report. These are reasonable suggestions; they are working well in every other land—

Mr. Deans: That is absolute and unadulterated nonsense. You should get out of here and go and see.

Mr. Baker (Nepean-Carleton): Why don't you go back to sleep.

Mr. Oberle: I challenge the hon. member to tell me why it is that at the present time over half of the unemployed are under the age of 24. The fact is that our educational system has failed them miserably, and our senior governments have pursued a policy of deliberate neglect in terms of looking after the legitimate needs and aspirations of our young people.

There are other sections in this bill that we will certainly want to examine when we get it into committee, but I would like to think that members have an open mind. Certainly this bill is not conducive to making amendments which would lead us to these kinds of far-reaching proposals which have been made. The minister, from time to time, like his colleagues, indulges in making accusations to the effect that the opposition only criticizes and never has any constructive ideas to put forward. I want to serve notice on him that we will bring to committee some constructive ideas, and we would be very pleased if the minister would come to the committee with the same kind of open mind. He is talking about spending a lot of money, and we want to be assured that it will be spent in the right direction.

Another portion of the bill which is nothing new is the clause which says that no occupational course can last longer than 52 weeks. I recognize the fact that the commission can waive that provision, but I question its being in the bill in the first place. The problem is that as we look for national occupations, I assume the minister does not intend these to be occupations which are needed from time to time. I would think the government intends to identify certain national occupations toward which young persons or adults would work to achieve a certificate, and these occupations would be identified as such. It would not necessarily be the job of a welder; rather, I would say, that of a forestry technician, a baker or a chef. It does not matter what kind of learning institution you are in, it takes longer than 52 weeks to become a millwright. In fact, I maintain there is no institution in this country, nor would you be

able to create one, that would be able to respond to the challenge of the new technological revolution. In future, training will have to be carried on in the actual workplace.

The dual system I envisage would accommodate that. Industry would play a much greater role in training young people. In many other industrialized countries industry is compelled to assume that role. They are penalized through the tax system if they do not, and are rewarded in the same way if they oversubscribe to the programs. The schools and colleges then play a role in backing up the training which goes on in industry.

If you look at national occupations or vocations, Mr. Speaker, then you have to design programs which will last a lot longer than 52 weeks. In fact, for most of the occupations I mentioned, be they that of a millwright or a computer technician, and I could rattle off 40 or 50 others, the courses should probably run for three to four years. You cannot learn to be an electrician in 52 weeks and be able to market your skill in competition with people who have worked in the trade for a long time. The training would not necessarily require the construction of new buildings or the provision of new equipment. We have a lot of fine facilities, particularly in the secondary schools, which are underutilized.

• (1600)

For the information of my friend to the left, who seems to be over-reacting to some of the things I said, let me say that I get a lot of mail from teachers. I sent 5,000 copies of my report particularly to schools and school boards. I get a lot of response from teachers who tell me it is about time that somebody talked about these things openly, because teachers are incredibly frustrated.

Mr. Deputy Speaker: It being four o'clock the House will now proceed to the consideration of private member's business.

PRIVATE MEMBERS' MOTIONS

[*English*]

Mr. Deputy Speaker: Shall Notices of Motions No. 51 stand?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Shall Motion No. 52 stand?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Shall Motion No. 54 stand?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Motion No. 13.

Mr. Bill Yurko (Edmonton East): Mr. Speaker, I have two private member's motions, Nos. 13 and 66, on the Order Paper. I believe that the House would be prepared to give unanimous consent to switch these two motions so that I and other members of the House would have the opportunity to discuss and debate Motion No. 66 today rather than Motion No. 13, as Motion No. 13 has been discussed in the past. I would ask the House to give unanimous consent to the exchange of these two motions.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, there is, in fact, consent to make that switch. If the hon. gentleman needs a seconder for his motion, as he is an independent member, I will second his motion. In order that it can be considered and passed by the House, I will not occupy the time of the House by making a speech.

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, we on this side of the House are prepared to give our consent to that order.

Mr. Deans: I want simply to ask a question with regard to that order before we proceed. Is it the intention of the hon. member to withdraw or otherwise dispose of Motion No. 13?

Mr. Deputy Speaker: The proposal is that the House today consider item No. 66 in the name of the hon. member for Edmonton East (Mr. Yurko). In order to do so, we would have to stand items prior to that, with the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Deputy Speaker: Will all items prior to No. 66 stand?

Some hon. Members: Agreed.

All items preceding No. 66 allowed to stand by unanimous consent.

* * *

THE SENATE

SUGGESTED APPOINTMENT OF JOINT COMMITTEE TO STUDY REFORM

Mr. Bill Yurko (Edmonton East) moved:

That a Special Joint Committee of the Senate and of the House of Commons be appointed to evolve and bring before the Parliament of Canada a bill to provide for the structural reform of the Senate of Canada;

That nine Members of the House of Commons, to be designated at a later date, be Members on the part of this House on the Special Joint Committee;

That the Committee have the power to appoint from among its Members such subcommittees as may be deemed advisable and necessary and to delegate to such subcommittees all or any of their powers except the power to report directly to the House;

That the Committee have the power to sit during sittings and adjournments of the House of Commons;

That the Committee have the power to report from time to time, to send for persons, papers and records, and to examine witnesses and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have the power to adjourn from place to place within Canada and to hold public hearings and consult fully with all provincial governments and Members of the legislative assemblies of the provinces as well as with the federal government and all Members of Parliament and Senators;

That the Committee be empowered to retain the services of advisers to assist in its work; and that it also be empowered to retain the professional, clerical and stenographic help as may be required;

That the Committee submit its report not later than November 1, 1982;

That the quorum of the Committee be six Members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented and that the Joint Chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, when six Members are present so long as both Houses are represented;

That a Message be sent to the Senate requesting that that House do unite with this House for the above purpose and to select, if the Senate deems it to be advisable, Members to act on the proposed Special Joint Committee; and

That the Committee consider the following documents before submitting its report and bringing forward a bill to provide for the structural reform of the Senate:

1) Bill C-640, An Act to provide for structural reform of the Senate of Canada

2) the Report of the Special Joint Committee on the Constitution, 1972

3) Bill C-60, The Constitutional Amendment Bill, 1978

4) the Report of the Special Joint Committee on the Constitution, 1978

5) the Report of the Special Senate Committee on the Constitution, 1978

6) British Columbia's Constitutional Proposals, 1978

7) the Report of the Task Force on Canadian Unity, 1979

8) the Report of the Constitutional Committee of the Quebec Liberal Party, 1980

9) the Report on Certain Aspects of the Canadian Constitution, 1980

and any other studies, reports or submissions that the Committee deems appropriate for consideration.

He said: Mr. Speaker, I almost feel like starting by indicating that I move, seconded by the hon. member for Nepean-Carleton (Mr. Baker) that this House pass this motion at the earliest opportunity so that in fact we can proceed with the motion as it is on the Order Paper.

I want to indicate that I have not moved any motion to that effect. I simply said that I feel like moving a motion to that effect and that it might be passed today so that the House could move forward with this motion.

This motion requests that a special joint committee of the Senate and the House of Commons be appointed to evolve and bring before the Parliament of Canada a bill to provide for the structural reform of the Senate of Canada. I am not going to read the motion, because it is fairly extensive, on the understanding that it will be included in its entirety in *Hansard*.

I want to underscore several parts of this motion and read them in to *Hansard* a second time, that is, that the committee consider the following documents before submitting its report and bringing forth a bill to provide for the structural reform of the Senate:

First, Bill C-640, an act to provide for structural reform of the Senate of Canada,

Second, the report of the Special Joint Committee on the Constitution, 1972,

Third, Bill C-60, the Constitutional Amendment Bill, 1978,

Fourth, the Report of the Special Joint Committee on the Constitution, 1978,

Fifth, the Report of the Special Senate Committee on the Constitution, 1978,

Sixth, British Columbia's Constitutional Proposals, 1978,

Seventh, the Report of the Task Force on Canadian Unity, 1979,

Eighth, the Report of the Constitutional Committee of the Quebec Liberal Party, 1980,

Ninth, the Report on Certain Aspects of the Canadian Constitution, 1980.

All these reports or papers, if you wish, deal with the reform of the Senate.

There are two aspects I wish to debate today. One is the need for Senate reform and some of the concepts incorporated in Bill C-640. The other is the process itself for structural Senate reform.

Mr. Speaker, I want to touch on the second part first, the process for structural Senate reform.

I have been in this House now for three years and I remember, as a provincial member and a member of a provincial cabinet, that for some 12 years the Prime Minister of Canada (Mr. Trudeau) with the Premiers across the land, held first ministers' conferences to patriate the Constitution and reform the Constitution. They simply got nowhere. They held meeting after meeting after meeting and came to no conclusion and had no success.

It was not until the process was initiated by this House that the process of patriation and the incorporation of a Charter of Rights and Freedoms, and the evolution of an amending formula, finally reached success.

It was this House that took action by unanimous consent on May 9, 1980. It was this House that set up a joint committee of this House and the Senate to look at all aspects of a charter of rights and freedoms.

When this House took action directly, then things began to happen. So I am saying, Mr. Speaker, in regard to the process for Senate reform, that we must move to a similar type of action as we did with constitutional patriation and constitutional reform.

When this House and this Parliament puts together a proposal that is sound in every aspect, and then the Prime Minister goes to the Premiers with it, generally there is some form of agreement. But as long as the process was one of ten Premiers and the Prime Minister, or the 11 first ministers, getting together for a talk session, nothing ever happened. For 12 years that process went on.

I say again that until this House took very specific action, nothing really happened. But once this House took specific action then indeed we succeeded in repatriating the Constitution, with the entrenched Charter of Rights and Freedoms, and even in the evolution and acceptance of an amending formula.

So, Mr. Speaker, I am proposing through this Motion No. 66 that a similar type of process be undertaken, that we agree to the establishment of a joint committee of this House and the other place and that this committee be allowed to travel from one end of the nation to the other, and indeed consult with the

premiers, consult the provincial governments, and review all the past literature, and hold public hearings, if necessary, in regard to the meaning of the Senate itself. Then it can bring before this House a specific bill for Senate structural reform and also present the bill at the same time to the other place.

I am convinced that if we pursue, as the Parliament of Canada, this type of process, we will be successful in regard to Senate reform.

• (1610)

The next question is: why is Senate reform necessary? Henri Bourassa once said that Senate reform "comes periodically like other forms of epidemics and current fevers". He was right. Our history, especially our recent history, is littered with the forgotten remnants of proposals, studies and legislative initiatives which tried to breathe new life into an institution that has been wasting away for over 100 years. The fact is that reform of the Senate will not wait much longer. We have reached a point in our national development where we must make our institutions more responsive to every facet of Canadian society. There is a crisis of confidence in these institutions which has exacerbated regional and provincial alienation.

Over the last 20 years, economic, cultural and sociological developments have radically altered the face of Canada. Institutional reform is imperative, not only to respond to these developments, but to allow us to confront future challenges and problems, confident that our institutions can cope with the complexity of the problems before them.

Although the patriation of the Constitution with a Charter of Rights and Freedoms and an amending formula will help to revitalize our institutions, the debate surrounding patriation has unfortunately accentuated the acrimony and alienation felt in some parts of the country, particularly out west, because there is no clause for ownership of property. We must now take the reform process one step further to lessen ill feelings and tensions which have arisen. The west needs Senate reform; it needs a voice at the centre which represents the regions. This was the identified need for the Senate in the first place in Macdonald's time. Senate structural reform is necessary so that the provinces and regions can be represented directly at the centre in a meaningful way.

I have worked on Senate reform for quite a number of years. I have written a number of letters and have made a number of proposals in past years, but perhaps the two most appropriate initiatives which I took were to structure and introduce Bill C-640 and to place Motion No. 66 on the Order Paper, so that somehow or other this parliamentary institution could move in a meaningful way toward Senate reform.

I believe a special joint committee of the House of Commons and the Senate to investigate Senate reform and to report back to Parliament is a necessity. Such a committee would consult fully with all provincial governments and members of legislative assemblies, as well as with the federal government and all members of this institution. As I said earlier, this is an approach which can work and is more likely to succeed than allowing first ministers to do something which in the past they have always failed to achieve.

Bill C-640, an act to provide for the structural reform of the Senate of Canada, was intended to highlight the need for Senate reform as the first constitutional priority following the patriation of the Constitution. It sought to provide representation and balance in Parliament of the national, regional and provincial interests. I have proposed that the Senate be composed, to represent the national interest, of 150 senatorial chairs, and that these senatorial chairs be representative of five natural regions in Canada, with each region providing 30 senators to the Parliament of Canada. Also I proposed that the provincial interests be represented in the Senate by five senators for each province, appointed by the provinces and responsible to the provincial legislative assemblies. Furthermore, the bill was structured to provide the Senate body and each individual member with stability, continuity, accountability, legitimacy and independence.

I want to touch briefly upon each of these points in my remaining time. In regard to stability, each existing Senate member is permitted to complete his or her appointment in accordance with the terms of appointment. Each new senator is appointed for a minimum of six years, and then will have to return to the people to seek reconfirmation. It would be a form of election, a half-way situation between an appointed Senate and an elected Senate. Also I should say that it would be inappropriate to attempt to change the existing tenure of any senator who was elected or selected upon an existing system.

In regard to continuity, the transition from the old senatorial regime to the new one is structured so that only approximately one third of the senators would be up for reconfirmation every third year. Although I have had many second thoughts on this particular point, I now believe strongly that reconfirmation should occur only every six years. This presents an interesting complexity of senators within a restructured Senate in the future, if reconfirmation is held only on a six-year basis.

Let us imagine the situation where, from one end of this nation to the other, every six years senators initially appointed had to return to the people to seek reconfirmation in each province. Let us imagine a number of regional senators having to go back to the regions to seek reconfirmation. I think it would have a dramatic effect upon all Canada. I think senators would become important, and they would have to account for their usefulness in this institution to the people of the provinces and to the regions they represent. They would be accountable directly to the people they represent in this institution.

In regard to legitimacy, senators now lack legitimacy because they are appointed by one person, namely, the Prime Minister (Mr. Trudeau), they serve to the age of 75 years and are accountable individually and collectively to no one but themselves and perhaps to the person who appointed them. Lawmakers or lawgivers must surely gain legitimacy for their powers directly, or at least indirectly, from the people. Therefore, in the bill I have proposed they are appointed by all the people's representatives, either provincially or federally, and

must go directly back to the people for reconfirmation rather than be appointed by one man only.

In regard to independence, under the new bill a senator can and will be able to maintain non-partisanship if he or she so wishes.

This is only one bill. This is only one alternative for Senate structural reform. As I indicated at the beginning of my speech, there are many alternatives. The structural reform of the Senate has been investigated and there are enough reports on that proposal to fill a suitcase.

• (1620)

The question which has been before most of us is whether it should be an appointed or an elected Senate. Surely the only acceptable process is one that is half-way in between. An elected Senate would permit directions which would not be acceptable to our system of government in Canada. I hope that hon. members and the government would seriously consider beginning a new process of senatorial reform similar to what it did in connection with constitutional patriation and constitutional reform. If it does, I believe that the other place can experience reform at the earliest opportunity and become a very effective representation of the regions and provinces in this place.

I suggest to you that much of the ferment which exists out west, such as western separatism, which I discount and reject, has been a result of inadequate direct representation by the provinces and regions in the Parliament of Canada. Senate structural reform must be one of the top priorities of additional constitutional reform from now on.

Mr. Ian Watson (Châteauguay): Mr. Speaker, I will be very brief. I would like to indicate to the hon. member who just spoke that I am generally supportive of the thrust of his motion. He is aware of that because when he wrote to each of us I was one of those members who responded to his well-thought-out submission.

At that time I made two or three comments on the proposal. One of my initial reactions was that the reconfirmation procedure would be more appropriate if we did not end up with too many reconfirmation campaigns within a given period of time. I suggested that we could perhaps lump together reconfirmations in order to prevent us from going through that procedure too often.

The other aspects of his original proposition seem to have been streamlined, as they now appear in this motion.

Some of the very interesting suggestions that the hon. member made at the time included Indian representation in the House of Commons. Whether that is the kind of proposition we would want to consider in the House—to have separate Indian representation—is certainly not something to which I want to commit myself now. However, it is an interesting subject which should be thoroughly examined and debated. New Zealand does have that kind of system with regard to the Maori population. I believe there are people with opinions from both sides of the fence as to how that system works now, but I suspect that the Maori population is still favourable to that idea even though their representation, which I believe numbers only four, is not very significant considering the number of Maoris as a percentage of the total population of New Zealand.

Although I should not create new issues, issues which have not been raised in this motion, I did take issue with another point in the original motion. It concerned the question of provincehood for the Yukon territories. This seemed to be initially part of the motion which the hon. member was proposing. I have some quite strong reservations about provincehood for the Yukon or the Northwest Territories, not in the very long run but in the immediate short term. I believe that we should be aiming toward a constitutional mechanism which will allow the population of those two territories to have an efficient government. There should be a mechanism whereby they will be allowed to communicate and solve problems that are affected by directions from Ottawa. We should provide mechanisms which will allow a rapid and efficient flow-through, whenever Ottawa civil servants are involved, to the local population in the Yukon and the Northwest Territories.

We should get rid of the red tape, but we should consider the many alternatives before coming to the conclusion that provincehood for that size of population in these days is necessarily the only solution.

I would like to thank the hon. member for having given us the opportunity this afternoon to discuss this most important issue . I know that he is on the right track. This type of reconfirmation mechanism which he talks about is imaginative and, I believe, holds the key to the kind of reform in the Senate that will be meaningful, useful and effective as far as better government in Canada is concerned.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, the hon. member for Châteauguay (Mr. Watson) who just spoke had some kind words for my hon. friend from Edmonton East (Mr. Yurko) when he said that this resolution was on the right track. My thought there is that it is possibly on the right track for the first step. Beyond that, however, I part company with him.

The hon. member for Edmonton East has rather bootlegged into this resolution, in what he calls Bill C-640, a formula which he has conceived. It is a denial of the whole purpose of his resolution.

When we began our very difficult national gestation of a constitution two years ago I was totally opposed to the principle of setting up a new constitution which would emanate from one man who had no mandate and a cabinet which had no mandate, in consultation with ten premiers who had no mandate. A constitution is not something that is drawn up by someone and imposed on people. A constitution is that body of law handed to a parliamentary institution for the governments of the people. It may become rather difficult to get full accord or a large majority to agree to the Constitution, but we are not a revolutionary state, we are not a conquered state with a constitution imposed upon it.

• (1630)

Under the present Constitution, or the type of government that we have in a parliamentary form of constitutional monarch, the Senate constitutes one third of the Parliament of Canada. I think all those hon. members of the House who go about saying that the Senate should be abolished or that this or that should be done in the Senate are displaying appalling gall. I say, rather, "Physician, heal thyself". I would rather say that this chamber should preoccupy itself first with determining what is wrong with this institution—

Mr. Smith: You are doing that.

Mr. Peterson: We have a lot of work to do.

Mr. Lambert: —not just as to the mechanics of it. We should consider whether we will increase the size of this place by almost arithmetic progression, if we do not stop, and whether the powers of the cabinet with regard to this chamber, to this House, should not be modified. Should there not be more control by the backbenchers over cabinet in what is euphemistically called responsible government?

Mr. Peterson: It is responsible.

Mr. Lambert: Should there not be a great deal more responsibility between the administration and hon. members of this House? However, let me say that an hon. member is elected to legislate, to discuss, and not to administer as unfortunately, so many municipal councils do. Members are elected to arrive at decisions and to set down policy. How many municipal councillors decide that they will be the chief administrators and will override the administrators on every account, that they will sit on their shoulders and tell them what they will do in every particular situation? That is not for this House.

I would say, coming back to the purport of this notice of motion that, yes, I agree that this is a way of starting a joint Senate-House of Commons committee, although the resolution is deficient in specifying the number of Senators to be invited. I would say that the Senate being a third of Parliament, if we were to change its structure, perhaps we would find there are too many members from the House of Commons, and if that body were to be too large, I think a body of 12 would be big enough so that there could be six from either place. Remember, Mr. Speaker—and I would invite hon. members to consider this—the Senate is precisely one third of our parliamentary government. So, six Senators would represent Canada just as much as we do. I do not know where people get the idea, but there is some self-generated conception, which is a misconception, that, having been elected, we are nationally anointed and that only we have wisdom, that we are the ones on our own.

Mr. Smith: Popularly.

Mr. Lambert: There is the idea that the tongues of fire have alighted on our heads, that we are the divinely inspired in the House of Commons and that everyone else is some degree lower.

Mr. Speaker, I invite you to read the reports of Senate committees to see their quality of work. They beat our House committees and our task forces. Frankly, their reports are worth a great deal, but do not expect the popular media to read them. That is work. All the media wants to see, shall we say, is the 45 minutes or so of blood and gore of the question period, that so-called media event—

Mr. Peterson: Shame!

Mr. Lambert: —on which it bases opinions as to the performance of government, performance of individual hon. members or cabinet ministers, etc. It is a showplace and I think it is worthless. Their performance is worthless. But let us see the true worth of committee reports and some of the Senate work. How many people have read Senate *Hansard* to see the quality of some of the speeches? There is not a reporter covering them. One never hears anything about the Senate speeches. I do not know if there is a reporter here. At noon, when we were listening to a very excellent speech by our member for Rosedale (Mr. Crombie)—

Mr. Peterson: From somewhere in Ontario.

Mr. Lambert: He is from Rosedale.

Mr. Smith: That tiny perfect fellow.

Mr. Lambert: That was an excellent speech. It had been well prepared. It was not read. I heard some evilly-read speeches today, as though they were being looked at for the first time, to the mystification of the hon. members presenting them.

Mr. Peterson: Shame!

Mr. Lambert: Be careful. The hon. member for Willowdale (Mr. Peterson) will identify himself.

But that is something that we fail to notice about the Senate as it is now constituted. Certainly, there are some people who are less than others, but that is something which exists in this chamber, too. I would look for a committee of 12 to serve as that body which will hear representations from all parts of the country as to whether and how the Senate should be changed. It can consult, as the resolution calls for, provincial premiers, members of the opposition in the provinces and academics, and can hold public meetings and receive briefs. In other words, it would determine from the people how they want their Senate to be constituted. The public did not really get much say on the Constitution, as it is now part of the Canada Act, nor on its Charter of Rights and Freedoms. There was a government which, in many instances, did not yield, even though the majority of public opinion was against it. Then, the final indignity was the bargaining of rights to arrive at a consensus so that the project could go forward, or else it would go forward as a unilateral action. Talk about the tyranny of a temporary majority! That was the epitome of the performance.

Mr. Peterson: It was scandalous.

Mr. Smith: Shocking.

Mr. Lambert: Again, we come forward. My colleague, the hon. member for Edmonton East, after putting forward this idea, then put forward his own pet theory about how the Senate should be constituted. He has made up his mind already, except that he does concede there might be some optional solutions. He does not go quite that far. I think it would be nine to ten or nine to one of what appears in Bill C-640. Somewhere in there is his favourite proposal.

• (1640)

I do not think we should be tied down to that. We should not be tied down to anything except that the government should be serious about meeting the desires of the people with regard to the Senate. The results would range all the way from total abolition, so that this becomes a unicameral subject, to the tyranny of the temperate majority, or we might have an elected-type of Senate such as there is in the United States or Australia where there are real problems. Not one is 100 per cent perfect. I suggest, however, that the basic idea of the joint representation be accepted. I do not think there should be 18 members on the committee, but a lesser number with the proper staff.

Here I hesitate as to the form of this motion in that it obviously envisages government expenditure. Therefore, it should be of a recommendary nature, that the government should give consideration to the idea. When one recommends the appointment of people with authority to do this and that, it goes beyond the power of an ordinary member to embody that in his motion.

I have done a fair bit of picking on this. Basically, I commend the debate this afternoon. It gives us an opportunity to discuss this on a reasonable basis, taking into account the existence of and the part that the Senate plays in Parliament without us telling them that we do not think much of them. I hope some day that some senator will write a candid comment about the House of Commons. It would be very interesting reading. I hope we will hear some other views. We could get on with this.

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, in commenting on the proposition before us, I would say that while the New Democratic Party has long advocated the abolition of the Senate, that position should in no way be construed as signifying unalterable opposition to the concept of a second chamber if such a chamber were to be structured on a democratic, responsible and realistically representative foundation. Because of that long-held position which my party has taken, we as a party perhaps have not given the due measure of attention to the subject of alternatives that we otherwise would have done. Therefore, what I am about to say consists largely of my own musings on the subject, although they do arise from conversations with quite a large cross-section of people from different parts of the country with different economic and social backgrounds. They are in large part coloured by my own concept of what is one of my particular roles.

When I stood for election in 1980, I was quite frank with my constituents. I told them that if they saw fit to elect me, they should be prepared for me to be somewhat of a shared representative. They elected me quite knowingly on that basis, not only as the representative of the geographical constituency of Kootenay West, which I am proud and honoured to represent, but as one of a very few blue collar industrial workers to have the good fortune or otherwise to be part of this place. As such, I and a very few other members of this House have a particular vantage point, which is somewhat different from that of others, to present on this subject and a number of others.

There are only half a dozen, if that, members of this House who can be called industrial wage earners. This is the inverted pyramid, as it is often called, where vast numbers of Canadians who earn their living by wages find themselves singularly unrepresented in terms of a government of people who do not share their background and experiences. That is an awkward position to be in from time to time.

Many of the values of that section of our population are not always reflected, shared or understood by people who come primarily from a middle-class background, the professions such as the legal profession or the old professions or from the academic community.

I mention this briefly because it strikes many of us that we feel no great excitement about the establishment of a second chamber which would repeat all of these errors in its type of selection, whether it be elected, appointed by region or otherwise. Such an institution will continue to see neglected the direct expressions, opinions and interests of a very large number of Canadians who, for a variety of reasons, have difficulty in being heard so as to ensure that their interests are adequately looked after by government at all levels. The nature of their work is something that prevents them from doing that.

If you ask any Canadian what he or she is, they will tell you that they are a Quebecer, a British Columbian, or a Manitoban. Very often they will give their specific region, province or place of origin. Second, they are likely to say they are either a carpenter, lawyer, secretary, woodworker, miner or teacher. In other words, whether people are elected or appointed, they are known by where they live or what they do.

Representation in this House is based largely on geographical borders and constituencies. They are largely artificial electoral areas. I am lucky because my constituency has natural frontiers that were recognized long before it was a constituency. Not all constituencies have that sense of homogeneity.

We do not represent parties as we are not elected on a proportional or party-list basis as in some other jurisdictions. We are elected geographically within regions.

There has been a lot of talk about divisions of opinions or interests in this country. All divisions are certainly not east and west, although they are the ones that make the headlines. Many of the serious divisions of a political and economic

nature are urban versus hinterland rather than east versus west. There are very common differences and attitudes between the interior of British Columbia and the lower mainland, including the major metropolis of Vancouver. The same is found in many areas of rural Alberta as opposed to the administrative and industrial centres of that province. It is found between northern Ontario and Toronto. There is probably no less love lost in those areas than between the east and the west of Canada. Very often what takes place within a province or region is just a microcosm of the divisions that take place on a broader scale. There are certainly many serious divisions between the hinterland of Quebec and Montreal and Quebec City. However, those distinctions are as representative of different geographic areas as they are of the different economic functions that a hinterland and an urban metropolis represent. It is basically a difference between the managerial and the consumer interests of a city and the interests of the producer population, particularly in the resource industries in the hinterland of our country, whether it is in relation to forestry, mining, agriculture or fishing.

• (1650)

While it is appropriate that a province choose representatives to sit in the Senate, I hope if a committee is formed to make choices as to what representatives shall sit in the second chamber, whether by election process or selection—which I suggest is probably more appropriate—by various provincial governments, I suggest there should be some requirement other than simply a moral one to ensure that within the selection process adequate weight is given to those economic interests which make up the various populations, whether on a regional basis within a province or of working people either independently or through their organizations.

Management groups also find themselves under-represented in this elected chamber, as do unions and employees. We are largely an academic, legal, professional institution, and business and labour find themselves almost totally excluded. That shows in the kinds of things we do, not only in terms of our social attitudes, our social legislation and many other aspects of legislation we draft, but it certainly also shows in the way we handle—rather, mishandle—our economy continuously as a government and as a Parliament.

What I am trying to say is that in my view and in the view of many other working Canadians—and a number of Canadians in the business community as well—the last thing we need in Canada is another middle-class institution with middle-class values and middle-class priorities. We have many institutions and many legislators who are basically woolly-headed idealists in the sense that if we simply pass a law they think we suddenly really change something. Most people in the work-a-day world, whether labour or management, realize that life, the constitutional process, the legislative process and the structure of our society, are largely like a long arm-wrestling contest. It is like two fish in a goldfish bowl. We go back and forth, and then end up somewhere in the middle. Thus we end up with packages or results which everyone, whether they love it or not, realize we have to live with, rather than engaging in a continuous infantile name calling in which no one accepts responsibility for anything. Perhaps I and a few of my colleagues who share my background are locked into our background in the sense that somehow we prefer a system in which, even if we are not absolutely satisfied with the outcome of a process of negotiations or bargaining, at some point we realize that the battle has to end; we sign our names, make our own commitments and put our names on the dotted line, and that is something we have to live with for x number of years. It does not happen that way here, and I really do not think we need another institution in which the same kind of unhealthy attitudes to life and the processes of living together continue to exist.

I suspect I am not in the enviable position of my colleague, the hon. member for Edmonton East (Mr. Yurko), who has a specific formula in mind, although I am sure he is as flexible in this as he has been on other occasions and on other major subjects which have received quite a bit of consideration in this House in recent months and years. But if this proposal is to go ahead, either now or at some time in the future—and I am sure something akin to it will—I would like us to bear in mind that there is a large body of people out there in the country who feel left out of our processes. They do not look at this Parliament as really being their Parliament. They do not look at the courts of this land as really being their courts. They do not look at the Senate of this country as being their Senate. Sometimes they have a great deal of difficulty believing that the institutions to which we all pledge our loyalty really consider deeply what their legitimate interests are, quite apart from serving them. I hope in the drafting of any proposal for a second chamber we give consideration to other divisions, whether on a subregional or interest basis, to ensure that working people and people who have devoted their lives to participating in the productive aspects of our society, whether in labouring roles or in management roles, can say that it results in government not only "of the people, by the people and for the people", but also that they may have a vested stake in their institutions and they may exercise some continuing loyalty and ability to participate more directly in the decisions which affect their day to day lives.

Mr. John Evans (Ottawa Centre): Mr. Speaker, I was very interested in listening to what the previous speaker had to say about his perception that there is an under-representation in this House of working middle-class people. I really do not believe that because the vast majority of Canadians, by any reasonable definition, are middle class, and it may be that some hon. members in this chamber have gone on to university or have gone into academic life, but I think we will find that there is a large proportion of the members of this chamber who came from farming communities, who were farmers or who were the sons of farmers. I have an academic background, yes. I taught at the University of British Columbia. My father was an electrician, and I was raised in an electrician's family.

Mr. Kristiansen: Not the same thing.

Mr. Evans: I have the same roots as the hon. member does. I was raised in the same kind of family. I lived with my parents for 23 years. My parents were middle-class people who had a labour union background, 43 years in the IBEW, and I rather resent it when the hon. member says that we are not middle class, that the working people are not represented in this chamber, that we do not know what the working people want, or that we do not have parents or relatives who are working people. I consider all Canadians to be working people. They just work in different ways.

With regard to the Senate and the reform of the Senate, there are a few things I would like to say. The time is very short, I realize, but I have been thinking about this, as has the hon. member for Edmonton East (Mr. Yurko), for some time, and I think the Senate needs to be reformed.

There are certan problems I see in the way the country is represented. I think we have difficulties with our political parties. All three political parties have expressed the feeling that the grass roots of political parties are not having enough input into what is going on here in Parliament, in the Senate, and generally in government at the federal, provincial and, indeed, at the municipal level to some extent as well.

There is also a definite and distinct problem with regional representation, and I think one of the major problems we have faced in the last few years has been regional representation by federal-provincial conference, which bypasses Parliament and elected representatives. It is not acceptable, and we have to bring that regional representation in a very meaningful way back to this Parliament of Canada.

Finally, there is a problem of representation of political parties in different parts of the country. With respect to the proportional representation problem, it has been suggested that members of the House of Commons be elected in a certain way and that certain parts of the House be appointed on a proportional basis. I do not agree with that. I think we should all be elected by our people, but there could be another chamber where proportional representation would in fact be the case, and that could very well be the Senate.

I have some further ideas, but I see that our time has expired. I would like to put those ideas forward when this debate on the hon. member's motion resumes.

[*Translation*]

Mr. Deputy Speaker: The hour provided for the consideration of private members' business has now expired.

[*English*]

It being five o'clock, this House stands adjourned until Monday next at 2 p.m., pursuant to Standing Order 2(1).

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, June 7, 1982

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

THE ECONOMY

CALL FOR INTRODUCTION OF NEW BUDGET—MOTION UNDER S.O. 43

Mr. Girve Fretz (Erie): Madam Speaker, at the Versailles conference this past weekend our Finance Minister (Mr. MacEachen) stated, "we must do everything possible to improve the climate for investment", while our Secretary of State for External Affairs (Mr. MacGuigan) admitted to reporters that some recent measures had been counterproductive. In light of the above, as well as the report by Statistics Canada which says, "the economic data now available for the first quarter of 1982 indicates that the Canadian economy experienced the sharpest decline since 1954", I move, seconded by the hon. member for St. Catharines (Mr. Reid):

That the Finance Minister bring in a new budget to address the most disastrous economic slump in 28 years, and get over a million and a quarter Canadians back into the work force.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE JUDICIARY

INVOLVEMENT OF JUDGES IN POLITICAL ACTIVITY—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, noting that the Canadian Judicial Council has reprimanded Mr. Justice Thomas Berger for his political activity while continuing to sit as a Supreme Court judge, I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That this House reaffirms its view that judges, of necessity, ought not to engage in political activity.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

AUTOMOTIVE INDUSTRY

CANADIAN CONTENT IN JAPANESE MANUFACTURED VEHICLES—MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my motion arises out of the failure of the Prime Minister (Mr. Trudeau) to negotiate an arrangement with the Japanese Prime Minister in Versailles on the importing of automobiles into this country. Therefore I move, seconded by the hon. member for Hamilton Mountain (Mr. Deans):

That this House call upon the Government of Canada to introduce legislation immediately that would enable it to impose, in Canada, the same local content rules that exist in Australia regarding the importation of automobiles into that country.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIONAL ENERGY PROGRAM

RECOMMENDED REVAMPING—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, while the Prime Minister (Mr. Trudeau), the Minister of Finance (Mr. MacEachen), and the Secretary of State for External Affairs (Mr. MacGuigan) ate truffles in Versailles this weekend and blamed Uncle Sam's high interest rate policy for Canadian unemployment, the Minister of Energy (Mr. Lalonde) ate crow in Ottawa and provided at least some relief for the industrial-energy sector by reducing certain federal taxes on some oil production activity. It is clear that governments do retain some flexibility even in periods of high interest rates. Therefore I move, seconded by the hon. member for Erie (Mr. Fretz):

That this House recommend that the government incorporate into the new budget—the minute it returns from France—a thorough revamping of the National Energy Program, particularly excluding targets of 50 per cent Canadian ownership by 1990 as well as the 25 per cent retroactive government ownership in Canada lands.

These two measures alone would do much to revitalize the reeling oil and gas industry and provide a much needed job program in the manufacturing sectors of central Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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POLITICAL PARTIES

CROWN CORPORATION APPOINTMENTS—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise under Standing Order 43 to note the Liberal Party's executive placement bureau has found havens for yet two more party hacks: the Alberta federal campaign manager has gone to his reward on the board of the national airline, and the fund raiser for the Minister of Employment and Immigration (Mr. Axworthy) joins his fellow westerner, Jack Horner, on the board of CN. Therefore I move, seconded by the hon. member for Bow River (Mr. Taylor):

That Canadian taxpayers take note:
Liberal hacks don't worry about merit;
They take the plums and grin 'n' bear it.
No experience needed; don't need to know a whit.
Just buy a card and be a good little Grit!

Some hon. Members: Oh, oh!

Madam Speaker: The hon. member for Burnaby.

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THE JUDICIARY

CONDEMNATION OF CANADIAN JUDICIAL COUNCIL FOR REPORT ON BRITISH COLUMBIA JUDGE—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise under Standing Order 43. On Friday last the Minister of Justice (Mr. Chrétien) made public the report of the Canadian Judicial Council on the complaint by Judge George Addy concerning the conduct of Judge Thomas Berger. In view of the fact that the secret hearings of the Judicial Council, constituting nothing less than a witch hunt, spurred on by the Prime Minister (Mr. Trudeau), and apparently supported by Conservative members, have produced a report which is a discredit to the members of the Judicial Council who supported it; and in view of the fact that the same federal judges lobbied long and hard in the political arena to sweeten their own generous pension scheme, I move, seconded by the hon. member for Skeena (Mr. Fulton):

That this House condemn the members of the Canadian Judicial Council for their appalling report on the conduct of Judge Berger and note their hypocrisy in speaking out to feather their own nests while criticizing Judge Berger, whose only offence was speaking out in defence of aboriginal and minority rights.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE ECONOMY

CALL FOR WITHDRAWAL OF BUDGET—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, the Progressive Conservatives have been telling the Minister of Finance (Mr. MacEachen) for several months that his November 12 budget and other government policies were killing investment in Canada and driving money and jobs out of the country, but he has done nothing about it. Then suddenly—what do you know?—while in Versailles, it finally sank through, and the minister told reporters that "we must do everything possible to improve the climate for investment." Therefore I move, seconded by the hon. member for Erie (Mr. Fretz):

• (1410)

That this House recommends that the minister put some action where his mouth is and do what is easily possible and withdraw the budget at once. This will be a good start on improving the investment climate in Canada, but if he really wants to solve the problem, resign, resign, resign.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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HOUSING

DEMAND FOR RESIGNATION OF MINISTERS—MOTION UNDER S.O. 43

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, the housing construction industry is all but at a standstill. By CMHC's own admission, the starts for new single detached homes is the worst in 20 years, down 63 per cent from the same period last year, and starts for multiple units down 35 per cent. Because of its dismal performance. I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the minister responsible for CMHC tender his resignation, attached to the resignation of the Minister of Finance responsible for high interest rates, which should appropriately be attached to that of the Prime Minister, responsible for the appointment of the aforementioned ministers to this so-called cabinet.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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AUTOMOTIVE INDUSTRY

CALL FOR STATEMENT BY MINISTER—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, at least one in six jobs in Canada is automobile related. The Prime Minister of Japan has advised the Prime Minister of Canada that his concern for the Canadian auto industry is a minor matter and he proposes to take no action. I therefore move, seconded by the hon. member for Erie (Mr. Fretz):

That the Minister of Industry, Trade and Commerce make a statement now as to what action he proposes to take so that the Canadian auto parts manufacturers and the Canadian automobile workers will have some role in the Canadian auto industry of tomorrow.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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DISARMAMENT

SUPPORT FOR ENDING OF ARMS RACE—MOTION UNDER S.O. 43

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I move a motion under Standing Order 43 to which I trust that the House will give its unanimous consent. Today the Second United Nations Special Session on Disarmament is beginning in New York. The world faces the ever-growing danger of escalating wars and nuclear annihilation. Therefore I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House recommends to all participants in the Second United Nations Special Session on Disarmament (UNSSOD II) that every possible effort be made in good will and good faith to end the arms race and restore peaceful stability to our world.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

S.O. 43

FISHERIES

FUTURE OF FISH PLANT AT PRINCE RUPERT, B.C.—MOTION UNDER S.O. 43

Mr. Jim Fulton (Skeena): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that the groundfish operation at the Seal Cove B.C. Packers plant in Prince Rupert is a viable operation with a nine million pounds and $7 million throughput last year; and in view of the fact that the Minister of Industry, Trade and Commerce received an application for public funds from B.C. Packers earlier this year to keep the plant running, and since the St. Anthony, Newfoundland, groundfish operation is being turned into a Crown corporation today to keep it operational, I move, seconded by the hon. member for Saskatoon East (Mr. Ogle):

That the B.C. Packers request for public funds be made public so that the shoreworkers and fishermen of Prince Rupert will know the cost of keeping the plant open, and that this House endorse a fair is fair policy—if the groundfish operation in St. Anthony's can be saved with public funds, then the same level of funds should be sent to Prince Rupert, to preserve Canadian jobs.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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INTERNATIONAL JOINT COMMISSION

CALL FOR APPOINTMENT OF CANADIAN CHAIRMAN—MOTION UNDER S.O. 43

Mr. Neil Young (Beaches): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that there is virtually no action coming from the United States concerning the cleanup of chemical pollution in the Niagara River and the Great Lakes; in view of the fact that Lake Ontario will be dead in 20 years if these critical problems are not dealt with, and in view of the fact that Canada has been without an International Joint Commission chairman for months, I move, seconded by the hon. member for Skeena (Mr. Fulton):

That this House calls on the Secretary of State for External Affairs to immediately appoint a Canadian IJC chairman with instructions to raise the serious problem of toxic chemical pollution in the Niagara River and Great Lakes, and further, to express Canadian concerns that the latest Reagan budget proposals would see Great Lakes research cut to nil and will obviously make it impossible for the United States to live up to treaty obligations with Canada under the 1978 Great Lakes Water Quality Agreement.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*Translation*]

THE ECONOMY

REQUEST THAT ACTING PRIME MINISTER RECOGNIZE INEFFICIENCIES OF CORRECTIVE MEASURES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Acting Prime Minister. It is now quite clear that the government is putting off making basic changes in its misdirected and injudicious economic policy because it would have us believe that the United States is the enemy and the cause of all our problems. Now that this subterfuge has been brought out into the open, is the Acting Prime Minister willing to admit that very precious time has been lost in putting off changes to the budget and the government's economic and energy policies, which for months have been shown to be totally inappropriate, and that this delay has caused a major increase in the unemployment rate?

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, the answer to this question may be found in the press conference given by the Prime Minister yesterday in Paris. The Government of Canada has not accused the United States of having a high interest rate policy. In his press conference, the Prime Minister commented that the Americans themselves, the Secretary of the Treasury Mr. Regan in particular, have deplored the excessively high interest rates in the United States and said that these levels can be reduced only by Congress, and more specifically, by controlling the deficit. I therefore feel that my hon. friend is mistaken in saying that the Government of Canada is accusing the United States, while the same problem is being criticized in the United States. Have we lost precious time by not taking action? That is of course a matter of judgment, but once again, in his press conference yesterday, the Prime Minister said that we first had to know whether the Americans were going to act responsibly with respect to Canada's interests, and in that connection, he simply said that we could certainly not wait until November.

[*English*]

FORTHCOMING GOVERNMENT POLICIES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, the rumours that are coming from the Summit conference indicate that the Minister of Finance is proposing to introduce significant changes in the anti-investment elements of his budget, that he is proposing to change the policy that has been followed toward foreign investment in this country, and also that he is going to attack the problem of the very, very high budget deficit which is currently approaching the $18 billion mark. These policies could have been attacked months and months ago. The only reason that we on this side of the House can see for the delays is that of using the many times discredited ploy of holding up the enemy outside as being the cause of all our problems. Surely the minister understands this is not the reason for our problems today. Is the government going to persist in putting this slant on the problems when it presents its economic statement that is expected over the next few weeks?

[*Translation*]

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, once again, I must say that the assumption made by my hon. friend is false, since the Americans are as critical as we are with respect to high interest rates in the United States. In fact, statements by Mr. Regan, Mr. Haig and others clearly show that they, too, realize that the present interest rates in the United States are abnormally high. As for the intentions of the Prime Minister and the Minister of Finance, I heard the rumours on the subject that were circulating yesterday. The Minister of Finance will be here tomorrow. However, I doubt very much whether he will be able to confirm or deny all these rumours, some of which are contradictory, but in any case, my hon. friend will have an opportunity to put his question to the minister directly.

• (1420)

[*English*]

REQUEST FOR COMMITMENT TO INTRODUCTION OF ECONOMIC STATEMENT

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, the United States is aware of these problems, but it has been acting. Over in Paris the Prime Minister said that we may have to wait another six weeks before this government acts. Why is the Prime Minister delaying this long when unemployment is approaching the million and a quarter level, when the dollar is bumping along at an all-time low, and when the economic condition in the country is as bad as it has been since the war? Will the Acting Prime Minister today commit to the House that this cowardly and casual approach of the Prime Minister will be replaced by something which will bring back some confidence to the country? Will he commit that there will be an economic statement in the House before it recesses for the summer?

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, the Minister of Finance will be in a better position to say what he will do tomorrow. I think most people in Canada accepted the idea that before taking measures in Canada the least we could do was to find out what the Americans intended to do, it being generally accepted in Canada and even in the United States that the real interest rate in the United States is abnormal.

Mr. Wilson: It is only a one-hour flight from here.

Mr. Pepin: Now that this opportunity has been taken—the Prime Minister and the Minister of Finance have had conversations with these gentlemen and with other leaders—on their way back and here in the House, presumably for a number of

days or weeks, they will be reflecting and, as we are told, putting together a package to present later.

* * *

HOUSING

DECLINE IN CONSTRUCTION OF RESIDENTIAL UNITS

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is directed to the Minister of Public Works. On Friday last CMHC released the housing starts for May. It showed them seasonally adjusted at 116,000, which compares with 208,500 for May last year. Actual starts in urban areas are down 51 per cent, and single detached dwelling units are down 63 per cent. This is a disastrous situation for a period in the year when construction in residential and rental housing should be showing a substantial increase. What does the minister propose to do about this, apart from trying to blame the provinces for not doing enough?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the figures reported by the hon. member do not take into account some $350 million allocated in the budget of November. This was the basis for the legislation that was supported by the hon. member and members of his party. That program was passed just recently through Bill C-89 in the House. It is designed to produce 30,000 affordable rental units, one third of which will be directed toward low incomes, on a rent geared to income basis. That program will be almost under way within a few weeks and should bring considerable relief to the picture the hon. member just painted.

QUERY RESPECTING STARTS UNDER CANADA RENTAL SUPPLY PLAN

Hon. James A. McGrath (St. John's East): Madam Speaker, I wish the minister would tell us how this will bring relief to the single dwelling-unit situation which is down 63 per cent and going lower. While the minister is at it, perhaps he could tell us how many actual starts have taken place under the CRSP provisions of the legislation to which he just referred. We know that there are 2,400-2,500 applications, but how many actual starts have there been? The minister knows full well that the situation is such that unemployment is now over 10 per cent. In 1976 there were 400,000 more people employed in residential construction than there are today. He knows the situation is critical because it is a labour-intensive industry. He talked about the 30,000 units, but how many actual starts are under way at the present time?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, regrettably there are none under way at the present time. The legislation enabling that particular program was endorsed recently by the House. The program has been advertised. We have received 2,500 applications, and we are in the process of starting the first development. Surely the House must remember that when I tabled that legislation on December 18 and asked hon. gentlemen for support, I pointed out that that program would really have to be in place by early in the new year to get under way. It was as a result of the holiday taken by opposition members and the delay of three months that this problem was caused. Surely the opposition has to share some responsibility for that delay.

* * *

• (1425)

THE ECONOMY

REPORTED STATEMENTS BY PRIME MINISTER FOLLOWING VERSAILLES SUMMIT CONFERENCE

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is for the Acting Prime Minister. Following the Summit conference in Paris, the Prime Minister made two contradictory statements. On the one hand he said that Canada is faced with an economic crisis and, on the other hand, he said that the government plans to wait another six weeks before taking any action. Which is it? Does the government think that we can have another six weeks of a leisurely, do-nothing policy, or does the government say that we do have a crisis that requires action now?

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, I do not see a contradiction. The Prime Minister is stating that we are in an economic crisis and is saying that, as quoted by my hon. friend, six weeks will be needed to put the package together.

Mr. Crosbie: What have you been doing for two years?

Mr. Clark: That is not what he said.

Mr. Pepin: Well, one of the things to clear up was the intention of the United States. The Prime Minister said repeatedly in his conference yesterday that he will consult with his caucus and cabinet on the package that he intends to present. Most members here would find that to be quite normal.

CONSEQUENCES OF DELAY IN GOVERNMENT ACTION

Hon. Edward Broadbent (Oshawa): Madam Speaker, a year ago, when we on this side were demanding action on the economy, the government was saying that we had to wait for last year's Summit. After the Summit, when action was demanded, we were told we had to wait for last fall's budget. Since last fall's budget we were told to wait for the Versailles meeting. I say to the government that the people of Canada are sick and tired of waiting for the government to act.

If you look at what is happening to the economy now, and if we wait for six more weeks, 25,000 more Canadians will have lost their jobs, 3,000 personal bankruptcies will have been declared, and another 1,000 small businesses will have shut down on a permanent basis. Does the Acting Prime Minister think that these people can afford to wait another six weeks?

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, I think that my hon. friend is exaggerating, not so much in describing the situation itself which the Prime Minister himself calls a crisis, but in somehow implying that the government has not done any thinking or made any preparation for a number of months.

Almost every day here, as I said on Friday, the Minister of Industry, Trade and Commerce, myself, or someone else gets up to announce an important development or investment, be it here, at Prince Rupert, Halifax, or elsewhere. Therefore that is an unfair commentary. The gist of the answer I want to make is that the government has been thinking and preparing itself for the Versailles meeting. Obviously, the six weeks will be weeks of consultation, and discussing among members of cabinet and caucus before the Prime Minister or Minister of Finance is able to announce a package.

Mr. Broadbent: I repeat that the people of Canada are becoming tired of consultation and tired of policy discussions. They want just a little action to preserve and create some new jobs for them. Before asking my supplementary question concerning interest rate policy, I point out to the minister that a survey done at the time of the Summit showed that the only government at the Summit that had fewer than 50 per cent of its population supporting its policies is the Government of Canada, and that will not surprise anyone on this side of the House.

INTEREST RATES

Hon. Edward Broadbent (Oshawa): Madam Speaker, the main problem in the short run is interest rates. A senior official, who was part of the Canadian delegation, was quoted in today's *Le Devoir* as saying that the government now plans to send a message to Governor Bouey of the Bank of Canada pointing out that a lowering of interest rates will not adversely affect the health of the Canadian dollar. Is this government policy? Does the government plan to take action to bring down interest rates and, if it does not plan to do this, why not?

• (1430)

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, I repeat that I am not in a position to announce what the package will be. My hon. friend attaches a great amount of importance to Gallup polls or the like, concerning the lack of popularity of this government. My hon. friend's party has been at the 18 per cent level for a great number of years now—

Mr. Broadbent: That was six months ago. You are out of date, Jean.

Mr. Pepin: —and he still believes he will form the government one day or another.

On the subject of housing, for example, which was raised this morning again, the minister responsible for housing deflated the question raised with great—

Mr. McGrath: He did it by misleading the House.

Mr. Pepin: —effect by saying that there is already $350 million going toward housing which will influence development in that sector.

My hon. friend should be reminded at this point that he voted against the measure referred to by the minister responsible for housing.

Some hon. Members: Hear, hear!

* * *

HOUSING

SITUATION OF YOUNG CANADIANS

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, I find it strange that the minister responsible for housing would blame the opposition for holding up a housing bill, which was first announced November 12 in the budget and not introduced in this House until February.

The Minister of Finance was quoted as saying at the end of the Versailles Summit that he and his leader would have to return to Canada and explain a greater sense of reality. Can the Minister of Public Works, who is responsible for the housing policy, tell us whether this greater sense of reality statement contains any kind of hope which can be offered to young Canadians today who want to buy their own homes or, at least, find affordable accommodation?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I think the first thing I should do is to correct the record and introduction by the hon. member who, I am sure, would not want to mislead the House. The legislation to which I referred, Bill C-89, was introduced by me and tabled in this House on December 18. It had its first reading in January, and its second reading in February.

Some hon. Members: That's right.

Mr. Cosgrove: It awaited the opposition—

Mr. Clark: The truth comes out.

Mr. Cosgrove: —while its members went on a two-week holiday. We had to use closure to get that legislation through the House—a three-month delay that was totally unnecessary.

Some hon. Members: Hear, hear!

AID FOR CONSTRUCTION INDUSTRY

Mr. John McDermid (Brampton-Georgetown): I could carry on the debate for some time as I was on the committee and I know there were some times when the minister did not appear when we were ready to put that bill through.

A real estate industry study has shown that the first-time home buyer market has disappeared. No young people are buying homes, and there are no first-time home buyers left in the country. Can the minister tell us what plans he has, other

than to build apartments? We doubt that he will reach his 30,000 units. What plans does he have to help the housing construction industry get out of the very serious slump it is in at the present time with the high interest rate policy of the government?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, unfortunately, I must refer to the introductory remarks of the hon. member and try to set some facts straight before the House.

Mr. McDermid: Read *Hansard*.

Mr. Cosgrove: At no time was I unavailable to attend the committee. As a matter of fact, at the first opportunity, the day after the House passed second reading, I was before that committee, and then the Conservatives walked away from this Parliament for two weeks.

Some hon. Members: Hear, hear!

Mr. McGrath: That is a lie.

* * *

THE ECONOMY

STATEMENTS MADE BY PRIME MINISTER AND ACTING PRIME MINISTER

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, in order to prevent the Minister of Public Works from suffering a complete nervous breakdown on the floor of the House, I will direct my supplementary question to the Acting Prime Minister. I am interested in the mysterious six weeks, the new hidey-hole the government has devised to avoid having to deal with its responsibilities. In France the Prime Minister said the six weeks were necessary so that Canada could figure out what the U.S. would do. In this House the Acting Prime Minister has said that the six weeks were necessary so that the cabinet of Canada could figure out what it would do. Will the Acting Prime Minister tell us whether the Prime Minister was correctly explaining the six weeks, or was the explanation of the mysterious six weeks delay given by the Acting Prime Minister correct; in other words, that it will take that long for the cabinet in Canada to make up its mind? Which one spoke the truth?

Some hon. Members: Oh, oh!

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, I could not confirm or deny the interpretation of the six weeks given by the hon. member who asked me that question. I did not think it was worth picking it up and debating that subject. From my reading of the Prime Minister's press conference, I understood that he was planning to consult with his cabinet and his caucus before making an announcement. I didn't see any clear-cut indication on that subject, but, again, the Minister of Finance will be here tomorrow and, as he was there and I was not—

Miss MacDonald: Phone the Prime Minister.

Mr. Pepin: —he will be in a better position than I am to give specific definition to what was said at Versailles.

DURATION OF REASSESSMENT OF GOVERNMENT POSITION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Acting Prime Minister knows that, among his duties, he is to be in a position to inform the House of Commons in the absence of the Prime Minister. The telephone has been invented. The Acting Prime Minister has had the opportunity to get in touch with the Prime Minister to find out exactly what the Prime Minister said. The Prime Minister is very directly quoted as saying that Canada could not wait "more than another six weeks" for U.S. economic policy to change before reassessing his own government's economic position. Is it the position of the Government of Canada that Canada will wait another six weeks before reassessing its position?

Mr. Lalonde: That is not what he said.

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, I know that the telephone has been invented in Canada.

Some hon. Members: Hear, hear!

Mr. Pepin: I am pleased that it was.

But the situation I faced was whether or not I should have spent the weekend on the phone to Paris, with the knowledge that the Minister of Finance would be here tomorrow to answer all the questions that have been raised by my hon. friend on this particular point. I do not think the six weeks are of major importance.

Some hon. Members: Oh, oh!

Mr. Pepin: The spirit of the matter is that there will be a reassessment of the situation.

Obviously, the Prime Minister was to consult his colleagues. As the Minister of Energy, Mines and Resources implied, who knows, it might be less than six weeks?

Mr. Broadbent: It may be six months, eh? Who knows?

Mr. Pepin: The Prime Minister was trying to convey the feeling that he intends to take action.

Mr. Clark: The interpretation from that is that it might be six weeks, or it might be six months. It might be any length of time before this government acts. The Acting Prime Minister says that it does not matter. Well, I will tell him, for the millions of Canadians who are out of work it matters. For the thousands of Canadian businesses going into bankruptcy it matters that the government is not offering any policies at all.

Oral Questions

REQUEST THAT ECONOMIC STATEMENT BE MADE IN PARLIAMENT

Right Hon. Joe Clark (Leader of the Opposition): Let me ask the Acting Prime Minister a question that is clearly within his competence to answer as the senior minister replying for his government here in the House of Commons today—not tomorrow, not six weeks or six months from now, but today. Will the Acting Prime Minister, on behalf of his government, give us an ironclad guarantee—

Some hon. Members: Oh, no!

Mr. Clark: Excuse me, rather than an ironclad guarantee, give us a guarantee we can count on.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Clark: Will the Acting Prime Minister give us a guarantee we can count on, that any new economic policy will be announced while the House of Commons is in session, and that the government will not draw up a new economic policy and then run away from Parliament, as it did with VIA Rail and as it did after Bonn? Can we have a commitment that the House of Commons will be here to judge any new economic policy which comes down?

Some hon. Members: Hear, hear!

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, at this time I can only say that my impression is that the Prime Minister will want to do that. But may I take the question as notice and—

Some hon. Members: Oh, oh!

Mr. Pepin: —discuss it with the Minister of Finance when he comes back later on today or tomorrow morning? We will possibly be in a position to give something firmer tomorrow.

REQUEST THAT COMMITMENT STATEMENT WILL BE MADE IN PARLIAMENT

Right Hon. Joe Clark (Leader of the Opposition): It may be reasonable—I think it is not—but it is arguable that it may be reasonable for the Acting Prime Minister to wait for the Minister of Finance to come back and discuss economic questions. But it is certainly not reasonable for him to deny the House of Commons and the country the certainty that Parliament will be able to judge new economic measures until the Prime Minister comes back, because the Prime Minister is away on a longer tour. He will be out of Canada for a long time, away from this House of Commons.

The minister is the Acting Prime Minister of Canada. I am asking him a question relating to the rights of this House and the conduct of the government, not its economic policy, but, rather, its timing. Will he now give us a commitment that the House of Commons will be in session and in a position to judge any new economic policy that the government brings down?

• (1440)

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, I did not deny it. Obviously I left that possibility open. I said I would discuss it with the Minister of Finance to see whether he would be in a position tomorrow to confirm the possibility of a statement before the recess.

* * *

INDUSTRY

PLACEMENT OF CANADIAN NATIONAL RAIL ORDER WITH SYDNEY STEEL CORPORATION

Mr. Russell MacLellan (Cape Breton-The Sydneys): Madam Speaker, my question is directed to the Acting Prime Minister and Minister of Transport. It concerns the intention of Canadian National with respect to a contract in which they are involved with the Sydney Steel Corporation to purchase a minimum of 88,000 tons of rails in the contract-year beginning August 1, 1982. I would like the minister to assure me that this contract will be honoured. The minister also knows that this plant is presently closed. Does the federal government propose giving any assistance to allow this rail order to be rolled, in advance of August 1 of this year? Finally, is the minister prepared to look into the question of a disagreement between CN and Sydney Steel Corporation as to the Sydney Steel Corporation's ability to roll all types of rails which CN requires, and to try to resolve this discrepancy?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, it is a very clear question dealing with three points. First, with regard to honouring the contract, the contract is indeed at the 88,000-ton level for 1982-83. CN would like to reduce that because it will have to store light rail. However, a contract is a contract is a contract. Having made the commitment, I am willing to press CN to honour it. So much for the first question.

With regard to the advance production, the possibility is there. It is estimated that it would cost $1.4 million more to begin producing sooner, instead of in August. The Minister of Finance is willing to pay one half of that if the government of Nova Scotia or SYSCO is willing to pay the other half.

With regard to the conflict on the quality or technical difficulties, CN offered to appoint an independent assessor. I think SYSCO is now accepting that. It is being discussed this week, and I think such a decision will be made.

* * *

HOUSING

REQUEST FOR EXPANDED PROGRAM TO ASSIST CONSTRUCTION

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is for the Minister of Housing. The minister heard the statistics today with regard to the shortfall in the number of housing units being built in the country. Given that we could

meet two basic problems by building housing, first that we could provide shelter for people who today cannot find shelter at prices they can afford and, second, we could create 100,000 or more jobs in Canada if we would undertake to build up to the level of the 220,000 housing units that are necessary, why does the minister not go before Treasury Board to ask for authority to proceed with a housing program that will meet the obvious needs of Canada today?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I have already indicated that 30,000 units are scheduled under the program authorized by this House under Bill C-89. These are rental units that are designed to serve moderate income families. Ten thousand will be for people on a rent geared to income basis. Why the New Democratic Party, which purports to speak for people of modest income by times, will not support that, I do not know.

After that plan, we introduced other programs which will assist in getting people working in the trades. For example, we have extended the CHIP program from the eligible year of 1961 to 1971. We introduced $30 million into a Canadian home renovation program which should spring and will spring an additional $60 million from banks by Canadians taking advantage of that program. That is a total investment of $90 million, which should provide work for another 10,000 people. Those are new initiatives taken since the rental accommodation program was announced.

GOVERNMENT POSITION

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I do not like to quarrel with the minister, but the facts are quite clear. The programs brought in by the government do not begin to meet the basic needs of the majority of working Canadians. The majority of Canadians cannot afford to pay the prices being charged or the interest rates being charged. How is it that the government can find $2 billion to give to Imperial Esso and other such companies? How is it the government can go into the money market and borrow $750 million to shore up the sagging dollar, but cannot find any money to put into the building of homes at a price that Canadians can afford?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I will have to repeat myself.

Some hon. Members: Oh, oh!

Mr. Cosgrove: I referred to the rent geared to income program. There is no better or more equitable housing program in Canada that I know of, to serve Canadians of modest income. They pay in accordance with a percentage of their income. The hon. member and his party voted against that program this year. They delayed that program for three months. In light of that experience, I find the hon. member's question quite hollow.

EXTERNAL AFFAIRS

DENIAL OF ADMISSION TO UNITED STATES OF TORONTO SUPPORTER OF DISARMAMENT

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is directed to the Minister of Employment and Immigration. It is a matter that gives me some concern. It was raised last Thursday by the minister's colleague from York East. It concerns the exclusion of Kay MacPherson from admission to the United States. She was to attend the United Nations Conference on Disarmament. She had no criminal record, but her name came up in an American immigration computer. Can the minister enlighten the House on why she was excluded? Also, can he advise what reciprocal arrangements we might have with the United States concerning information and the names of people who might be undesirable to both countries?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, in answer to the hon. member, we cannot give full information. That decision was fully made by the United States government. There was no consultation with us. It was an application of their immigration laws. My understanding of the case is that they applied an order against hundreds of people from around the world who were to appear at the United Nations for the special session on disarmament. It was not a particular exclusion in the case of Mrs. MacPherson, but a matter of excluding a number of people under their old McCarran-Walter Act which was passed in the United States in the very dark days after World War II.

As far as reciprocity is concerned, we each administer our own immigration acts according to criteria. We would not exchange information through the immigration procedures. Obviously there are a number of contacts made in security cases, but I do not believe Mrs. MacPherson would come under that definition in any way.

REASONS FOR DENIAL OF ADMISSION

Mr. Chris Speyer (Cambridge): Madam Speaker, I will direct my supplementary question to the Minister of Justice who, last Thursday, responded to the question from the hon. member for York East. He undertook to the House to inform himself of the specific reasons for Mrs. MacPherson's exclusion. Can the minister now tell the House what those reasons were?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I said I would contact the Department of External Affairs about this. They made some representations to the American government, but up to this point they have not received any specific information.

Oral Questions

THE ECONOMY

QUERY RESPECTING CONTACT BETWEEN ACTING PRIME MINISTER AND CANADIAN DELEGATION AT VERSAILLES

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, my question is supplementary to those asked by the Leader of the Opposition. A few moments ago the Acting Prime Minister spoke of impressions. How much direct contact, if any, has he had with the Prime Minister and the Minister of Finance on what actually occurred in Versailles? Does he have any knowledge or authority to answer here in the House?

Finally, how much longer, given some time limit, will it take the government to come to the realization, and publicly admit, that the national energy plan and FIRA have driven out or discouraged billions of dollars in capital from our country in the name of Canadianization while discouraging foreign investments, and at the same time causing the Bank of Canada to spend hundreds of millions of dollars to prop up the falling dollar, which was caused by the government's economic illiteracy? How much longer will it take the government to realize and admit publicly that there has to be a policy change and will the minister give us some time-frame for a new budget and new taxation policies to spare Canadian taxpayers from this double-whammy?

Hon. Jean-Luc Pepin (Acting Prime Minister): On the first point, Madam Speaker, I repeat, knowing that the Minister of Finance will be here tomorrow, and knowing that he was involved in all aspects of the Versailles meeting, I thought it would be normal for me not to get in touch with him and take time from the discussions the Prime Minister and the Minister were having with other leaders. I thought that was the right approach.

With regard to the causes of the present situation, I think it came out very strongly from everything in the press that the "crisis" we are experiencing is not only a Canadian phenomenon. It came out very strongly that rates of inflation, rates of unemployment, were the same in every country—10 per cent, 9 per cent, 7 per cent, in countries which are used to much lower levels of inflation than is Canada. That particular dimension of it is pretty clear to me and to most people who read the papers during the weekend.

• (1450)

PURSUIT OF CANADIANIZATION POLICY

Hon. Elmer M. MacKay (Central Nova): I want to ask the Acting Prime Minister if it also came out that Canada no longer has the luxury of pursuing narrow and ill-conceived Canadian nationalism at this time, that we no longer can afford it as a country? Did that come out?

Hon. Jean-Luc Pepin (Acting Prime Minister): Where? In the conversations at Versailles?

Mr. Clark: No, on the telephone.

Mr. Pepin: On this subject, Madam Speaker, every person in Canada is slightly ambivalent. When the Minister of Energy, Mines and Resources gives him or her figures about the higher degree of Canadian ownership in the petroleum industry, he or she is very, very pleased. A Canadian is equally pleased when he hears that some foreign-owned company is taken over by citizens of this country. Every Canadian quite normally hopes that more and more of that will take place, but quite rightly, in my view, he is not willing either to abandon some of the advantages that foreign ownership presents. All of us on this subject hope to have our cake and eat it, too; but most of us are pretty rational when it comes to having to make the decisions.

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RAILWAYS

REPORT OF NEGOTIATOR ON CROWSNEST PASS RATE

Mr. Jack Murta (Lisgar): Madam Speaker, my question is to the Minister of Transport. Now that Professor Gilson has finished his study of grain transportation in western Canada, and specifically the question of the Crowsnest Pass rate, will the minister inform the House when the government will be receiving the report, if ministers have not already received it? Secondly, after the government has received this very, very important report, when will the report be made public so that the farm organizations and various interested groups across the country may have a chance and a time to analyse the report and submit to the government their approval or rejection of the report?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, let me indicate what would be the optimum scenario. I have a feeling—I am sorry I can only say that, because Professor Gilson is working, I was going to say frantically, but that is not true—he is working very hard to complete the report as soon as he can. The impression I have is that I will receive it in the next week or ten days. That is an impression only; it might be three or four, but it is coming. Second, it will then be translated and printed. It is expected that this will take two to three weeks, at the most. Then it will be made public, at that time, for people to comment on it.

Then cabinet will be asked to make decisions on it, before the summer recess. In August and September a draft bill will be produced, the bill will be presented to the House in the fall, and it is hoped that the program will come into operation in the new year.

QUERY RESPECTING POSSIBILITY OF CONSENSUS

Mr. Jack Murta (Lisgar): Madam Speaker, since the minister was in Winnipeg not last week but the week previous to that, with Professor Gilson, it seems highly unlikely that he does not know generally what is in the report. Can he give an indication to the House of whether he expects to have general agreement on the recommendations that Professor Gilson will come out with, and whether or not he expects the government

will have to act unilaterally on some of the key issues of concern that Professor Gilson could not or may not have been able to solve in his negotiations?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I was indeed in Winnipeg and in Edmonton last week. I met with a number of people who have been in the discussions around Professor Gilson and all of them praised the tremendous knowledge and diplomacy that the professor brought to the meetings. Most of them said that the process of discussion was most educational for all those who took part. Will there be a consensus, will there be agreement by all sides to the recommendations of Professor Gilson—I do not think so. There will be various degrees of support, and various degrees of lack of it.

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GRAIN

EFFECT OF VERSAILLES SUMMIT ON EXPORTS TO SOVIET UNION

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, my question is for the Acting Prime Minister in one of the various capacities he is in here, this afternoon. In view of the Versailles conference decision to restrict trade credits to the Soviet Union, one of the few decisions they made, and in view of the fact that the Soviet Union is one of our largest grain customers and is asking for credit, can the minister assure us that the Versailles decision will not result in the cutting back of Canadian grain exports to the Soviet Union and the Eastern Bloc?

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, I could not comment on the reference to the Versailles aspect of the east-west debate. I do not really know what the conclusion was. With respect to providing credit to the Soviet Union from Canada for purchases of grain, I think our position has historically been in Canada that we match competition. Other countries like the United States are providing such facilities, have provided credit in these instances—I do not want to be too clear—

Some hon. Members: Oh, oh!

An hon. Member: Don't worry about that.

Mr. Pepin: I just want to say that in these particular circumstances we try to match the competition.

QUERY RESPECTING POSSIBLE EFFECT ON FARMERS

Mr. Stan J. Hovdebo (Prince Albert): What guarantees can the minister give this House that Canada is not once again in a de facto sort of way becoming a part of the United States embargo on the Soviet Union as we were in 1980? What assurance can he give that the restrictions being put on credit do not represent a squeeze which this time, as it was last time, will be fully endorsed by Canada and will affect Canadian exports and again reduce returns to Canadian farmers?

Hon. Jean-Luc Pepin (Minister of Transport): The only guarantee—

Mr. Clark: Yes or no?

Mr. Pepin: The only guarantee I can give is the facts, as they are developing in Canada now. My hon. friend knows, better than almost anybody here, how well the Canadian Wheat Board has been doing, with the support of the Canadian government, in selling wheat in recent times. Last year's export figures to the Soviet Union, if my memory serves me well enough, were 6.2 million tonnes. My information is that the same level could be reached possibly again this year. That is a clear indication that no sales are being missed anywhere. Generally exports are going beautifully. The record on shipments from the west coast was beaten, was overpassed last week; and any day now we are expecting a record export of grain from Canada for all times. That is good enough, it seems to me.

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THE PRESS

ESTIMATED COST OF PROPOSED ADVISORY PRESS COUNCIL

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is directed to the Minister of State for Multiculturalism. What would be the cost to the taxpayers of the Minister of State's plans to control the press?

Hon. Jim Fleming (Minister of State (Multiculturalism)): Madam Speaker, obviously there is no plan to control the press. Our fear is that one or two companies in Canada may control the press, and that would not give much diversity. I am sure that is the basis of a free press. The cost at this time we believe will be in the range of $20 million to fund the advisory council on newspapers. Additionally, about $1 million a year for five years will be required for the grants.

REQUEST GOVERNMENT SCRAP PRESS COUNCIL PLAN

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, in view of the fact that of all of the minister's plans to control the press, the element that has been most criticized is the plan for a government-sponsored press council, which the minister says will cost the taxpayer some $20 million, why would the minister not simply scrap that plan, save the taxpayers the $20 million, and ask the existing press councils to hear complaints against non-member newspapers?

Some hon. Members: Hear, hear!

Hon. Jim Fleming (Minister of State (Multiculturalism)): Madam Speaker, I would be encouraged if the opposition had an original idea or proposal. That is the first time they have suggested anything on this issue. I have said for a long time, since the Kent royal commission report was published, that nothing would delight me more than the newspapers themselves running their own advisory council with press councils. I

and, I am sure, the government, are quite prepared to entertain that possibility. However, to suggest that the Ontario Press Council, for example, should be the hearing body for Alberta newspapers is a little absurd.

• (1500)

PAYMENT OF GOVERNMENT ACCOUNT TO ETHNIC NEWSPAPER

Hon. Steven E. Paproski (Edmonton North): Madam Speaker, my supplementary question is directed to the Minister of State for Multiculturalism. I would like to know why he is discriminating against Mr. Kissin and his *Jewish Press* newspaper in Ontario by not paying his bill.

Hon. Jim Fleming (Minister of State (Multiculturalism)): I am sorry, Madam Speaker. I do not know the case the hon. member is talking about, but I find that pretty poor language coming from the hon. member. There is a fair and reasonable system set up. If the hon. member is talking about advertising in the ethnic press—

Mr. Paproski: You are not paying your bills. You are advertising in his paper and not paying him, and he has written you three letters already.

Mr. Fleming: Well, first off, I just do not believe that is the case when it comes to advertising the multicultural program. If it comes to some other program, the hon. member should be aware I am not responsible for it and have not been for some months, and the hon. member should direct his question to the appropriate minister. However, out of courtesy, before the hon. member charges discrimination against another hon. member surely the most sensible way would be to give some notice, and we would then be prepared to answer.

Mr. Paproski: You have three letters from the man. You have three invoices to pay the bill.

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AIR CANADA

APPOINTMENT OF NEW DIRECTOR

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, I have a question for the Acting Prime Minister. Will the Acting Prime Minister tell us what single, personal or professional quality entitled Mr. Branny Schepanovich to be appointed to the board of Air Canada over the weekend and why he was any more qualified than any of 1.2 million unemployed Canadians for that post, unless the government is more concerned about patronage than getting people back to work?

Hon. Jean-Luc Pepin (Acting Prime Minister): Madam Speaker, I would not doubt that the 1.2 million Canadians about whom my hon. friend talks would see themselves as fully qualified to sit on the board of Air Canada. The gentleman in question was selected on the recommendation of a number of ministers, particularly the minister for the region involved because we try to have regional representation on such boards. I have read the biography of this person and inquired about him. I understand he is a distinguished lawyer and will be quite useful to Air Canada.

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POINT OF ORDER

MR. McGRATH—STATEMENT OF MR. COSGROVE RESPECTING BILL C-89 ALLEGED MISLEADING

Hon. James A. McGrath (St. John's East): Madam Speaker, I rise on a point of order. If I could anticipate what Your Honour might say in terms of its being debate, I just want to submit to Your Honour that if a minister misleads the House, that creates disorder in the House; and the minister responsible for housing misled the House today. I am not saying he did so deliberately, but I am saying he had a case of selective amnesia when he accused us of walking away from Bill C-89.

The facts are simply this. The bill was referred to in the budget in November. It did not receive second reading—

Some hon. Members: Order.

Madam Speaker: Order. The hon. member was right in anticipating what I would have to say about that. I do not think this is a point of order; the hon. member is simply debating.

ROUTINE PROCEEDINGS

[*English*]

MISCELLANEOUS PRIVATE BILLS AND STANDING ORDERS

REFERENCE OF PETITION TO STANDING COMMITTEE

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, with the unanimous consent of the House, I would like to move, seconded by the hon. member for Renfrew-Nipissing-Pembroke (Mr. Hopkins):

That, pursuant to the provisions of Standing Order 99, the petition of Cliff Blackmur, of the city of Saskatoon, and Robert K. Coulling, of the city of Regina, both in the province of Saskatchewan, praying for the passage of an Act to amend the Act of Incorporation of The Grand Lodge of the Benevolent and Protective Order of Elks of the Dominion of Canada for the purpose of effecting certain technical changes in the constitution of the society, filed after the time limit specified under Standing Order 90, be referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders, together with the two hundred and sixtieth report of the Clerk of Petitions thereon, presented to the House on Friday, June 4, 1982, for any recommendations the committee deems advisable.

Madam Speaker: Does the hon. member have the unanimous consent of the House to move this motion?

Mr. Doug Lewis (Simcoe North): Madam Speaker, our party has had previous consultation on this matter and we are prepared to grant unanimous consent.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,237, 4,238 and 4,321.

[*Text*]

CANADA IMMIGRATION CENTRE—MONTREAL

Question No. 4,237—**Mr. Herbert:**

What is the average number of persons processed per week by the Department of Employment and Immigration at their premises at 1616 Dorchester Boulevard West, Montreal?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): For the period of January to April, 1982, an average of 900 persons per week were processed by the Canada Immigration Centre at 1616 Dorchester Boulevard West, Montreal.

Question No. 4,238—**Mr. Herbert:**

1. What is the size in square feet of the reception area at the premises at 1616 Dorchester Boulevard West, Montreal and how many chairs are available in this area for persons waiting for attention?

2. Is the space considered adequate and, if not, is it to be enlarged?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): 1. The size of the reception area is 983 square feet. There are 40 chairs for persons waiting for attention.

2. At the present time the space is considered adequate.

TRAINING SEATS PURCHASED IN COLLEGES IN NEW BRUNSWICK

Question No. 4,321—**Mr. Howie:**

1. Were seats purchased by the Department of Employment and Immigration in community colleges in New Brunswick in the current fiscal year to train carpenters, upholsterers and pipe fitters and, if so, how many?

2. Has a decision been taken on how many seats in each of the categories will be purchased for next year and, if so, what is that number?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): 1. Yes; carpenters, pre-employment training, 50 seats, apprenticeship, 56 seats; upholsterers, nil; pipe fitters, pre-employment training, 50 seats, apprenticeship, 17 seats.

2. No.

[*English*]

Mr. Smith: I ask that the remaining questions be allowed to stand.

[*Translation*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

MEASURE TO AMEND

The House resumed, from Thursday, June 3, 1982, consideration of Bill C-103, to amend the Petroleum Administration Act and to enact provisions related thereto, as reported (with amendments) from the Standing Committee on Energy Legislation, and Motions Nos. 4 and 5 (Mr. Hawkes).

Mr. Harvie Andre (Calgary Centre): Madam Speaker, the two amendments we are debating jointly are an attempt on our part to have the Liberal Party keep its promises. By voting for these two amendments, the only thing that will happen is that the promises made by the Liberal Party before, during and since the 1980 election will be kept. That is all that will happen. Those two amendments would have that simple little effect. The Liberals would keep their election promises.

The first amendment, Motion No. 4, would change the amount of the petroleum compensation charge from the current $75 per cubic metre to an amount not exceeding $28 per cubic metre. To put that in units most people understand, that would change the tax on gasoline, heating oil and diesel fuel from a 52 cents per gallon level to an 18 cents per gallon level. Your Honour will recall that in December of 1979, when the hon. member for St. John's West (Mr. Crosbie) brought forward a budget proposing an 18-cent a gallon tax, the proceeds of which were to be used for subsidizing imported crude oil, the Liberal Party said that was too much. Hon. members opposite said that was outrageously high and that it was intolerable. Neither the Liberals nor their pink friends could live with that kind of tax level. That was outrageous.

Mr. Keeper: You should turn red in the face when you say that.

Mr. Andre: That was outrageous, said the pinkies and the Grits. No, they could not tolerate that. There was no way they could tolerate an 18-cent a gallon tax. That was horrible.

Mr. Kristiansen: You are a big blue movie that ought to be clipped.

Mr. Andre: So the Liberals brought in a proposal of their own. They said we would have a made-in-Canada system. That used to be an honourable phrase. "Made-in-Canada" used to be something one could say with pride. It represented something of substance. What was the Liberal's made-in-Canada price system? Their made-in-Canada tax was 94 cents a gallon. They said that 18 cents per gallon was outrageous when that increase was brought in by the hon. member for St. John's West, but then the Liberal Party brought in an increase of 94 cents per gallon. When the bells started ringing and the public started to pay attention to what was in that atrocious energy package—that incredible abortion—and they found out that the Liberals were planning on 94 cents per gallon, then the government backed off and made it 52 cents per gallon. That is only three times as much as was considered outrageous in December, 1979, but that is how much the government backed off.

• (1510)

Motion No. 4 proposes that the government back off to 18 cents per gallon. The figure that was considered absolutely atrocious in 1979 is the figure they would be required to adopt today. If there are any Liberals over there who have any integrity—and that is not very likely—if there are any who feel an oblgiation to keep promises or a responsibility to honour commitments, if there are any such Liberals in the House like the Minister of Industry, Trade and Commerce (Mr. Gray) or the Minister of Energy, Mines and Resources (Mr. Lalonde), then they have no choice but to support this motion. It asks nothing more than to reduce the maximum level of the tax to the figure that was found to be outrageous in December, 1979.

If hon. members opposite vote against this motion—and I am sure they will, being well-trained donkeys—then the public will have the proof that the Liberals lie, that they do not keep their promises, that they will say and do anything in order to achieve electoral victory. Afterwards they feel no responsibility and no sense of obligation.

The sad thing about this is that because we share the chamber with them, they bring contempt on all of us. Unfortunately, people tend to talk about politicians being dishonest. That is because of that kind of politics and those kinds of politicians, who make promises they know to be irresponsible and then shamelessly violate those promises.

This motion would give the government an opportunity to keep that promise. If there is any sense of decency among its members, they should vote for Motion No. 4. They would be doing nothing more than keeping the election promises they made so solemnly to the people of Canada in February, 1980.

Motion No. 5, which is being debated simultaneously, is also our attempt to keep the Liberal Party honest, futile as that effort may be. The motion attempts to limit the petroleum compensation charge to the amount that is necessary to fulfil the purpose for which it was intended. It was introduced as an item to provide revenue to subsidize imports so that we have one price across Canada. It does nothing more than say that is the only purpose for which the petroleum compensation charge will be used and that it will not be used for generating funds for other purposes.

We have the solemn promise of the Minister of Energy, Mines and Resources that that is all the charge was intended for—for this so-called "made-in-Canada" price, for oil subsidization. The problem with the solemn promise of the minister is that we have had solemn promises from Liberal energy ministers in the past few years that have turned out to be false, promises that were worth nothing. The promises the minister has broken, the statements he has made which have turned out to be untrue, follow the tradition of the Liberal Party in the last few years, and especially Liberal energy ministers who have performed in exactly the same way.

The minister's predecessor, the Hon. Alastair Gillespie, signed on behalf of the government an energy price agreement with the provinces of Alberta, Saskatchewan and British Columbia which called for the crude oil price to increase one dollar every six months. I think the provinces believed they had a contract with people they expected to behave honourably. However, in spite of those agreements, negotiated over many weeks and months with a lot of debate and which took a lot of energy, on September 27, 1978, Mr. Gillespie announced that the final one dollar increase would not take place. He was urged to break that contract by the New Democratic Party, which is as honest and respectful of contracts and agreements as the Liberals.

Mr. Waddell: Mr. Speaker, I rise on a point of order. In the House a member cannot allege that other members do things illegally, such as break contracts. In civil law that is illegal. The New Democratic Party has never advocated that contracts be broken. I spoke about that specific matter the other night. I wish the hon. member would get his facts straight and stop throwing mud.

Mr. Andre: Mr. Speaker, a Canadian Press report of 26 April, 1979, said that energy minister Gillespie had announced that the plan for a one dollar increase would not take place and that the New Democrats had urged cancellation of the previous increase. So, Mr. Speaker, the Canadian Press reports that the NDP urged the minister to violate this written contract, and he apparently listened to their suggestions.

• (1520)

Mr. Waddell: Before the hon. member alleges that we are saying the government should do something illegal, he should quote the reports correctly. They are changing a contract in consultation with the provinces, which I advocated and talked about the other night.

Mr. Andre: Mr. Speaker, we have from the record the fact that the immediate predecessor of the current minister of energy says that if the political pressures are such, he is quite willing to disregard a contract, break his word and tear up an agreement without being overly concerned about the consequences to the reputation of the federal government as an

institution which one hopes would obey the laws and respect the practices and traditions of this country.

Then, of course, we have the commitment of the Hon. John Turner, then minister of finance, who on page 31 of his 1975 budget said:

I therefore propose, effective tonight, a special excise tax on gasoline for personal use. The tax will be at a rate of 10 cents per gallon.

Earlier in his remarks he had said:

In recent months the gap between compensation payments and oil export charge revenues has grown rapidly. This has come about because the volume of our oil exports has fallen while our oil imports have risen.

So he had proposed this excise tax on gasoline in order to help subsidize imports. What has happened to that tax today, Mr. Speaker? I do not have the figures yet for 1981, but in 1980 that tax amounted to $441 million collected from Canadians. But what happened to it? It disappeared, Mr. Speaker, into the big pot. Is it used for import compensation as the then minister of finance said it would be? No, it is not used for that at all. It is gone. Canadian consumers are paying at least $440 million too much for their gasoline today because the statement made by the Hon. John Turner turned out over time to be false. Did he behave any differently from his colleague in the cabinet, the minister who succeeded him as the minister of finance, the Hon. Donald Macdonald? He is the fellow who, on September 13, 1973, unilaterally imposed a 40-cent export tax on every barrel of crude oil exported from Canada. He said that was to put in this two-price system. Then when the provinces objected he said on December 13: Well, we are going to give 50 per cent of that tax back to the oil-producing provinces and the rest will be invested in the industry, likely through a national oil company. Just two weeks later, on December 27—in between Christmas and New Year's which is guaranteed to be a time when most people will not notice—the export tax will rise to $6.50 a barrel and the commitment to return the tax revenues to the provinces will end when the tax technically ends and is replaced by a charge.

That is the kind of "honourable behaviour" you get from Liberals. They said: "Look, we made you a promise that we will share the export tax with you; the tax is ending on February 1 so there is nothing more to share. By the way, however, on the same day we are putting on a charge and we are going to keep it all ourselves." They changed the name from "tax" to "charge" and used that as justification for violating a commitment. Then they wonder why, Mr. Speaker, they have this legacy of mistrust, federal-provincial conflict, this ongoing battle between Ottawa and the provinces and the seeming inability of the federal and provincial governments to reach an agreement without having a battle first.

Mr. McDermid: You cannot trust a Grit.

Mr. Andre: You cannot trust Liberal governments. They break their promises, break their commitments, and tear up agreements one after the other.

Is this minister any different? Let us look at a recent interview, April 2, 1982, on "Canada AM". The minister was asked by CTV interviewer Pamela Wallin:

CTV: The taxpayers in this country pay more than $6 million a day to subsidize oil imports yet, now to solve a problem, we have to increase our exports?

MR. LALONDE: Now whatever we export is charged, there is a tax charge and the revenues coming from that export charge help in reducing our cost for the imported oil.

That statement, Mr. Speaker, is false. Not one penny from that export charge goes to help reduce the cost of imported oil. But it enabled the Minister of Energy, Mines and Resources to get out of a tight question in that interview, and that is what is important. The truth is not important at all. What is important is to get out of a box, and if you have to sacrifice truth in order to do that, so be it. Truth is not a commodity valued by the minister or this government.

This petroleum compensation charge, Mr. Speaker, was introduced by the government to give us a made-in-Canada price and supposedly result in Canadians paying less for their gas and oil. Our party recently did a survey of the price of gasoline in major Canadian and American cities. We compared the price in Toronto and Buffalo; Halifax and Boston; Vancouver and Seattle; Winnipeg and St. Paul, Minnesota, and Edmonton and Houston.

• (1530)

We are told by the Liberals that Canadians are protected from world prices because of the so-called made-in-Canada pricing system. That is what the minister tells us. That is what this government promised in the election campaign. Prices in the United States are deregulated. The Americans pay full price. They are not protected on the marketplace by their government. The world price dictates their price for gasoline and oil. With only one exception the price of gasoline in Canada is higher than in the United States.

Mr. Kelly: Why?

Mr. Dinsdale: Because of government mismanagement.

Mr. Andre: The member on the other side asks why. He is from Ontario. The answer is very simple. In March, 1982, the typical average price for gasoline in Ontario was 40.8 cents a litre. The provincial tax was 6.6 cents a litre. The federal tax was 14.1 cents a litre, or roughly the equivalent of 60 cents a gallon. That is an awful lot more than a tax of 18 cents a gallon which the Liberals said was so outrageous.

Mr. Kelly: What is the state tax?

Mr. Andre: I have just explained to the member on the other side that 6.6 cents a litre was the Ontario provincial tax.

Mr. Kelly: What about New York state?

Mr. Andre: The federal tax is 14.1 cents a litre, which is more than twice as much as that charged by the government of Ontario. The Alberta government receives 6.9 cents in royalties, and the cost of crude excluding royalties and taxes paid is 3.2 cents. The leader margin is 2.2 cents. The oil company share for refining, marketing and distribution is 7.8 cents. Therefore, when you fill up your car with gasoline in Ontario,

68 per cent of what you pay goes in taxes. That is two thirds of the cost. If you pay $15 for gas, $10 of that goes in taxes.

Mr. Kelly: What is the New York state tax? Be honest, Harvie.

Mr. Andre: The Liberal member opposite says be honest. That is like a pyromaniac saying "Don't play with matches".

Some hon. Members: Oh, oh!

Mr. Andre: The hon. member should remember all the way back to the 1980 election when we heard "Vote Liberal and we will keep the tax down. No way will you have to pay 18 cents tax on a gallon of gasoline; we will keep the tax at less than 14 cents a gallon." That is what his leader said.

Mr. Taylor: That is what Kelly said too.

Mr. Kelly: Tell us the American price.

Mr. Andre: Mr. Speaker, if I thought the hon. member's ears were open as wide as his mouth, and if I thought there was something between those ears, I would be willing to devote some time and energy to helping him.

Mr. Kelly: Just give us the facts.

Mr. Andre: I will be finished with my remarks in a moment. The hon. member will have an opportunity then to participate in the debate, although I doubt it.

Mr. Kelly: Come on Harvie, give us the facts.

Mr. Andre: Apparently the hon. member opposite would like to speak, so I will give him the floor.

Mr. Thomson: Tell the hon. member to get up on his feet and speak.

An hon. Member: He is chicken.

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Ouellet: Question.

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Ouellet: There are no more speakers. Has the hon. member finished his speech?

Mr. Andre: No.

Mr. Ouellet: Then stand up.

The Acting Speaker (Mr. Ethier): If we can have order, the hon. member for Calgary Centre (Mr. Andre) has the floor. I invite those who do want to participate in the debate to rise in their places so they can be recognized. The hon. member for Calgary Centre.

Mr. Andre: Mr. Speaker, if the hon. member for Scarborough Centre (Mr. Kelly) would like to speak, I am quite willing to yield the floor to him. He is barracking and yelling from his seat. I thought he wanted to give a speech.

Mr. Kelly: Give us the facts.

Mr. Andre: There he goes again, Mr. Speaker. I will yield the floor to him if he insists on speaking.

The Acting Speaker (Mr. Ethier): Order, please. Perhaps hon. members could grant the usual courtesies to members who are recognized. At the moment the hon. member for Calgary Centre has the floor.

Mr. Andre: Mr. Speaker, as I was indicating—

Mr. Tousignant: Even if you have the floor, you don't have to utter any insanities.

Mr. Andre: Now we have another member who wants to speak. If he wants me to complete my remarks first, that is fine, but if he wants to speak now, then I will yield the floor to him and I will carry on with my remarks after he has finished.

Mr. Keeper: Hon. members over there can't take the heat.

Mr. Andre: First, by this amendment we seek to impose a limit consistent with all of the solemn promises made by the Liberal Party in the 1980 election. Second, through Motion No. 5 we seek to limit this tax only for that purpose. That is the intent of these two motions, which is then consistent with Liberal Party policy and commitments. If in fact the Liberals would like to live up to their commitments, they need do nothing more than vote for these motions and they will be honouring all of the commitments they made to the people of Canada.

There is one other item related to this petroleum compensation charge which should be brought to the attention of the House. It concerns the manner in which it was brought in at the outset and the manner in which it is accounted for in the accounts of Canada.

Let me deal with the manner in which it was brought in. The original petroleum compensation charge was introduced as a levy for the purposes of subsidizing Syncrude production. The House will recall that when the Syncrude agreement was reached, it was agreed to pay Syncrude world price for the synthetic crude that would be produced from that plant. That meant, therefore, that there had to be some subsidy for the synthetic crude to bring it to the lower level that was prevailing for Canadian crude. To achieve that the Petroleum Administration Act was introduced, which created a refinery gate levy, the proceeds of which subsidized the synthetic crude. That levy was brought in as legislation that had first, second and third reading. The money collected went into a special fund. This money was dedicated solely to subsidizing Syncrude production. However, the limit in terms of how much this levy might be turned out to be unsatisfactory. This should have necessitated an amendment to the legislation.

On July 11, 1980, however, the Minister of Energy, Mines and Resources tabled a piece of paper which he called a notice

of Ways and Means which raised this levy. This was an incredible procedure. The levy was brought in by legislation, but suddenly, in a piece of paper that was tabled in the House of Commons, the minister raised the levy. This was not a tax nor was it a budget statement. In fact, there was no statement. He just tabled a piece of paper indicating that the price would go up. It was incredulous, it was unbelievable.

• (1540)

We raised a point of order and the Chair said that it was a legal matter on which it could not judge. We sought a legal opinion and were told by legal counsel that what the minister had done was illegal, which confirmed our opinion. However, to pursue it through the courts would cost several tens of thousands of dollars, which unfortunately I do not have; in any case, it might end up with a Pyrrhic victory because the government might come along and retroactively make legal what was illegal. We have this incredibly arrogant attitude. The country is sick when the government blatantly, openly and with impunity breaks the law, which is exactly what the minister did, and apparently there is nothing we can do about it.

Just a few months ago I asked a legal officer of the Department of Energy, Mines and Resources in committee how the levy was changed or raised by just tabling a piece of paper, because it was not a tax and there was no tradition for doing so. He said that it was basically a tax. Then I asked why there was no Ways and Means motion preceding it in the first place, and he said that it was a procedural imperfection. Just like that, what had not been a tax became a tax! Is that not an absurd, asinine way to run the country? We are without any weapons to hold the government to account, to have it obey the law. Now it is a tax; suddenly it was changed from a levy into a tax. Because it is a tax the government has the ability to change its levels by tabling a piece of paper called a notice of Ways and Means.

Now it is a tax. Well, a tax is something which goes into the consolidated revenue fund and is accounted for through public accounts. Then expenditures by government through the blue book are funded by drawing on the consolidated revenue fund. Okay, we say that perhaps it has changed names and become a tax, but at least we have the knowledge that it goes into the consolidated revenue fund, that when it is spent it goes through the estimates procedure, that supply must be approved by the House, and that at least we will have an open and honest accounting of what is going on. Not at all, Mr. Speaker. When it comes to accounting, it goes back to becoming a levy.

How does the government do that? It is very simple. Referring to page 7-2 of the estimates for 1982-83, there is a line entitled "Payments to refiners and other persons who import crude oil and petroleum products", which shows $2,974,800,000 or almost $3 billion worth of expenditures. If we look down the list, we see another line entitled "Petroleum Compensation Revolving Fund", which shows a negative expenditure of $2,974,800,000. In other words, it is a revenue item in the expenditure accounts which cancels out the other expenditure. What effect does this tax and expenditure have on government spending? Nothing, zero; it does not show up.

When the Blue Book is presented, as it was at the end of February, the government has a lock-up for the media. Members of Parliament are not allowed in the same lock-up because we might talk with members of the media. Just the media is present, and high-priced officials prepare press documents for them. Then they announce to the world that government spending this year has risen 16 per cent over last year. This information goes out in all the stories over national television. This is what the people of Canada are told, and they believe it because their government tells them. In fact, if the government had not cooked the books with this little negative expenditure, spending had risen 22 per cent. We were deceived about this $3 billion expenditure.

It is a tax if they want to raise it, but when they have to account for it, it goes back to becoming a levy. If they do not want it to show up in government spending, they enter a little negative expenditure item so that a number is produced which looks nice and they can stand there and say, "We are restraining government expenditures; are we not good boys and girls?" If a private business tried that kind of creative bookkeeping, it would be in big trouble with the regulatory authorities. The Government of Canada does it all the time.

What, pray tell, can we do to keep the Government of Canada honest? Is there not a mechanism available to Members of Parliament to keep the Government of Canada honest, to keep it from cooking the books, and to keep it from changing taxes to levies and back to taxes at will, whenever it feels like it, so as to confuse?

Anyone who is concerned about what the government is doing with this petroleum compensation charge and the manner in which it has abused the House, the country, the electoral process and all of us who call ourselves politicians, by putting all of us into disrepute by its constant violation of promises, constant misinformation and distortion of the true facts of the situation, would join with us in voting for Motions Nos. 4 and 5 and in helping improve this legislation in just that little way. They do not cover everything that is wrong with the legislation—far from it. They certainly do not cover everything that is wrong with the National Energy Program—far, far from it. But at least it is a small step in the direction of being honest with the public of Canada and in fact doing what was promised in the first instance.

Before resuming my seat, let me indicate that this limiting of the petroleum compensation charge to a maximum of the equivalent of 18 cents per gallon will not result in any real loss of legitimate treasury funds because, if the government were to keep its promise that the export charge is to be used for import compensation, if the government were to keep its promise that the excise tax on gasoline would go toward import compensation, and if it directed the petroleum compensation charge toward import compensation, there is more than enough money to compensate imported crude oil so that we have a one-price system across Canada.

• (1550)

In no way can this motion be construed as somehow causing the government to be forced to dip into non-petroleum revenues in order to subsidize consumption in this country. All that this motion would do is cause the Liberal government to live up to its promises and nothing more. I do not believe this is an outrageous step to ask members of the Liberal Party to take, to live up to their promises—or at least this one promise.

Mr. Kelly: Mr. Speaker, I rise on a point of order. May I be permitted to ask a question of the hon. member?

The Acting Speaker (Mr. Ethier): This can be done with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Kelly: I have two brief questions. The first question relates to the respective gasoline prices of the two nations which figured rather largely in the hon. member's speech. What is the difference in price and what accounts for that difference? I would hope that in answer to the second question the hon. member would do more than just repeat the prices or the price content of Canadian gas at the pump and would instead give a breakdown of the American prices so that we can see exactly what accounts for that price differential.

Mr. Andre: In the United States, as in Canada, every state or province has its own taxing scheme and it is therefore difficult to give a universal number. Unfortunately, I do not have the document. My colleague from Calgary South (Mr. Thomson) has a copy of the document which has complete comparisons. We will be pleased to send a copy to the hon. member.

However, in order to take into account the very factors which he has talked about, we conducted a survey for several months of comparable locations across the United States. We have investigated Massachusetts, New York, Washington, Minnesota and Texas to examine the comparables. Here is the document. For example, in Seattle, Washington, the price of gasoline is 39.5 cents per litre. That is Canadian cents. In Vancouver, the price is 43.6 cents a litre. The hon. member is correct that British Columbia has road taxes, but so does Washington.

Mr. Kelly: What are they?

Mr. Andre: I do not know what the British Columbia taxes are either. What difference does it make?

St. Paul, Minnesota charges 41.3 cents per litre, and Winnipeg charges 39.9 cents per litre. It is higher in Minnesota than in Manitoba. In Buffalo, New York it is 39.5 cents while in Toronto it is 38.8 cents. Therefore it is a little bit more.

Mr. Kelly: What are the Toronto figures?

Mr. Andre: As of April 5, Toronto was 38.8 cents. We know it has gone up since then. In Buffalo it is 39.5 cents.

Mr. Kelly: Does that include *ad valorem* taxes?

Mr. Andre: I will send the hon. member the document if his research department is not able to make those phone calls.

Mr. Ouellet: It is cheaper in Canada.

Mr. Andre: That must be put in context with the promises made by the Liberal Party that in no way, shape or form would we be paying world prices and that we were going to be protected with oil prices much lower than world prices. The Americans are paying world prices.

Mr. Ouellet: No.

Mr. Andre: Where there is a difference, I would like the Minister for Consumer and Corporate Affairs (Mr. Ouellet) to check—

Mr. Ouellet: He knows they are not paying the world price.

Mr. Andre: He says they are not paying world prices in the United States.

Mr. Ouellet: Check what they are paying in Europe.

Mr. McDermid: That has nothing to do with it. The problem over there is that they do not understand the business.

Mr. Andre: Mr. Speaker, the minister said that the United States is not paying world prices. He must be talking about the united states of eastern Slobovia, because in the United States of America they are definitely paying world price for crude oil. The difference is that in Canada the government has loaded up huge taxes. The minister says that they have done so in Europe. They have certainly done that in some European countries but those governments are not standing up at the same time and saying they are protecting their citizens from world oil prices, the terrible oil companies, the Arabs, Venezuelans and Mexicans who want to charge so much. At least European countries are honest enough to say that they have to conserve and so they are raising the price to that very high level in order to achieve conservation.

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

The Acting Speaker (Mr. Ethier): The question was posed by way of a point of order. Unanimous consent was given. I think we have no choice but to hear out the hon. member for Calgary Centre. I will hear the point of order after he is finished.

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

The Acting Speaker (Mr. Ethier): It is very difficult to recognize the hon. parliamentary secretary on a point of order. Unanimous consent was given on a point of order for the purpose of asking a question which the hon. member for Calgary Centre is in the process of answering. There is no way I can entertain another point of order at this time.

Mr. Andre: The reality is that the difference between Canada and the United States with respect to the price at the pump, where it counts if you are a consumer, is that we are in

fact paying the equivalent of world price at the pump. The difference between the United States and Canada is that the Canadian government has loaded the price up with taxes while the United States has not. It perhaps might be forgivable for the Canadian government and provincial governments to have loaded up with taxes if there was at least the decency to be honest about it. They should at least have had the decency to be honest and to say it was putting on these taxes for those reasons. But it certainly is an affront to decency and an affront to the House for the government, its spokesmen, minions and ministers to stand up and say they are protecting Canadians from world prices through the made-in-Canada price. Nothing could be further from the truth. It is not protecting anyone from anything. It is, in fact, bleeding the consumers for the benefit of the treasury in a dishonest way.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I am pleased to rise to speak to this bill. I have heard this controversy between the Conservatives and the Liberals over oil prices for some time. Last weekend I attended a reunion of high school friends in Perth, Ontario. Most of the people there were from Mississauga, Oakville or west Toronto. It was very interesting to talk to those people. They are family people who are in their middle and late thirties and hard working. Frankly, they think we in the House of Commons are crazy when they see us yelling at each other and making great unsubstantiated charges. They are also worried about high prices and would like us to do something about them.

• (1600)

When I heard the last hon. member go on to rail about the opposition and when I heard the replies, it reminded me of a quote from Macbeth:

Life's but a walking shadow, a poor player
That struts and frets his hour upon the stage
And then is heard no more. It is a tale
Told by an idiot, full of sound and fury,
Signifying nothing.

Instead of some sound and fury, today I would like to try to give some facts concerning the petroleum compensation charge and blended oil policy. I notice that the critic for the Conservatives has left so I hope some of his colleagues will take this message to him, because I want to compare Liberal and Conservative oil prices right now, and I would like the other parties to reply, if they can.

As of June, 1982, the Liberals' blended or consumer price per barrel is 75.8 per cent of world price. A blended price is taking Canadian oil, which is lower than world price, and world price oil, which we have to import because we do not have enough Canadian oil. We exported most of our cheap oil in the early seventies, adding on the various taxes, levies and charges, and then blending them all together and getting a price at the pump. The Liberals promised that the blended price would not exceed 85 per cent of the world price.

The Tory budget of 1979 promised that the Canadian price would not exceed 75 per cent of the world price from 1979 to 1982 and 85 per cent of that price from 1983 to 1984. The Conservatives also added an 18-cent a gallon excise tax on the gasoline. What we must remember is that it is a wrong impression when my friends to my right, the Conservatives, say: "Well, we were just putting 18 cents on". They put 18 cents on right away and then they were to make an agreement with Alberta and the other producing provinces and the price would have gone up and up. Likewise, the Liberals have made an agreement with Alberta and the other producing provinces which also makes the price go up and up.

I stand to be corrected, if I can be, but my comparison shows that as of June, 1982, this month, Liberal prices are approximately 41 cents a litre for regular gasoline, amounting to $1.85 a gallon. That varies slightly, up and down. Conservative prices would have been 42.8 cents a litre, or $1.92 a gallon. Therefore, it seems to me that the Conservative gasoline prices would be 7 cents a gallon more than the present price.

Mr. McDermid: Talk about home heating oil.

Mr. Waddell: The hon. member asks me about home heating oil. I think the Conservative price for home heating oil would have been less than the present Liberal price, because there was no 18-cent a gallon excise tax on that.

Mr. McDermid: And gas?

Mr. Waddell: It may have been slightly less than that for natural gas. But the point is—

Mr. McDermid: The point is—

Mr. Waddell: Wait a minute. Perhaps the hon. member would let me finish. The other point one must consider in the equation is that the Conservatives also promised an energy tax credit which would have given some money back to low and middle-income families, although we really never knew the nature of the credit. That must be considered. But the point is that both the Liberal and Conservative Parties are high-cost parties. They are approximately the same. So to spend 20 hours slinging darts or arrows at each other across the floor of this chamber is rather useless, it seems to me. The consumers are still getting hosed and there is nothing to help them.

The hon. member who spoke for the Conservatives tried to put blame on our party for breaking contracts. We never suggested breaking any contracts. In July there is to be another increase to $2.25 a gallon for gasoline. We said that that increase need not come, that there could be negotiations with the provinces to stop that increase and to give the consumer a break. That is what the consumer needs, a break. We gave the oil companies a break the other day. We gave Imperial Oil and its friend $2 billion and we gave them a break. We could find that money. This is what *The Globe and Mail* had to say about that in its article on June 3: "Imperial Oil Limited of Toronto is one of the big winners in the federal petroleum industry relief package." Sure, some small industries benefited and they needed to benefit from that, but the big boys also benefited. They were not happy. Shell's reaction was this, according to the Canadian Press: "Shell Canada

Limited said Ottawa's $2 billion aid package for the industry is modest in scale and temporary in nature and will not significantly increase exploration in western Canada".

When I met with my friends this weekend at our reunion, as I mentioned, they asked me how the government could find $2 billion for the oil companies. They said, "The government is not taking any action against bank profits and we do not get anything. Our oil prices have gone up a great deal." As a matter of fact, they were right; their oil prices have gone up an average of 30 per cent in the last year. I have in my hand some statistics. The price of home heating oil went up from $770 a year to $1,100 for the average family. The price of gasoline, as I said, went up from $730 to $945 for the average motorist. That is substantial.

Mr. McDermid: Who gets most of it?

Mr. Waddell: My friend asks who gets most of it. Well, the industry gets a lot of it and I will tell hon. members why.

Mr. McDermid: Most of it.

Mr. Waddell: The government gets a lot of it, too. The industry gets most of it because it found oil when it was really cheap, $2 a barrel, and now it will sell that oil on the market for $30 a barrel. So they are getting a windfall there. There is no doubt about the fact that they are getting the money.

Who else is getting money? The federal government is getting money. The hon. member and I will agree that for the Minister of Energy, Mines and Resources (Mr. Lalonde) to stand up in this House and say that it is all the fault of the provinces is sheer nonsense. There is a federal excise tax. As the hon. member for Calgary Centre (Mr. Andre) pointed out, the government extended that tax. The minister could cut back that tax if he wanted. The provinces, too, are villains. The Government of Ontario, the hon. member's province, tagged on an *ad valorem tax*. It got into the grab for money, too. The governments are grabbing the money, the oil companies are getting some money and the consumer is getting hosed. It seems to me that the facts are there.

I have in my hand a list of price increases under this Liberal government which I would like to read, but I get tired when I read it. There were two increases on August 1, 1980. There were increases on October 28, 1980, November 1, 1980 and two increases on January 1, 1981. There were increases on March 1, 1981, May 1, 1981, and two on June 3, 1981. There were increases on July 1, 1981 and September 21, 1981. The list goes on and on.

Mr. McDermid: Keep reading.

Mr. Waddell: The price of oil has risen from $14 a barrel to $30 a barrel. We know two things. We know that Canadians were living in a bit of a fool's paradise in the sense that we had oil prices which were too low. We know that western Canada is entitled to adequate compensation for its oil and gas resources. We knew the prices would rise. We should be honest with the people and tell them what they will rise to and let us not pretend, as the Liberal Party is pretending—

Mr. McDermid: The Tories told them.

Mr. Waddell: The Tories were not being honest. I just pointed that out.

Mr. McDermid: Oh yes, we were.

Mr. Waddell: Well, the hon. member has listened since the beginning of my speech and can reply to it. The impression I get from this debate on Bill C-103 is that the Conservatives are saying, "We would have put on only an 18-cent a gallon tax." That is not true. They would have put substantially more on. As a matter of fact, as I have said, their price would have been 42.8 cents a litre today.

The Liberals made a promise that we would have low oil prices and they broke that promise. They are not, perhaps, being straightforward enough to say so. I will give Your Honour an example of where they are not being straightforward. The headline of an article from *The Citizen* dated March 2 states, "Lalonde offers hope of cheaper gas". That is what the Minister of Energy, Mines and Resources said. He said that Canadians may get a slight break at the pumps because international prices are going down and the government might consider reducing the special tax it levies to subsidize gas prices in eastern Canada. That is the petroleum compensation charge that we are debating today. Then last week, when he gave $2 billion to the oil industry, the minister said that the consumers will not benefit. I meant to say that he said the consumers will not hurt. They will not benefit, obviously, but they will not get hurt. He said there would be no change for the consumer. He did not say to forget about cheaper gas. The money being collected under the petroleum compensation charge will be in surplus. It could have gone to reduce the charge to the consumer. However, it will stay as a tax and the consumer will not get a break. Only one journalist, Les Whittington of the Ottawa *Citizen*, picked up what was happening to consumers. The rest of the press were misled by the slick press releases of Energy, Mines and Resources.

• (1610)

We have two parties essentially the same when it comes to oil prices, both protesting too much that they are low-priced parties. There is no relief in sight for the consumers. They will have a 30 per cent increase on their energy bill, and nothing to shield them from the worst.

There could have been a reduction in the petroleum compensation charge, but the minister will not do that now. The money will go to the industry. It will go to the industry because of the change in the price of oil, old oil discovered between 1973 and 1981.

Instead of the old oil price, it will be called an old-new price and they will almost get the new reference price. It sounds like mumbo-jumbo. It is an increase in price. It has to come from somewhere. It will come from the government forgoing lower prices to the consumer.

The government has to forgo other things as well. It will drop $25 billion in projected revenue because of the decrease in world prices and consequently the take for the government. That means the government will ultimately have to tax personal taxpayers more or forgo social programs. Either way the consumer gets hosed again. The consumer will get hosed at the gas pump, in his hydro bills, tax bills, and social programs. It is tough for the consumer.

I get back to my friends at the reunion. They need a little help. I will end on a positive note. The government could look at the petroleum compensation charge and at the agreement with the producing provinces. It could go back to Premier Lougheed and say that when the Prime Minister (Mr. Trudeau) and Premier Lougheed made their champagne toasts over the oil price deal, clearly the small oil companies were stuck; and now that we have helped them, how about helping the consumers?

If the federal government cannot persuade Premier Lougheed, Premier Devine and Premier Bennett, then it should forgo its share of the new price increase coming in July. It would be a break, albeit a small one, for the Canadian consumer. The consumers are getting hosed and they need a break. That is what we should be debating here today instead of hurling insults at each other.

Mr. John Thomson (Calgary South): Mr. Speaker, the hon. member for Vancouver-Kingsway (Mr. Waddell) said that we were not honest with the Canadian people as to the prices they were going to have to pay for gasoline, heating fuel and natural gas.

Mr. Waddell: Now, not then.

Mr. Thomson: We were completely up front with the Canadian people. We were completely up front with the Canadian people in the Crosbie budget. We said exactly what we would charge in terms of a gasoline charge and exactly that the consumer would have to pay for home heating fuel and natural gas. We told the Canadian people the prices that would be paid for crude oil over the next four and a half years.

We were completely up front, completely honest and open with the Canadian people, as distinct from the point made by my colleague for Calgary Centre (Mr. Andre) with regard to the Liberal government. This government was completely dishonest. It misled the Canadian people. It is quite unfair for the member of the New Democratic Party to put us in the same boat with the Liberal Party.

Mr. Waddell: I am talking about now, not then.

Mr. Thomson: The Liberal government prices for heating oil are much higher than those introduced in the Crosbie budget. Natural gas prices are also much higher. We had an energy tax credit for all low and middle-income families in Canada. There is no such tax credit offered by the Liberal government.

If the hon. member wants to talk about fairness, let him be fair and put all the facts on the table, not just those facts he wants to impute to us which put us in the same boat as those rascals across the way.

Further, the oil industry in this country would not now be lying devastated and in ruins had we followed the 1979 Crosbie budget instead of the Natural Energy Program we have today. Alsands would be two years further down the road. We would be well on our way toward an additional 260,000 barrels a day of oil and oil self-sufficiency in this country. If the hon. member wants to tell the truth, he should tell the whole truth and not just part of it.

The other night the Minister of Energy, Mines and Resources (Mr. Lalonde) went to great pains to tell Canadians what a great thing his National Energy Program was. He said that it was working beautifully for everyone, that it was glorious and that we were well on our way to energy self-sufficiency. The minister said that we have low prices and that Canadians have the best of both worlds. Why? Because of his National Energy Program, which he says has been glorious. He failed to mention, however, that it has caused a good deal of our unemployment problems. He conveniently forgot that it has contributed in no small way to high interest rates in this country.

More than anything else, the Liberal government and the Minister of Energy, Mines and Resources do not understand that because of the National Energy Program, investors do not trust the government any more. They do not trust it because it has changed the rules in midstream. It has confiscated the assets of investors. Therefore, they do not believe the government.

For quite a few years before becoming a Member of Parliament, I was in business. Like most businessmen, I guess, I made a few mistakes here and there, perhaps more than some. I was in the oil well drilling business. I could drill 100 wells per customer and not make one single mistake. Every well would go according to program. One day I drilled a bad well. The 101st well was a bad one. We had problems, some within my control, some not. However, I was always remembered by that customer, not for the 100 good wells but for the one bad one.

That is the problem which this government and other governments face today. Investors do not trust it. Why would anyone want to invest in Canada when this government has confiscated the assets of people and changed the rules in midstream? It expropriated their assets. The Minister of State for Finance (Mr. Bussières) shakes his head and says they did not confiscate anybody's assets. What about when the government backed in to the Canada lands for 25 per cent? That is expropriation. That is what investors call it. Expropriation, without compensation; that is confiscation. Why would someone not invest in Canada? Investors do not have faith in us, that is why. They do not believe what this government is saying.

• (1620)

It has diminished cash flow. People invested their money in Canada to expolore for oil and gas. Then two levels of government come along once they find oil or gas and they take all

their money away from them. They do not leave anything that gives them a decent return on what they have already invested. It is a sad thing today.

The reason the National Energy Program, for some Canadians, seems to have sold so well is just that the oil companies seem to be bad guys. They are the scapegoat, so then the National Energy Program must be good. That is the tragedy. Most Canadians automatically think that Imperial Oil, Shell, Gulf are ripping the people off; therefore Petro-Canada must be good. What a sad, sad story.

The people of Canada put up $600 billion of their hard money for the privilege of buying their gasoline at Petro-Canada stations. Do they get it any cheaper? Is one cent a gallon any cheaper? No, they pay the same. But that is only the half of it: there is no return on that $6 billion, either. It is just going down the tube. Petro-Canada came out with a great big statement saying how much money they have made. Any other company in Canada that made as little money on $6 billion as Petro-Canada makes would not be in business, let alone have anyone investing in it. Petro-Canada is a criminal abuse of taxpayers' money, and Canadians will have to wake up and understand that that is what is contributing to the high interest rates.

Where do hon. members think the Government of Canada is getting that $6 billion? Do they think they just manufacture it out of thin air? They had to go out and borrow it, because the Government of Canada could not tax the people enough to pay for it. When you go out and borrow $6 billion, you have to pay the going rate of interest.

Interest rates, whether we like it or not, are a function of supply and demand. If you buy a car or a house today, or if you buy food for your table, what you pay is a function of supply and demand, and interest rates are just that. So the $6 billion that is being poured into Petro-Canada is causing the Canadian people to pay 17 per cent, 18 per cent, 22 per cent rates of interest today on their homes and cars and credit cards.

We are not going to get this country back on the rails until governments, and particularly the federal government, recognize one fundamental issue, that until you have investor confidence people will not invest. When you do not invest, not only are we not creating jobs for ourselves, but we are not creating jobs for our kids. We are losing jobs because people are taking capital out of the country. Ten billion dollars went out of Canada last year, $10 billion that could have created 200,000 jobs.

Until the federal government and other governments recognize the investor and treat the investor fairly, we will not create jobs, we will have further unemployment, we will have higher interest rates.

As for the National Energy Program, or the update thereof last week, I said that the minister seemed to blow his horn, trying to tell the Canadian people what a glorious success this had been and what the National Energy Program had done for all Canadians. But if you do not have the cash, you offer some incentives, some modification to the program. For example, for the small Canadian oil or gas company the government offered a credit against the PGRT of $250,000 a year. That is quite a bit of money: it represents one 5,000-foot dry hole.

An hon. Member: They don't even know what that is.

Mr. Thomson: That is what $250,000 will buy you, Mr. Speaker. We have 400 oil and gas companies in western Canada, so we can drill 400 more dry holes a year. We cannot complete them, but we can drill them.

People are not going to drill. Taking a man's cash flow away from him is like walking into your neighbour's house and stealing his silverware, and then coming back and saying: "I am sorry, here is your silverware back that I took last week".

The point is that the oil and gas industry does not have the available cash flow to go out and drill for new oil today. The new oil prices are attractive, I grant you that, and some of the incentives are attractive; but you must have the cash in the first place to go out and drill for that new oil. If you do not have the cash flow, you are not going to do it.

Apart from the petroleum and gas revenue tax relief of $250,000 a year for each individual oil and gas company for a period of four and one-half years, apart from that one tax concession, all of the other concessions were made for a period of one year. When you go out to look for an oil and gas well that you hope will produce for 15 years, or perhaps 20 years in the case of gas, you do not predicate your investment decisions on one year. When you are going to invest the kind of money that it takes to find an oil well or a gas well, you predicate that investment on a tax regime that will be in place for at least the term of payout, which is at least seven, eight or ten years. How can investors have any confidence in a program or a tax modification which amounts to saying: "We will change it for a year, then we will have a look at it, and if we do not like it we will change the rules back again". How can you reasonably expect any investor to have confidence in such a program? It is ridiculous.

The devastation the government has caused in the industry in my province, Alberta, by virtue of the National Energy Program is really sad. Here was an industry that was providing jobs not just for the people in Alberta, but it was the only industry that could have helped Canada through this period of recession. I do not say it would have solved all of the problems, by any means, but it certainly would have helped. Many people who do not have jobs today would have jobs. It would not have solved our high interest rate problem, but our interest rates would not have been quite so high without the National Energy Program.

For every $100 that is spent in the oil and gas industry in Alberta, only $29 stays in the province; $71 goes to other provinces. And $41 of the $71 goes to the province of Ontario alone. For every one job that is created in the oil and gas industry in Alberta, two jobs are created in the province of Ontario.

• (1630)

What this government has done has caused sadness not just for Albertans but for all Canadians. I keep asking myself whether it was by design or by accident. Was it the deliberate intention to destroy the oil and gas industry in this country, or was it just because hon. members opposite did not know any better? I see my hon. friend smiling. Has he asked himself that question? If it was done by design, I think that is pretty frightening.

Mr. McDermid: All the jobs lost in Quebec, and he laughs.

Mr. Thomson: My hon. friend laughs at that proposition.

Mr. Collenette: Be serious.

Mr. Thomson: Since I came here three years ago it has been my understanding that the fondest hope of the Prime Minister (Mr. Trudeau) and the Liberal government and one of the Prime Minister's cherished dreams was to unite this country. I tell my friend that he has done more in the last three years to take this country apart than has been done in the last 15 years.

Mr. Collenette: Rubbish.

Mr. Thomson: The sad part of it is I do not think my friend even knows what he has done; nor does he have any appreciation of it.

Mr. Irwin: What have you done in this country other than spread that type of nonsense?

Mr. Thomson: What have I done?

Mr. Lewis: Want an election?

Mr. McDermid: Right now!

Mr. Collenette: Nineteen eighty-four.

Mr. Thomson: If we were the government today, we could put this country back together on a solid footing, which is something that hon. member does not have the courage to do. Hon. members opposite do not have the necessary gumption; nor do they understand the problem.

Mr. Collenette: You gave away the store.

Mr. Thomson: This afternoon we are debating Bill C-103, which is part of the National Energy Program. It is a bill which will completely overhaul the Petroleum Administration Act and change its name to the Energy Administration Act. The maximum allowable oil export charge will be raised to $55 a barrel. The charge will be determined by the Department of Energy, Mines and Resources instead of by the National Energy Board. We set up the National Energy Board to look after these determinations for us, but the government does not like that. The government does not like the independence of the National Energy Board. We gave the National Energy Board too much authority, so we are going to take that away so that the minister can set these charges by order in council. The government will be permitted to return 50 per cent of the proceeds to the producing provinces if it sees fit.

A transportation fuel compensation recovery charge can be applied to all aircraft and ships leaving Canada. In practice, the charge will no longer be applied to foreign aircraft companies. A petroleum compensation charge can be levied to a maximum of about $12 a barrel in order to pay oil import compensation. By the insanity of our National Energy Program we are importing 400,000 barrels of oil a day into Canada, and we have 300,000 barrels of oil shut in in western Canada trying to find a market. We are paying $40 a barrel every day for 400,000 barrels while we have 300,000 barrels in the ground out in western Canada. What kind of absolute irresponsibility is that? It is just incredible. The government says we have commitments to foreign suppliers. Perhaps we have, but how long would we be paying for foreign oil imports if the compensation charge was reduced? At the same time, surely to goodness, could we not reasonably expect that the government would not mind allowing western Canada to sell 300,000 barrels of oil to the United States? The United States is importing 5.5 million barrels of oil every day, 300,000 barrels of it from western Canada. But no, the government thinks we should keep it shut in. "Let's keep our thumb on those westerners; let's not give them a break."

Bill C-103 gives retroactive authority to the government to introduce a special compensation charge for any cutbacks in western Canadian oil, and the bill allows the government to levy a Canadian ownership charge to a maximum of $1.15 a barrel and to a maximum of 15 cents per MCF of natural gas. The tax ceiling would have been $4 a barrel under the previous legislation, and the proposed Energy Administration Act would establish the Canadian ownership account into which the funds would go. Further, the proposed Energy Administration Act would give the government the authority to amend the pricing terms of the Syncrude agreement.

The motions we have before us this afternoon are Motions Nos. 4 and 5, and my colleague, the hon. member for Calgary Centre, has explained the purpose of those motions. The purpose of Motion No. 4 is to reduce the maximum level of the petroleum compensation charge, in effect to 18 cents a gallon, which would correspond with the 18 cents a gallon set forth in the Crosbie budget. By passing this amendment, hon. members opposite at least would be saying to the Canadian people that they have not exceeded their election promise of 1980. I think my colleagues have explained that.

Motion No. 5 would limit the petroleum compensation charge so that it could be used only for purposes of subsidizing imported crude into Canada. It would not be allowed to be moved over to the Consolidated Revenue Fund or to be used for other purposes.

Those are the two motions we have before us this afternoon and, in my view, they appear to be quite reasonable. I see no reason why anyone should object to them.

I just want to say a further word about the National Energy Program while I have the floor. One of the stipulated intents of the National Energy Program was to provide energy security

for Canadians. I have spoken about some of the other tragedies of the National Energy Program in terms of its devastation, the unemployment it has created and so forth, but in my view the greatest tragedy to the Canadian people of all is in terms of energy security or security of supply of oil. We in Canada rely very heavily upon oil. We rely on it to the extent that over 50 per cent of all our energy consumption in Canada is oil-related. As I have said, we import 400,000 barrels of oil of the approximately 1.6 or 1.7 million barrels of oil consumed per day. We are importing 25 per cent of our oil.

Through the National Energy Program the minister told Canadians we would have security of energy supply. That is a fraud, because the National Energy Program is depriving Canadians of oil security. Our reserves are diminishing at a very fast rate. We produce about 1,200,000 barrels of oil per day out of a total of 1.6 million that we use. We import the balance of 400,000 barrels a day. Our conventional oil reserves are declining at the rate of 100,000 barrels per day per year, so in ten years our conventional oil and gas fields will be capable of producing one million barrels per day less than they are producing today. If we do not find any more oil, our conventional oil fields will only be capable of producing about 200,000 barrels of oil per day by 1990.

• (1640)

The government should tell that to Canadians. Instead, it tells people not to worry because it will be possible for them to substitute gas for oil. The government feels confident that people will conserve a lot more oil. Last year for the first time people practised conservation and consumption was reduced by 7 per cent. But the easiest part of conservation is over, Mr. Speaker, and the easiest part of substitution is over.

I say the government is practising a fraud on the Canadian people by insinuating that they will have oil security. I wonder how much of last year's 7 per cent saving was attributable to the recession? I wonder if we really conserved anything or if that 7 per cent was all due to the recession.

Assuming that oil consumption does not increase one barrel between now and 1990 and that we are still consuming 1,600,000 barrels per day then, our conventional fields will only be able to produce 200,000 barrels per day. So we must ask where the other 1,400,000 barrels will come from. Will they come from Hibernia, from the Beaufort Sea, from the megaprojects, the oil sands? The minister did not say anything about that the other night, not a word. He implied that we will be secure because the government will continue to make substitution possible. Does he mean that will come by conversion to gas, Mr. Speaker? In his wildest dreams does he believe that he is going to be able to substitute natural gas, coal and electricity for 1,400,000 barrels of oil per day? He does not have a shred of evidence to support that claim that he is willing to put before the Canadian people or this House. I wonder who we will buy that oil from in 1990? At the moment we buy from Saudi Arabia, Venezuela and Mexico. Even if they are able to sell it to us then, I wonder what price we will pay? Will it be $40 per barrel or $100 per barrel?

When we have the opportunity in Canada to be self-sufficient, why would the government introduce a National Energy Program that would deprive us of that opportunity? I cannot understand that and my constituents cannot understand it. Why would the government be so hidebound, so doctrinaire, as to introduce a program that will deprive Canadians of the opportunity to achieve self-sufficiency? No one will explain that to us.

Bill C-103 and all of the National Energy Program was never intended to come to grips with the primary goal of self-sufficiency. That is just a nice set of words used to describe the government's main intent, which was complete control over the oil and gas industry and to siphon off huge amounts of revenue so that it could continue with its profligate spending. In the forecast of revenues over the next five years the government includes $53 billion from the industry. It might not be so bad to destroy an industry if that $53 billion were used to create jobs and help bring interest rates down. But that is not the case, Mr. Speaker.

The second priority of the National Energy Program, which the government ranked ahead of self-sufficiency, was Canadianization of the industry. With the introduction of Bill C-103 and other parts of the National Energy Program, Canadians are witnessing a new era in which government not only shares the planning function with business, but where government actually makes the business decisions for the industry.

This bill, together with others, is the most massive, co-ordinated program of regulation, tax measures and other interventions aimed at moving the government to the position where it virtually controls every single aspect of the industry. We are about to see, or probably have already seen, a bureaucracy of accountants and lawyers the like of which we have never seen before to administer this legislation. By virtue of these regulations the government will control the day to day decisions of managers in the oil and gas industry. The substance of this legislation, in many cases, is such that companies and individuals are guilty unless they can prove themselves innocent. Public servants are placed in the position of making recommendations which will depend on highly discretionary choices between different proposals.

In short, Mr. Speaker, what we have is government bureaucrats who will be directly involved in commercial decision-making. I say we are dangerously close to becoming a socialist republic. In one form or another the new regulatory moves are designed to gain complete influence and control over business decisions. As I said, these regulatory measures have been co-ordinated with a host of other programs, like the changes to the tax regime which are designed radically to increase the fiscal take of the government.

It is hard to imagine the administrative burden which all these regulations will place on the industry. The cost of doing business will be increased to a staggering level—indeed, it already has been. The cost of compliance with the new information requirements for COR, PIP and PMA will be out of all proportion to the economic benefits derived. Time, manpower and money will be spent filling out forms instead of being

devoted to production activities. Rather than an oil and gas finding operation the industry will be turned into a bookkeeping operation of lawyers and accountants.

• (1650)

Let us look at what happened in 1981 as a result of the NEP. We know the industry is lying in ruins. We know exploration in western Canada has fallen by 30 per cent. We know the Cold Lake and Alsands projects are dead. We know drilling in western Canada fell from 9,000 wells in 1980 to 6,600 wells in 1981. We know that last year our imports of crude and refined products averaged 418,000 barrels a day. We know the federal government paid out $4.5 billion last year to refiners to offset the extra cost of imported crude. We know that industry cash flow declined by 35 per cent during the year, with earnings down a similar amount. We know that $10.2 billion left the country. We know that because of the government's Canadianization policy more than $7 billion of that $10.2 billion went to acquire assets of foreign-controlled companies. We know these purchases created a burden of debt which seriously hinders future oil and gas exploration and development, and they did not add one single barrel of oil to our energy reserves. We know that $3 billion left Canada to explore for oil and gas in the United States and elsewhere. These companies are exploring for oil and gas in other countries and we are still importing 400,000 barrels of oil a day. It is madness. This large outflow of capital is one of the major factors in pushing the value of the Canadian dollar to a 50-year low and interest rates to a record high.

What about the oil well and drilling rigs service industry? Here was a Canadian industry, 90 per cent owned by Canadians. What has happened to them? Twenty-three companies are bankrupt today by virtue of that government. Two hundred and twenty-seven rigs have left the country, mostly for the United States. One hundred and seven oil well servicing rigs have left the country. Of the 461 rigs left in Canada, there were 121 working last week. In June, 1980, prior to the NEP, there were 360-odd rigs working in Canada. Industry has lost 25,000 jobs. Thousands of professionals engaged in the industry have left our country, driven out by a senseless and inane government.

Is it any wonder that we see this hostility and bitterness in western Canada toward the federal government? The Prime Minister in a speech not so long ago blamed racism for the election of a separatist to the Alberta legislature. Just how far out of touch can the Prime Minister be to make such an assertion? He cannot have any appreciation whatsoever of the alienation felt by western Canadians caused by his dogmatic approach to the Constitution, the NEP and the Crow rate. The election of a separatist in Alberta has absolutely nothing to do with racism. It is a sad indictment of our Prime Minister that he should so gravely mistake the enormity of the feeling which exists in western Canada today. If he or any of his cabinet would spend even a little time listening to the people in western Canada and remove themselves from their centralized isolation in Ottawa, they might learn that there is serious—very serious—trouble brewing on the prairies. I do not say this in any sense as a threat; I say it because this government has turned its back on the people of western Canada and they feel helpless with nowhere to turn. Believe me, I have never seen the level of frustration and desperation which exists in Calgary today.

The minister of energy had a press conference last Friday. In his opening statement I read this:

> We today introduced legislation to implement the final major elements of the National Energy Program designed to give Canadians control of their energy future and ensure self-sufficiency in oil by 1990.

The people of this country do not believe that. They do not believe this government. The minister may believe it, but he is the only one. I sincerely hope the Beaufort and Hibernia will eventually produce enough oil for us to be self-sufficient. I think the potential is there, but it will not happen by 1990, and for the minister to pretend it will is a serious misrepresentation of the facts to the Canadian people and he knows better. In looking at the amendments to Bill C-103, I would hope the government will have enough courage and wisdom to accept the amendments and throw out the bill.

Mr. Norman Kelly (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I got involved in this debate earlier through a number of interjections and a couple of questions, and I want to round that off by making some brief observations. I want to restrict my remarks to the issue of price, which was raised a short while ago by the hon. member for Calgary Centre (Mr. Andre) and then commented on by the hon. member for Vancouver-Kingsway (Mr. Waddell).

I do not debate the conclusion that prices generally appear to be higher in Canada at the pump than they are in the U.S. I have heard enough evidence from learned members of this House and interested constituents to convince me of the accuracy of that observation. The point of my original interjection was to ask why the price was higher, because it was argued that the reason was the policies of this government. If you look at the price of gasoline when it leaves the refinery in both countries, Mr. Speaker, I think you will see a substantial difference. I think any objective and honest member of this House would agree that at that point Canadian prices, at about 75 per cent of the world price, are far cheaper than their American counterparts.

If that is the case, why do Canadians have to pay more at the pump than the Americans do? The answer is obvious, and in a way it was contained in the response that I got from the hon. member for Calgary Centre. It lies with the high provincial taxes that we have in many provinces in Canada. If we are looking for a culprit to blame for higher prices, and that seems to be the intent in many debates in this House, I suggest you do not have to look any further than, say, Bill Davis in Ontario and John Buchanan in Nova Scotia. Mr. Davis, as everyone knows, recently introduced a 20 per cent *ad valorem* tax on gasoline. That accounts for the higher price of Ontario gasoline compared to its counterpart in New York state. Premier Buchanan in Nova Scotia just introduced the 15-cent a gallon tax in Nova Scotia, which accounts for the higher Halifax price compared to the Boston price.

• (1700)

Having commented on the arguments developed by the Conservative spokesman this afternoon, I would like now to pass on to the arguments presented and developed by the spokesman for the New Democratic Party. First, I will comment briefly on the preface to his remarks, when he reproached us gently about the unseemly squabbling which characterized the interaction between myself and the hon. member for Calgary Centre. I could not help but smile inwardly as I compared the rhetoric with the apoplectic intervention by the hon. member several days ago when he rose continuously in this House on points of order, attempting to score points against the very member who was the object of my interjections this afternoon. Perhaps the hon. member had a brief or a selective lapse of memory when he brought the Shakespearean reproof to our attention this afternoon.

The New Democratic Party is attempting to pose as the low-price party in this House during this debate. I would like to point out that I have to doubt the honesty of that posturing and I do so based on two arguments. The first argument arises out of the fact that the New Democratic Party is, in essence, a western party. It may have an eastern leadership, but it is in fact a western caucus. I do not believe that any party that is so dominated as that party is by its western members could convincingly argue to anyone, at any time, that it could negotiate a cheaper price with the western premiers and with its western constituents than we did or the Conservatives thought they did.

Some hon. Members: Oh, oh!

Mr. Kelly: I do not buy that argument at all. I do not think anyone else who has looked through the debates of this House over the preceding two years would buy that argument either.

Second, the New Democratic Party is a very ambitious party. The members of that party have had the courage of their convictions to outline in this House, in some detail the energy policies they would execute if only, through some miracle or divine intervention, they formed the Government of Canada. If you review the list of policies which they are proposing, Mr. Speaker, you would find that they are very expensive proposals. I would ask the hon. member or the audience beyond this House how on earth the New Democratic Party expects to pay for those ambitious expensive policies. I suppose that it would not impose the cost at the pump. In not doing that, the party could lose as a low-energy-price party. But someone, somehow, somewhere, at some time, will have to pay the price of its energy policies. I would argue that if you are not paying for those policies at the pump, as we are asking the consumer to do for many of our policies, you will be paying for those policies through your taxes.

Mr. Waddell: You got it.

Mr. Kelly: For hon. members of the New Democratic Party to argue that their party is a low-energy-price party when, in fact, it would be socking it to the taxpayer for the most expensive energy policy of all the three parties constitutes, I think, a ludicrous and farcical assault on the very honesty which that gentleman attempted to bring to this debate a few moments ago.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Central Nova (Mr. MacKay)—The Economy—Query respecting contact between Acting Prime Minister and Canadian delegation at Versailles. (b) Pursuit of Canadianization policy; the hon. member for St. Catharines (Mr. Reid)—Astra Trust—Position of depositors. (b) Minister's statement; the hon. member for Vancouver East (Mrs. Mitchell)—Status of Women—Parliamentary report on battered wives—Government action.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-103, to amend the Petroleum Administration Act and to enact provisions related thereto, as reported (with amendments) from the Standing Committee on Energy Legislation, and Motions Nos. 4 and 5 (Mr. Hawkes).

Mr. John Gamble (York North): Mr. Speaker, in rising to deal with the propriety and wisdom of Motion No. 4 and Motion No. 5 placed before this House, I might comment initially upon the remarks made by the energy spokesman for the New Democratic Party, to whom I listened with considerable interest. It seems convenient for members of that party to recall part of the facts but not all. It was not until the hon. member was reminded of the specific plans we had when we formed the government to include an energy tax credit, which would have been of substantial benefit to a great number of Canadians, that reference was made to that specific proposal when he compared prices of the Liberal Party today to prices proposed when our party formed the government. We had to be reminded also that the 18-cent federal excise tax of 1979 was not to apply to home heating fuel.

The issue before the House is not to compare energy policies of 1979 with energy policies of today because the public, the

final juror in determining the merits of the 1979 tax proposals, made its decision. That decision is one we cannot question. The issue surely before the House today is whether the proposals contained within the ambit of Bill C-103 are effective in implementing a program promised the Canadian people when their votes were cast in February, 1980, and whether that program is in line with specific commitments which have been made and whether they are in order today. The answers to those questions are most definitely not so.

I can recall vividly my experience on the election platforms prior to the February, 1980, election when I was advised by my Liberal opponent that the consumer in Canada would be confronted with a blended petroleum price and that was easily explained, said he, as being a combination of three specific prices; the price for conventional crude oil, the price for synthetic crude and the price for imported foreign oil.

I raised the question at that time that one of the constituent elements of the price happened to be an unknown quantity, that of the price of imported foreign crude over which this government has no control. Under those circumstances, how could he then assure my constituents that the price which would be paid by them would be less than the price they were then paying? The promise was, "Vote Liberal and the price will stay down".

• (1710)

The one component of that composite price which was never mentioned, although it should have been obvious to all, was the petroleum compensation charge, an equalization charge which permitted Canadians from coast to coast to pay relatively the same price for a gallon of gasoline, a gallon of crude oil or a gallon of diesel fuel. We are looking at that obvious omission today, the public already having been subjected to some impositions of the same nature as those which related to the Alberta levy to compensate for a cutback by the province of Alberta in two of three stages. The crucial issue was the commitment of the current government, in the words of a specific advertisement during the time of the 1980 election in the riding of the Minister of Finance (Mr. MacEachen), to "vote Liberal and the price will stay down." What was omitted from the campaign literature was the small print, which should have read: "until the Liberal government takes office." The print was so small that it was not seen, and the public believed.

The proposals which we have before the House with respect to Motion No. 4 would have the effect of reducing the petroleum compensation charge from the current $75 per cubic metre to $28 per cubic metre. That change would result in a reduction in the price per gallon from 52 cents to 18 cents, an amount which will correspond to the amount of excise tax to be used for the purpose of paying the petroleum compensation charge referred to in December, 1979, and an amount above which the new Government of Canada pledged itself not to go. Accordingly, it is appropriate to point out that the entire amount, as it currently stands, is a reduction from the originally sought amount by the government of 95 cents per gallon. After the nights and days of the long bell, that amount has been reduced.

This piece of legislation is but one of a series of bills which have resulted from that action, an action which, incidentally, even in terms of the bill as it presently stands, has had the effect of saving the consumer of Canada, who may have driven on an average of 12,000 miles per year and derived 25 miles per gallon from his vehicle, $201 in the course of a year on his gasoline consumption. In the event that this specific proposal in Motion No. 4 should be passed, the additional saving to the same consumer, driving the same number of miles per year and deriving the same miles per gallon, would be $163 per year. That is not an insignificant amount. It is one which could be better used in the hands of hard pressed-consumers of Canada than in the Consolidated Revenue Fund maintained by the government.

I listened with some considerable interest to the comments of the Minister of Energy, Mines and Resources (Mr. Lalonde) when he stood in his place last week and announced some adjustments to the National Energy Program. It was of significance that in the course of his address he made no reference to two most significant circumstances which had developed since the announcement of the NEP. Those circumstances were the abandonment of both the Alsands and Cold Lake projects, after the Government of Canada had pumped $50 million into the accounts of Imperial Oil for the purpose of shoring up a plan which ultimately was to fail. The money was badly spent because, throughout its negotiations with the province of Alberta and with the province of Saskatchewan, the government had adopted a stance of confrontation, the same kind of confrontation politics it adopted in dealing with the province of Newfoundland with respect to the Hibernia issue and generally with respect to the province of Quebec. The entire western part of the country has been abandoned to confrontation and bitterness, a fact which quite frankly is well known to some government members who have raised this very issue with their government but with no results. It is fundamentally important to the country that the benefit of all Canadians be looked to. That can never happen if the national government picks a fight with every province at every turn to get its own greedy way. Its own greedy way has been to take more and more of whatever is left in the pockets of consumers.

In 1917 the Government of Canada of the day imposed a tax which took effect in 1918. That act became the Income Tax Act of today. It was a temporary, war income tax measure designed to raise revenues for a specific purpose for a limited period of time. The Government of Canada soon recognized that it had found eldorado. This system of regularly and consistently extracting funds from the public, first of all in small amounts and then gradually in greater and greater amounts, was the salvation to the rapacious appetite of the federal government. The government today has given new meaning to the words "black gold".

The oil which is generated and produced in western Canada has become a new eldorado for the federal government. It has tapped into that resource to the extent that originally it

anticipated, generating over a five-year term $53 billion. The government was to get it in a variety of ways—compensation charges, Canadian ownership charges, royalties or levies. Whatever it might call them, they were all a form of taxation. When a government reaches into the pocket of a citizen and extracts therefrom an amount, that amount, properly given its name, is a tax. To call it an ownership charge, to call it a petroleum compensation charge, or to call it a donation to a benevolent fund, is frivolous and deceitful. It is purely and simply a tax. That tax has grown and will continue to grow under an administration which recognizes that it has a new source of wealth which it can tax and indirectly take from the pockets of the taxpayers and consumers of Canada without their intimate knowledge.

• (1720)

The government's convenient metric system which it uses to determine the charges that are made is part of the program to confuse the taxpayers so they do not know how much they are paying. In order to determine an amount which taxpayers will understand, it is necessary for someone to sit down and calculate exactly what $75 per cubic metre is. When all of that is done and government members stand in their place to claim that the provinces have imposed a special road tax or *ad valorem* tax, such as that Ontario has placed on petroleum products at the pump, they fail to mention that of all the entities deriving part of the final sale price of a gallon or litre of gasoline, the one with the biggest hands and longest grasp is the federal government. As of March this year, fully 34.5 per cent went into the hands of the Receiver General for Canada.

The issue of the *ad valorem* tax imposed by the province of Ontario is one that I lament. I do this because it adds a tax to another tax, which adds to inflation. It is a signal to the public that governments believe that tomorrow's price will be higher than today's price. If that were not so, why would anyone impose an *ad valorem* tax? Governments expect the price to be higher tomorrow. However, in doing so the provincial government has but followed the lead of the federal government, which did the same thing with its excise taxes.

When those issues were debated in the House, I drew to the attention of the Minister of Finance what the consequences would be. There is an alleged battle between the government and inflation. The Prime Minister (Mr. Trudeau) told us as recently as last weekend that it is true that you can wrestle inflation to the ground so long as you wrestle the economy to the ground. He has accomplished the latter but has failed in accomplishing the former. Nevertheless, it is measures such as this which fuel inflation. The government is taking more and more instead of less.

How can the hard-pressed consumer expect to pay for the increased costs that are imposed upon him by a government when he has less money as a consequence of specific programs which are advocated and undertaken by the government to extract more from the pocket of the consumer, who is left with less to pay with? That is the result. It is deceitful then to turn around and say that its battle is with inflation, and to say to Canadians; "You have too great a demand upon the public; working as you are, you should reduce your demand on the economy because in that way we will achieve our desired goals of combatting inflation". The greatest contributor is the federal government itself.

This measure but adds to inflation. It takes more from the public and adds it to the consolidated revenue fund, but not as a charge or something which can be specifically identified for a certain purpose and allocated and invested in the interim to generate income to be used for the purpose of paying the alleged levy. The charge is quite clearly a simple form of taxation. We have a perfect example of how the measure is ineffective in terms of meeting a specific commitment.

It is to this issue that Motion No. 5 is directed. When we examine how Clause 40 of the bill has been drawn up, we see that it was designed to offset the cost of additional petroleum compensation payments that had to be made to Canadian refineries when it became necessary to import more foreign crude to offset the loss of Alberta crude. That Alberta crude diminution, the House will recall, resulted from a failure of the government to negotiate an arrangement with the producing provinces of the west which would have obviated the need for ever imposing that charge.

In any event, what are the facts as they surround this particular circumstance? We are asked to pass a measure to allow for a certain amount to compensate for that special petroleum compensation payment made to the refineries. Since we know the period that it covers, the amount of oil that had to be imported as well as the specific amounts which had to be paid to the refineries, we can determine that this specific provision of the bill as it stands today generated $142 million more than was required. The specific provisions are designed, as I have indicated, to cover the shortfall in Alberta production. Yet $142 million more was raised to cover the 120,000 barrels a day than was needed.

The interesting fact in all of this is that at the very time that these charges are to be imposed, that is, effective March 3, 1981, until September 21, 1981, the actual consumption of petroleum products in Canada declined by more than the 120,000 barrels a day for which this compensation is allegedly imposed. I would have thought that the Government of Canada, if not recognizing that that reduction in consumption should immediately offset the Alberta charge, should have at least prorated the amount. But it did not because it has one conception of all charges, levies and amounts. The conception is that these are all forms of taxation which provide an opportunity to grab from the public. Why diminish the appetite of the government at all? It can surely spend that somewhere else.

This brings us to a very significant point in this entire issue which was discussed in some detail by the hon. member for Calgary Centre (Mr. Andre) when he directed the attention of the House to the fact that when these charges are shown in the public accounts they are not reflected as revenue imposed upon

the taxpayers on one side and as an expenditure of the government on the other, but as a flow-through in which the Government of Canada is treated as a conduit. It is taking from the taxpayers and paying to another. But if that be true, then there should be no $142 million surplus, because the whole justification for the approach taken is that what we have taken from one group of taxpayers we have paid to another. But that is not the case.

• (1730)

It is deceitful, to be kind to the government, to proceed in this fashion. It underlines the fallacy of the entire concept. Whatever government takes must be shown as revenue derived, and whatever government spends must be shown as an expenditure of government. There is no flow-through. There is no conduit pipe. If this concept is given the full extent to which it may be taken, can Your Honour not conceive of the Government of Canada raising a special tax which it might call the "Canadian Benevolent Fund" which would be used to pay the salaries of public servants? Since it would be a special imposition under the conduit pipe concept, the accounts of this country need never show the payment of a dime to the public service of Canada.

The whole theory is deceitful. The government must disclose what it really spends. In terms of these revenues, it has spent over $3 billion in compensation. What it has retained in the Consolidated Revenue Fund is another form of tax which was not distributed to an alleged recipient at all. These measures become essential at a time which is most crucial to all Canadians, when our economy is suffering and revenue could best be left in the hands of Canadian business and Canadian taxpayers generally.

The Prime Minister has acknowledged that we have an economic crisis. He made that acknowledgment in Versailles over the weekend. One wonders whether he learned that only when he arrived in Versailles or whether he knew it before he went. If he knew it before he went, why has he not done something about it other than to sit in this House with his colleague the Minister of Finance explaining that we are waiting for the Americans? We have been waiting for the Americans for over a year. He wants to wait for the Americans for another six weeks. Wait for them to do what? This is a sovereign government. We need not wait for the Americans to do anything. The people of Canada elected this government for the purpose of taking specific measures with respect to the economy and their hopes for the future. It was not elected as a surrogate of a government in another country. Yet if we listen to the government ministers, they would have us believe that they are powerless to do anything, that they can do nothing but wait until they are in a position to transmit to the Canadian public whatever decisions may be made in a foreign country. If that be the case, why do we need the Minister of Finance? Why do we need the Minister of Energy, Mines and Resources extracting funds of this kind? Why can we not simply rely upon the administrators in a foreign country. The Canadian people are not prepared for that. They expect action.

I submit that of all the action which can be taken, the most crucial is certainty. We have been waiting since November 12, 1981, for a bill to amend the Income Tax Act. One would have thought that that piece of legislation would have been before the House long before now, but it has not come. In the result, Canadian businessmen have declined to take any action, hoping that the measures which were anti-business, anti-investment and anti-enterprise will be changed. And there was change. They are wise to wait, but waiting is costly for the entire economy. Precision and certainty are absolutely required. This delay, the delay of the year, and now the delay of six weeks, is inexcusable. Measures of this nature strike at the root of all our nation's problems. The government knows and has known for some long time that its economic policies are misplaced. They are for another time, another country, maybe another planet, but not for here and now in Canada. The government has not taken the decisive steps to build confidence. Instead, we are dealing with a piece of legislation which once again imposes additional taxes on Canadians.

These measures that our party recommends in terms of Motions Nos. 4 and 5 would, in the first instance, bring within the level of the promises of the government the price structure for petroleum products which resulted in part, and maybe in whole, in the government's election in 1980. The provisions contained within our Motion No. 5 would see to it that the revenues derived from the compensation levy were, in fact, no greater than those genuinely needed for the purpose of meeting the compensation payment to the refineries. How can any hon. member of this House who believes the purpose to be as set forth in the legislation object to and complain about that kind of logical restriction on the Government of Canada?

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, 1982 is the one hundredth anniversary of many towns in southeastern Saskatchewan and it is being celebrated by most of them this summer. One of the thoughts which will be in the minds of many people attending these celebrations is the background to these very motions we are discussing today. I speak with some personal knowledge of this, not only because my people came to Saskatchewan in 1882 when it was a territory of the federal government and went through that long period of struggle for self-government which came in 1905, but also because when I go back to check the statutes of that time, it brings back the names of men who sat in this House, of men who sat in the territorial legislature in Regina and of men who later sat in the legislatures of Alberta and Saskatchewan.

The tragedy of that decision in 1905 to set up these two parts of the Northwest Territories as two provinces, Saskatchewan and Alberta, was cruelty of the highest order. It gave to these two new territories the right of self-government, but it did not give them the wherewithal to run those governments. The setting up of the two provinces of Alberta and Saskatchewan in 1905 did not give to the pioneers of those territories, to keep them out of the hands of the Americans, the right to own their own resources. These people had to fight with railways and grain companies to survive, but it did not give them the rights to their own resources.

• (1740)

Every other province from 1867 had the right under the British North America Act to own and enjoy the income that came from its resources. Little Manitoba, little British Columbia, little Ontario and Little Quebec—and they were small provinces in 1867—had that right. Under the British North America Act, the provinces of Quebec, Ontario, Manitoba and British Columbia were enlarged. They always had the resources, but Saskatchewan and Alberta did not.

This was remedied after a long battle. They won the battle of self-government, with no financial power, in 1905. It was remedied in 1930 by amendments to the British North America Act which gave to the provinces of Alberta and Saskatchewan the right to own the properties in their provinces, the mineral, water and land properties, and to enjoy all the revenues and royalties from them. Any person who took those revenues was stealing. This is what happened in the period between 1905 and 1930.

The federal government retained those resources, as it does in the case of the Yukon and Northwest Territories. Any revenues that came from that wealth went to the federal government and not to the people who lived in those territories. That injustice in 1905 has come back to this House today to haunt us.

I do not think the House would mind if the record showed what turned out to be, and I will quote from it, the Saskatchewan Act. This is the Saskatchewan Natural Resources Act which was an amendment to the British North America Act of 1930. I will read just a few phrases:

> And whereas the Government of Canada desires that the province should be placed in a position of equality with the other provinces of Confederation with respect to the administration and control of its natural resource as from its entry into Confederation in 1905—

After all those years as a territory and then as a partial province, it finally agreed in 1930 that this injustice would be remedied. It makes it very clear. I will just read a sentence or two. I quote:

> —the interest of the Crown in all Crown lands, mines, minerals (precious and base) and royalties derived therefrom within the province, and all sums due or payable for such lands, mines, minerals or royalties, shall from and after the coming into force of this agreement and subject as therein otherwise provided, belong to the province—

It was part of the Magna Carta of western Canada, in the parts called Saskatchewan and Alberta, that in 1930 in this House Parliament accepted this proposal and made the provinces of Saskatchewan and Alberta equal in rights and privileges to those of other provinces.

Today we are debating amendments to the Petroleum Administration Act in the form of two tax laws dealing with that act. I want to put very clearly to the House what the background and perspective is. I am not participating in the debate on the details of how these taxes are too high and for common interests, both economic and moral, we should reduce them. I want to talk about the fundamental, moral and legal principles that made this country.

In my opinion, the Petroleum Administration Act, which these two motions are in effect amending, is unconstitutional. I said that at the time of the passing of the act in this House in 1974. I must confess that I got no support from lawyers on either side of the House or from the provinces when I pointed out that the Petroleum Administration Act was an infringement on the British North America Act.

The minute this Parliament said that under the Petroleum Administration Act of 1974 it was going to use the trading power of the federal government to overwhelm the property rights power of the British North America Act granted to the provinces, that, in my view, was unconstitutional. I do not blame the lawyers of this House or the lawyers of the provinces for being reluctant to get into this debate. Constitutional law is strange to the great majority of lawyers I know, certainly those in politics.

At that time I was sensitive to the fact that the Queen's property was being exchanged and moved around without the consent of the Queen, as the debates of 1974 will show, and that the House with its eyes wide open was warned about it. I must confess with sadness that the only people who seemed interested in my arguments at that time were the Clerks at the Table. I want to add a little more meat to that argument for the purpose of showing that some day this House will have to remedy the mistake we made in 1974 by going into the powers of the provinces laid down in the Constitution and for not having paid proper compensation for so doing.

I quoted from the statutes. I could quote similar phrases from the Alberta statutes and later amendments. However, the two constitutional arguments that were used were, first, that in the national interest the trading power of the federal government was superior to the property rights of the provinces. If you think about it, you realize the deep concern, I might say the alarming concern among various members of this Parliament from Alberta and Saskatchewan. They are very conscious of the fact that the property rights of the provinces were infringed by the Petroleum Administration Act and, of course, this tax under these motions. They know in their hearts that we have no right to steal the resources of a province without compensation.

The legal support for this is very simple. There are many cases in our courts which say you cannot do indirectly what you cannot do directly. Coming at it on the basis that the Petroleum Administration Act was in the public interest because there was an adjustment of prices going on in the world, that gave the federal government the power to move in and arbitrarily take control of the property of these provinces. Once you allow one level of government to get into the heartland of the other level of government, it is very difficult to take it out.

I listened to the hon. member from Calgary speak earlier. He posed the question: Was this action taken by Parliament deliberately or was it taken blindly, unknowingly? I, like him, do not know the answer. If I were to be truthful, I think many people have already decided what the answer is, namely, that with a little bit of time, there is a given group of people, mostly

in Ottawa, who seek and long for the day when the federal government will control not only the property all across the country but also the actions of the people all across the country.

There is much evidence to support this trend, both here and in the United States. In the current effort, we have our Minister of Agriculture (Mr. Whelan) saying to the cattle producers that he will not help them because agriculture is a joint responsibility of both provinces and federal government, and until the beef producers bow their knee and accept the concept of a marketing board that will apply all across Canada and will control the production, sale and distribution of those animals.

• (1750)

Here we have a force loose upon the people, a force which emanated originally from Europe but which was known in North America 30 years ago. It has been accepted by a large group of civil servants in the department of agriculture in the United States, and it has been accepted by the civil servants in the Department of Agriculture in Canada, that the only way we can run the industry is to get control of the farmers' production and thereby direct things on a planned basis so that we do not have a surplus. We will get prices up by creating a scarcity; they call it supply management. They have it in the dairy industry today; why not apply it to the beef industry, they say? Most farmers, I believe, would not mind a marketing board if it were to market the stuff, sell it, under rules fair to all the participants. But the farmers do not want a board that is a controlled board, particularly one that is controlled by civil service experts—whose track record in Canada is pretty bad. Their track record in other countries is worse. We have seen the dairy industry lose 5,000 farmers a year; the civil servants simply put the dairy farmers on supply management. The beef farmer would rather go broke with his own mistakes than go broke with the mistakes of a group of people who are very good at drafting memorandums and regulations, and so on, but who have not got a sense of the situation and who believe they can take the Lord's place in this moving around in the market field.

I have no quarrel with the sincerity of these people. I am simply saying that there is reason to believe, in the minds of many of our people in Canada, that there are strong forces at work here in Ottawa, as well as in other places in Canada, trying to get control not only of the resource but of the people who produce that resource. I have not yet got to the stage where I can believe that those people are going to succeed.

In my own province, Saskatchewan, where this force is very strong, I saw a complete reversal of the majority vote in that province. I hope that the same feeling will eventually prevail in provinces like Ontario, on the same kind of decision we are discussing now. Put your mind to the question asked by the member from Calgary: Was this Petroleum Administration Act deliberately designed or was it an accident by people who do not know what they are doing? For the moment I think we had better agree, in the interest of respect for each other, that it was an accident by people who did not know what they were doing. The only way we can operate this House is by believing that that was the reason.

That does not change the fact that what we are doing by this amendment today is continuing the error of the original petroleum administration bill, which, I suggest, has some day to be fought out in the Supreme Court. That will have to be done by a reference from Parliament that asks the questions in clear and precise English that we can all understand, questions that ask the court to give us an answer in clear and precise English that we can understand, namely: Where do we stand on this question of property rights that are now within the realm of the provinces? Where do we stand on this priority of the trade power versus the property power? These are rather exotic subjects for this House. They can only be settled by the right type of reference, over an extended period of time, with the time to think it through.

We have a responsibility here as Members of Parliament. If the judges cannot make up their minds what we meant when we agreed to the British North America Act in 1867 and when we agreed to the Alberta and Saskatchewan acts in 1930, then we had better pass a resolution, with support from all sides, that tells the judges at all levels: "This is what we meant when we spoke in 1867 and this is what we meant when we spoke in 1930". This federation system, this federal system, cannot work unless there is a clear-cut understanding of what it means. When you give them powers to restrict the subject to one level of government, that must be honoured and not used indirectly to do something that cannot be done directly.

This is one of the reasons this whole discussion of the bill of rights which we had here for the last year or so was to me a complete fraud. Nothing has been done to clarify the rights of the provinces concerning their property. There is no use in trying to pretend to people that we are putting it into the bill of rights here federally, beause it will not make any difference until we make it clear in the minds of the judges where we stand, so that we do not get these silly decisions that we get from them occasionally.

Once again, the first point is the trade power versus provincial property rights. The second constitutional issue is the question of prices. We have always assumed that, by judicial decision only the provinces have the right to fool around and countrol prices and wages. We have always assumed that and taught our children in school that this was the law. The only exception to that law was where there was a national crisis, where we were in complete extremity, and all the rules go by the board. The only type of extreme necessity really comes down to a shooting war.

The House will remember the imposition of the War Measures Act in 1970. The plea that was made for breaking the laws of Canada was that there was an apprehended insurrection, and the army was moved in. They arrested several hundred people, that is all they could find, who might possibly be considered to be about to organize an insurrection; it turned out that there were only ten or 12 people that they could hold. So we had the shameful experience of seeing Members of

Parliament on both sides of this House supporting the government's imposition of the War Measures Act in a time of peace over a problem of a few social drop-outs.

That mistake should be written deeply into the minds and hearts of all of us because we were all guilty, with just a few exceptions, of making that mistake. We should remember—now that we are not in a period of apprehended insurrection or an immediate shooting war—that now is the time to get our thinking clear and to make sure the judges know what our thinking is on these fundamentally important things like property rights and the relative power of the federal government in times of crisis.

• (1800)

The Supreme Court was given a reference on this question of prices and ruled that there was a national emergency because oil prices had gone up. That is part of the background to the legislation we are now amending.

Any person knows—and every person should have known eight years ago—that there was no national energy emergency. This country and the United States had energy running out of our ears, and as long as the industry is nursed, we always will have energy running out of our ears. What there was was a price adjustment. We had been stealing oil from producers, mostly the Arabs but also the people of Alberta, Venezuela and Nigeria, for over 50 years, and the rule of law on prices was set around the world by seven big international oil companies. All this is in the record. The producers to whom I referred had been stolen from—for over 50 years in some cases—and they set up an international cartel. We had to unite to fight it, but all it was was a group of producers making an agreement to get the price up to something equal to its competitive level measured against electricity, measured against the cost of producing oil from tar sands or whatever measure they used. We allowed ourselves as a nation—as the Europeans, the Americans and the Japanese did—to believe that when there is any evidence of a group of producers standing up to protect themselves by a price agreement, that must be fought, because if we had been stealing from them for 50 years that meant we had a God-given right to keep on stealing.

All this has been said, but it has to be said over and over again. There was no energy crisis in 1973. What there was, was a price adjustment going on. You do not bring out the troops when someone is finally getting a reasonably fair price for his product. Parliament acted fairly responsibly in 1973 and 1974 with respect to oil—it did in 1973, at least—when we said that we had to adjust, but by stages, and that we should try to adjust by keeping our prices just a little bit below the world price. All this was said by people of all parties in 1973. However, at the same time as oil prices started moving up, mineral prices also moved up. We have had a political record here for many years of asking the provinces to tax mines more heavily. Their tax level is a little lower than the average tax. Even royal commissions recommended that. Then suddenly when the provinces saw prices go up, they did exactly what we had been recommending; they raised their taxes on minerals and on oil to get the windfall profit, which was theirs by right. They owned the property, but they had to break every agreement in the book to do it, which was immoral.

The faults we are discussing today are not entirely our own. It is a question of the greed of foreign governments. Our own governments have tried to grab as much as they could of this rising value of resources and, as a result, we have gone too far. The National Energy Program was based on an agreement with the provinces in which both levels of government tried to squeeze the most they could out of this resource. Legally and morally it all belonged to the provinces, but the provinces did not fight that issue. They simply fought to get the most they could, and the guy left at the bottom of the heap was, of course, the man who invested money in oil and gas companies. Of course, they had no choice but to move out, and they will not be coming back in for a little while. They had to move out because the moves we made gave a bigger percentage to the oil companies, but the percentage was of a much smaller pie. They still do not have any money.

We are paying a heavy price for ignoring the fundamentals of our Constitution and of what this Parliament is all about. We should be legislating here based on the Constitution, with a sense of equity and fairness; but we are overcome by this great greed on the parts of governments and all levels to get in on this bonanza of rising resource prices.

I say flatly that much of the blame is not only on our shoulders and the shoulders of the provinces and the companies but also on the shoulders of our courts. This is an unusual statement for a member of the Privy Council to make, but I honestly believe we in Parliament are going to have to face up to this issue and get our own thinking clear. If the courts cannot give us a decision according to what we meant in 1905, in 1930 and in 1867, I think we have a duty to propose a resolution stating flatly our interpretation of the legislation. As Your Honour knows, there are not too many precedents for that, but I think we may be forced into that because reality and common sense tell us that none of us is perfect. I would like to have Your Honour believe that what I have just said about the courts is reluctantly said, but I do say it. I have a feeling the courts have just as much frailty as we have and that until we make what we meant very clear in plain English, I think we will have to wait until we can get the courts to give decisions which are based on the real meaning of the legislators in 1867 and 1930.

I have already mentioned what should be done about this. I think we should have a resolution of both Houses putting into plain language what the property rights are and where they stand in relation to the trade power. We should take a look at property rights and where they stand in relation to prices. By juggling prices, can we pretend there is an emergency and change the Constitution? Can we relate property rights to the definition of crisis? These are things about which we will have to speak up if we want to clear our honour and reputation as parliamentarians.

My conclusion is on the political side. Much to the regret of all Canadians, there was a certain amount of politics involved in this whole issue. Originally it started out merely as an attack on Alberta, the "blue-eyed Arabs", and the people of Alberta responded, as we might expect, with pretty violent counter-attacks. Then this got down to realities in 1974 with the Petroleum Administration Act and became an attack on the oil producing provinces.

• (1810)

We had the federal government's response in 1974. All the provinces raised taxes on oil, gas and minerals, and the federal government came back with a sledge hammer response saying that all royalties and taxes of the provinces on oil and gas were non-deductible under federal income tax regulations. That was a complete breach of the Alberta Act and of the Saskatchewan Act of 1930, and a complete breach of the terms of Confederation in 1867. Many members of this House warned the government that an attack on one resource would lead to attacks on electric power in Ontario, Manitoba, B.C. and Quebec, and pretty soon in the Atlantic provinces. It soon moved into the forestry industry. Once the trend is set of the federal government, under very dubious constitutional authority, attacking the provinces, there is no end to it.

I think that in the next two years, and perhaps sooner, the Petroleum Administration Act should be subjected to a complete examination by the Supreme Court of Canada, particularly Clause 16 on page 11 of the bill which reads as follows:

> Where no agreement is entered into under Section 22 with the government of a producer-province, or any such agreement is terminated by the declaration of the parties, or, in the opinion of the governor in council, is not effective or is not capable of being effective, the governor in council may, by regulation, establish maximum prices for the various qualities and kinds of crude—

There is no other way to describe action where the federal government unilaterally takes the power to set prices for products that, under the Constitution, belong to that province, than to say it is stealing. Until the record is cleared of this provision which appears again, word for word, in the clause relating to gas, we in this House have not done our duty to the country.

There is nothing in these amendments that clarifies the principle of compensation. In the Manitoba, Saskatchewan and Alberta Acts of 1930, the principle of compensation is allowed if the federal government, for the national good, takes over any part of the property. That principle of compensation was vaguely included in the Petroleum Administration Act, but there was no clear-cut formula for it. The federal government can stake a claim to $50 billion or $60 billion worth of wealth for the next few years and the only compensation offered amounts to less than $2 billion. We have to face up to these things and get rid of the Petroleum Administration Act. Working in co-operation with the provinces is the only way to do that legally.

The final question that we have to ask is what we can do now that the bill is in place. I think the answer is self-evident. All this talk about how Alberta has backed up on the National Energy Program by $5 billion over the next five years, and the declaration that the federal government has backed up by $2 billion, have not solved anything. Certainly this action has reduced the percentages taken by the province and the federal government. It has increased the percentage due to companies, although it has decreased the actual amount so that the companies have not been helped.

Where is the culprit then, Mr. Speaker? Over 80 per cent of the cost in any capital intensive enterprise today is accounted for by interest rates. A person who deals with small figures such as a $50,000 mortgage knows that over 30 years the mortgage will cost him $200,000. Based on 10 per cent money, over 75 per cent of the amount goes to interest.

What bothers the home owner is the same thing that bothers the oil companies. So much of the money they receive each year is spent on paying interest, and they do not have enough money left to pay back the principal. As a result there is a long period of pay-out. When they look at these figures and relate them to present value, they just drop all sorts of oil and gas projects. That applies to the mining industry as well—all sorts of minerals are left in the ground.

Under this method of financing, with long pay-out periods held up by high interest rates, every capital intensive project in the world is doomed, becuase this does not apply just in Canada. It applies to small people, to big people, to farmers and businessmen. There is no difference when it comes to fighting the common enemy.

Interest rates should be decided by the law of the market and not by the theoretical approach of a group of financial experts in world banking. We are part of a world system, so let it decide what interest rates shall be. With the present high interest rates in the United States and Canada, we are driven to Europe to get money at much lower interest rates. We all know where it comes from. The only risk is the fall of the dollar. These people, who have all this money to lend, are now proposing that if governments will borrow from them, they will lend it for a premium. It is just like buying insurance—it protects the borrower and the lender both. If the premium is less than two per cent and the money is borrowed at six to nine the per cent, it is not a bad deal.

I think we should get our house in order and make a deal with the provinces and the oil companies that everyone will get off the back of the industry, and that the industry will not take anything out either, until the debt is paid back. There is hardly an oil field or gas field that I know of, or a combination field, that could not pay back in four to five years at present prices. Once free of the interest load, and the principal load, there would be a big pie to be divided. Under a contractual arrangement all that would be necessary would be to decide how it should be divided.

All these matters were discussed in great detail when the Hon. Donald Macdonald was minister of energy, mines and resources, and when the Hon. John Turner was minister of finance. Both gentlemen are on the public record of this House as agreeing that this is the right way to go about things. The companies would have enough operating capital and also would make a good profit. Mr. Macdonald suggested that the

provinces should get 50 per cent because they owned the resource, and the companies should get 30 per cent to meet the cost of the operation so that they could make a little profit. The federal government should get 20 per cent, which would be much more than it is getting now.

This is all on the record, and it indicates that some people were putting some thought into this matter just eight years ago. Now here we are eight years later, caught up in this great catharsis of everything failing: the NEP—zunk. It cannot go forward because it is capital intensive; our big companies—zunk. They cannot go forward because interest rates are too great for their cash flow. All the little companies, the farmers and small businessmen, are caught in the same way.

• (1820)

There is no need to panic. We have had interest rates bothering us for over 3,000 years. Look back at the laws of Greece and Rome. All their major reforms had to do with interest rates. It is not a new problem. In 1919 there was a great uproar in western Canada and Ontario about high interest rates. The farmers threw out the other parties, elected a new party called the Progressives, and scared the daylights out of the government of the day.

We then got an amendment to the Bank Act which put a ceiling on interest rates of 6 per cent. The banks operated for years under that ceiling, and grew and prospered. Now we have changed that.

The banks came in with a very good argument, based on a royal commission report, that if we took off that ceiling they would compete so hard that interest rates would go down, perhaps to 3 per cent or 4 per cent. Well, Parliament bought that argument. But we had not figured on theoreticians saying that high interest rates were good for our souls, and we would have to slow down our growth because we were too greedy and enjoying life too much. They have us slowed down all right, but they are ruining us in the process.

The amendments contained in motion Nos. 4 and 5, Mr. Speaker, say in substance that we should, in our own interests, reduce taxes. But more basic even than the reduction of taxes is that there should be a recognition that there is a lot more to do. I would like to see come out of this debate recognition of that fact by all parties. In the meantime we can show our sincerity, and concern over where we are going, by supporting these two motions.

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, I am very pleased to be able to follow the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton). For a relative novice like myself it is very stimulating to hear the hon. member bring forward a great deal of argument of historical relevance to some of the discussions we have in the House. I think the basic point the hon. member referred to is indeed a question that Canadians must be pondering as they listen to debates like this, read the newspapers, and note the progress of events in Canada over the past months, indeed years.

The question the hon. member raised and responded to was really whether legislation like Bill C-103 has been brought in knowingly and purposely by a government with a particular direction and motive to be served. I, like the hon. member for Qu'Appelle-Moose Mountain, do not know the answer for sure. What I do know is that many of the measures brought in during the time I have been able to follow politics closely all have a common thread. Through the 1970s right up till now we have seen progressively greater government involvement through legislation in the fields of health care, energy, and business. Maybe that is by accident, but I think we have to question this seriously, as previous speakers have done today.

As I speak on these two motions, Mr. Speaker, I am going to make a specific proposal. I shall not ask for much, but I would like to have the opportunity to suggest to the Minister of Energy (Mr. Lalonde)—who is in the House and I hope will be here when I make the proposal—that we make one change which I believe will help to overcome some of the difficulties created by the NEP. I will get to that specific suggestion in a few moments.

Motion No. 4 was presented for a very specific reason, and people might wonder why we suggested $28 as a possible increase in that motion. The $28 translates into what amounts to an 18-cents a gallon tax. As it stands now, the tax would be $78 a cubic metre of oil, or 48 cents a gallon. The tax is now about 24 cents a gallon and it will rise to 48 cents under the authority of this legislation. We chose that figure of $28 because we have seen over the past few years, the NEP, the minister, indeed the whole government being very seriously compromised in the eyes of the Canadian people.

We have seen how the 18-cent a gallon tax was dealt with by the government when it was in opposition and during the last federal election, and it is in Motion No. 4 to show the Canadian people in British Columbia, Nova Scotia, in fact in the minister's own province of Quebec, that there is a very serious question about the legitimacy of introducing additional taxation. This bill amounts to taxation without representation because it will allow the minister, in his own way and in his own time, without any additional review, to increase those taxes significantly.

At a time when Canadians had been living with energy prices that were well out of line with world energy prices we were faced with a serious political problem, because it was pretty difficult to run a campaign telling people that they should pay more for energy. That is difficult enough, but the hard part is to do that when you have other people in the same campaign telling people that they do not have to pay more, indeed should not pay more because it would not be fair or equitable and "if you voted in a particular way, you would not have to face that kind of increase."

• (1830)

Memories are short. Sometimes it serves a purpose to forget things that happened years ago, but two and a half years are not that long ago. In that two and a half years we have had successive increases in energy prices which make a mockery out of the claims and promises made to the Canadian people at that time. They may have been justified if there was some way

to rationalize why those prices should increase or, indeed, what was being done with the money.

I would like to put on the record some of the figures which we were looking at in December, 1979. At that time a gallon of regular gasoline cost $1.14 or 25.1 cents a litre. At the end of March, 1982, it cost $2 for a gallon of gasoline, or 44.1 cents a litre. That price may vary from place to place. In any event, the price of a gallon of gasoline in Canada is higher than in the United States. Our prices have about doubled in two years.

At the time we faced the challenge of having to defend increased energy prices we knew there was a considerable amount of criticism attached to the fact that we suggested energy prices should increase by 18 cents. What were we hoping to gain by that 18-cent increase? First, we could have avoided some of the confrontation with the producing provinces. The excise tax that we were talking about then did not require an agreement. The increase was well within the domain of the federal government.

More important we were looking at a way to bring Canadian energy self-sufficiency and energy security into focus so that by 1990 Canada, as a nation, would not have to depend on unstable and unreliable sources of oil and petroleum products from other parts of the world. Considerable blame was attached to our party for trying to do that. It is somewhat reminiscent of the position the government has now, of attaching blame to other people for the economic crisis in Canada.

It has been a long time since we have heard the government take responsibility for interest rates and the kind of financial policy that we have in our country. Right now we are told that it is the fault of the United States because of its interest rate policy, and that it does not really matter that our interest rates are several points higher than those in the United States. Obviously if you can make the political argument that it is not your fault, that is the best political position you can have. But if Canadians and the Canadian government are not to blame for the kind of economic policy that we have, who is to blame?

The Americans do not make our laws. The Americans have not been in charge of our economic policy for the last 14 years. The Americans have not been in charge of legislation that has controlled energy development in Canada for the past 14 years. The Americans do not determine what the Governor of the Bank of Canada does.

This government continually uses scapegoats. The Government blames the opposition for creating unrest in the Canadian people because it says we talk of things that hurt people, about people losing their homes, their farms and their businesses. Similarly the government has blamed OPEC for setting prices for petroleum products higher and higher. The government blames the United States government because of its domestic interest rate policy. This government continually avoids its responsibility for the programs it has put in place over the last 14 years. The taxes that have been put on petroleum products in Canada are taxes on top of other taxes. But now I think this government is in danger of the Canadian people reacting. It will be a reaction that has never been experienced by any other government in Canada before.

What I am speaking of has happened south of the border. What happened in California is an example of this. The feeling I get from talking to Canadians is that we are on the verge of experiencing a reaction here. I hope what happens here is as peaceful as what happened in the United States. There have been times when reactions to taxation have not been peaceful.

The government should understand that there are a number of serious problems existing in the country. Perhaps I can compare this to talking about a death. The first thing you do is to deny it. I think the Liberal government is denying the real problem now. Canadians are experiencing severe economic stress of unparalleled proportions.

Several days ago I put a question to the Minister of Energy, Mines and Resources in this House. I suggested to him that one of the major reasons for a decline in domestic oil requirements was the recession. He quickly responded we did not have a recession at all last year. In fact, he said that our gross national product increased by 3 per cent. That response, I think, points out a very real problem, and it is partly responsible for the introduction of Motion No. 5 by our party.

I think the minister should look at the last six months of 1981 and he will find gross domestic expenditure decreased in the third quarter by minus 0.5 per cent and it decreased in the fourth quarter by minus 0.9 per cent. Therefore, in the last six months of 1981 Canada started to experience a serious and a significant recession. Authorities are now saying that if things continue with the same single mindedness which the Minister of Energy and others have expressed over the last several months, we will be facing an economic situation which will be truly classed as a depression. But from what we have seen so far from the Minister of Finance (Mr. MacEachen) and the Minister of Energy it will be six months or even a year after that before they will even know it has happened.

That is one of the problems of this government. I do not know whether its members think a thing will go away if they first deny it and then blame it on someone else. After that we have to hope there will be some kind of a response. But the question is whether we will get a response that will make a significant difference or whether we will get band-aid measures, in other words, whether we will get an aspirin or the cure. I do not have any confidence that we will get the cure.

We had an example with the changes to the National Energy Program called "Update 1982." These changes were put into a very pretty red document. The update contains a lot of information. For example, at the front it contains a metric conversion table which is helpful. Now we know what an exajoule, a petajoule and a cubic metre of oil really mean. But, more important, within that document we have a $2 billion concession by the government over the next several years to an industry which has been so severely affected that it will take at least four or five years for it to get back on track, to bloom once again and to help fuel our economy as it did before.

This document is really an admission of failure by the Minister of Energy, Mines and Resources. It is not a change in mentality, the type of change we need if we are to restore confidence in and the vitality of the industry, if we are to get the industry flying as it flew before and providing the petroleum resources we need to achieve self-sufficiency.

• (1840)

The minister must have looked at the 1981 figures to know that there were no significant new discoveries of oil in Canada. Probably that was one of the reasons for getting this document and these concessions. I do not know what he thought of the findings of Dome Petroleum and Esso in the Beaufort in the last week or so. They were hoping for a well which would come in at about 35,000 barrels per day, and what they got was 3,500 barrels per day.

Mr. Lalonde: That is not correct.

Mr. Gurbin: I will correct my figures. They were hoping for 3,500 barrels per day. In any event, they got one tenth of what they needed for an economic find.

Mr. Lalonde: No.

Mr. Gurbin: That is what the reports I have indicate. If the minister has other reports, that is okay—

Mr. Lalonde: Mr. Speaker, I rise on a point of order. Perhaps I might help the hon. member in this particular situation. He mentioned that they hoped for a figure of 35,000 barrels per day from a particular well. No one hoped for that amount. Some of the forecasts indicated 3,500 barrels per day for the Tarsiut well. The tests indicate an assurance of 3,000 barrels per day, and the analysis of Gulf is to the effect that the well could produce 3,500 barrels per day on a continuous basis. It estimates on the basis of what has been drilled that there may be 500 million barrels of oil in reserve. It will drill two more wells this summer to find out how big the reserves are. It is estimated that the company will be ready to proceed with commercial production on the basis of one billion barrels, that it has a field of one billion barrels. The discovery is significant; 3,000 barrels per day is a large well by any measure in Canada. Obviously the company feels that it needs two more wells to ensure itself of what are the reserves. These are the facts.

Mr. Gurbin: Mr. Speaker, I thank the minister for his intervention and for his assistance with the figures. The minister raised several important points, the first one being the size of the well. That was clearly an error on my part, but the figure was significantly lower than Dome had hoped for and indeed did not prove the viability of the enterprise. As the minister suggested, they do need additional wells in order to make it an economic enterprise.

This brings up another important point which has been suggested by Dome Petroleum as well. Canadians should know that the real cost of bringing a barrel of oil out of the Beaufort is estimated at approximately $100. At $100 per barrel, that is between three and four times as much as Canadians are paying now. With the minister hanging a lot of hope for his energy program on that enterprise, we have a serious problem not only with the inflationary aspects of it, but with the environmental aspects, its reliability, and everything involved in what is really a new technology. We cannot count on that. Although there are some high hopes, the initial well and the findings are below expectation. We do not know for sure whether we will get the extra wells which the minister suggested are necessary for economic viability.

In passing, I am pleased to mention that the hon. member for Oxford (Mr. Halliday) is in the chair; he is a very capable Speaker.

The taxes which are being presented to Canadians require some explanation. Most of us would accept the fact that the federal government needs revenue or needs somehow to raise money, because it provides some programs which are of benefit. There are criticisms which can be made of many of the programs, but I think the need for revenue is understood.

What has happened over the past year and a half with the increased price of energy? In 1981 a typical family driving one car, and heating with oil, paid about $550 more per year than in late 1980. The important point is that of this increase, $409, or nearly 80 per cent, was paid indirectly to the federal government. About one third of the total taxes are federal taxes. This massive increase has created many difficulties, whether in terms of heating homes, operating farms, or operating businesses. The massive increase varies, but 80 per cent of it can be related to federal taxes.

With Motion No. 4 we have tried to put a limit on how much the federal government can take from the pockets of Canadians. We have tried to keep the hand of the Minister of Energy, Mines and Resources out of the pockets of Canadian businessmen, Canadian farmers, and Canadian home owners who have to heat with oil because alternatives are unavailable to them, and there are still a good many such home owners.

Our second motion is designed to try to put some control on the petroleum compensation charge. The charge in this year alone resulted in revenues being taken in that were $1.4 billion in excess of what was required. This really amplifies one of the points I tried to make earlier, that the indirect response or lack of sensitivity to a changing environment, of the federal government, whether it be a departmental problem or a question of not understanding quickly what is going on, resulted in this additional amount being taken directly out of the pockets of consumers when it was not justified in the legislation we have, and not for the purposes for which it was designed.

• (1850)

We have an extra $1.4 billion which has been taken as a compensation charge on energy which must be imported from offshore. That money, which will be used by the federal government to avoid consumer reaction in Canada when prices would have risen in July, has been sitting there and gradually increasing over the past year because the federal government did not have the ability to respond quickly to a changing scene. The original justification given for this charge was to pay for

oil imports. It has now collected $1.4 billion more than it needs.

There are several ways to approach the current situation. Through our motion we have attempted to ensure that it be the government's responsibility to prevent an exorbitant amount of money being collected in an unfair or unreasonable manner. A number of other steps could be taken, particularly with respect to resources of that magnitude. I would like to propose a concept to the minister which I hope he will at least consider. It is a positive suggestion which may help him, particularly in the face of his many failures over the past several years. It may be a way to help him to achieve energy self-sufficiency by 1990, which we would all like to see, and it may help rationalize some of the inequities which exist in Canada's energy scene.

The hon. member who spoke just prior to me suggested as well that Canada had many forms of energy running out of its ears. It is a known fact that we are net exporters of energy. We also know that there are many arbitrary and unrealistic pieces of legislation and policies regarding various forms of energy. For example, electricity is treated differently from oil. Solar energy is treated differently from other types of energy. Various forms of energy are not considered for their respective values but only when they happen to evolve through various forms of development.

This taxation measure, which has resulted in federal coffers being swollen by $1.4 billion more than is needed, presents an opportunity to introduce a concept of parity in the various energy fields. This may not be a new concept, since I know that the minister realizes that a calorie is a calorie is a calorie. However, as far as I can determine there is very little legislation to show that we are making any serious attempt to address the issue of equally developing different forms of energy.

I believe it is important to realize that while many people are looking at the husbanding of the petroleum industry and its resources, which we know are finite, we now have an opportunity to enter some of the windows of technology and to take advantage of some new opportunities for energy resources which have been developed to the point where commercialization is possible. A possible alternative manner in which this petroleum compensation charge to equalize the difference between domestic and imported oil could be used is to use a small portion of the fund to provide a balance which would allow other energy sources to be developed to the point of competetiveness, and enter through the window where these resources can be expanded at a pace which the marketplace would allow.

Let us use solar energy as an example. We know that each barrel of oil has approximately four gigajoules of energy. An equivalent value of gigajoule solar energy could be determined considering the world price, domestic price and the import compensation charge. On a comparison basis solar hot water heating would cost $100 per gigajoule.

This is what the compensation charge gives in a preferential way to the Canadian energy scene in order to pay for the difference between domestic and imported oil. Why can we not introduce the concept of parity and allow that level of compensation to an energy source which would replace a given amount of oil with an equivalent amount of alternate energy? It would be an equalizer in the system and would help develop a source of energy which is at a commercial stage now, and which can reliably provide 50 per cent of our hot water needs in the domestic situation, and probably a lot more in some commercial operations. This would allow it to earn its way. It would amount to $100 per gigajoule. Although these figures could be refined, I am confident that this is approximately what it would cost. It could be worked out under a grants system or other financing programs. The equalizer would be $100 per gigajoule, which is roughly equivalent to $400 per barrel over a 20-year period. This is one manner of relating different types of energy on an equal and even basis.

The hon. member for Athabasca (Mr. Shields), who will speak after me, will have more to say about the tar sands issue. I am not suggesting that we extend the use of solar energy, which includes ethanol and methanol to the point where we no longer need the tar sands or Cold Lake, but only to the point where it is on equal footing with those petroleum resources. If we relate the amount of spending to stimulate the industry in the Alsands project, to another energy area one can see a significant opportunity to provide the energy which we are missing since it is presently unavailable.

Everyone knows that those projects must and will be developed at the appropriate time, but it probably will not happen until a change in government. However, at this point there are many things which can be done to help provide a replacement for the loss of security and oil production which would have come from those projects. I would appreciate it if the minister would consider that suggestion. We will be presenting an additional amendment to suggest precisely that.

• (1900)

Mr. Jack Shields (Athabasca): Mr. Speaker, I want to thank you for the opportunity to speak on Bill C-103 and the motions to amend it, Motions Nos. 4 and 5 which we are presently discussing. Motion No. 4 states:

> That Bill C-103, an act to amend the Petroleum Administration Act and to enact provisions related thereto, be amended in Clause 31 by striking out line 13 at page 19 and substituting the following therefor:—

We should remember that on page 19 the words that our party wants to strike out are the words "amount not exceeding seventy-five dollars", and we want to substitute the words "amount not exceeding twenty-eight dollars".

The change proposed here would lower the maximum level of the petroleum compensation charge to $28 per cubic metre from the $75 set down in the bill as it now reads. The petroleum compensation charge is presently levied at a rate of $39.64 per cubic metre, or $6.30 per barrel, which has the effect of raising gasoline prices at the pump by 24 cents per gallon.

In effect, this amendment would force the government to lower the petroleum compensation charge from its present

level and require that the excess amounts collected by the petroleum compensation charge at the rate above $28 per cubic metre since January, 1981, be reimbursed to Canadians through a lowering of the petroleum compensation charge. The $28 per cubic metre, approximately $4.50 per barrel, would limit the PCC effect upon motor gasoline prices to 18 cents per gallon. I think that might sound vaguely familiar. This is the same increase, of course, as was proposed in the Crosbie budget—

Mr. Waddell: Pure coincidence.

Mr. Shields: —and which has more than doubled under the Liberals since December, 1979.

The petroleum compensation charge has been the largest component in the Liberal-caused gasoline price increases, having been raised from a level which translates from four cents a gallon at the pumps to 24 cents per gallon.

The government ended up with a surplus in the petroleum compensation fund last year, 1981, of $1.4 billion. Where is the $1.4 billion? Is it in general revenue? Is it another form of taxation? This is a far cry from what the Minister of Energy, Mines and Resources (Mr. Lalonde) acknowledges may be a slight surplus.

It is a reasonable amendment and one which I feel the government should seriously consider. Motion No. 5 which, again, is a conservation motion, would add the following:

> The tariff of charges set out under subsection (1.1) shall be set at such a level that the aggregate of revenues from those charges does not exceed the amount required to pay the compensation payable under the provisions of Division I of this act.

In other words, what we are basically saying is that there should be a sliding scale for the compensation charge. Surely the monitoring board can determine what the compensation charge should be. Surely the monitoring board can monitor the price of oil that we must purchase from off shore and compensate it accordingly so that Canadians are not overtaxed for this compensation fund. If we added this new subsection to the Petroleum Administration Act, it would write into law the rules for setting the charge that is now only implied by the way the scheme is supposed to operate.

It would require the petroleum compensation board to monitor any changes in the cost of imports so as to be able to make the appropriate changes in the petroleum compensation charges as quickly as possible. In other words, we would not then go through what we did over the past eight months when we found we were in the ludicrous situation of importing oil from other countries. At that time, the refiners were able to purchase on the spot market more cheaply, by up to $4 a barrel, because the compensation charge was paid, which effectively shut in crude oil in the western basin. We were importing oil and it was being paid by the taxpayer, the guy who pulled up to the pump to fill his tank. The petroleum compensation charge was actually being used to give windfall profits to the refiners in Montreal. I cannot imagine anything more idiotic or stupid.

As I said before, in 1981 there was a surplus of more than $1.4 billion from taxes to raise revenues for the purpose of subsidizing oil imports. Obviously, the level of charges should have been adjusted and should be adjusted in the future to raise only enough revenue to cover the cost of subsidizing imports. An error of $1.4 billion, as I said before, is definitely more than the small surplus which is possible according to the Minister of Energy, Mines and Resources. I am sorry to see the minister leave.

Mr. Lalonde: I'm listening to you.

Mr. Shields: One thing has become very apparent to me since coming to this House. I suppose it has been partially due to my background in a small business, not a large business. However, I think it also holds true with large businesses, or in the business community in general, that when a mistake is made in a business decision, the people responsible for running that business admit their mistake. They admit it immediately and say, "It is wrong and we have to correct it".

It was very obvious that when the government introduced its tax measure in the guise of a national energy policy, a mistake was made. The government insists on going along the same road with that mistake, instead of standing up and saying, "We made a mistake. We will have to re-evaluate. We will have to change". But, no, we do not hear that. If the government admitted its mistake, I would be the first one to stand in this House and say, "Good for you. You recognized the mistake and you will change it". But instead, we stand here, discussing over and over again the problems that the national energy policy has created for my constituency, for the Alberta and Saskatchewan economies, and, indeed, for the Ontario and Quebec economies. It has affected virtually every province in this great country of ours.

However, these discussions fall on deaf ears. Why? It is because hon. members come to this House, and they can only think to themselves, "We cannot show that we are backing down. The government never makes mistakes." That is absolute, total garbage, and any reasonable man will understand that governments make mistakes as businesses make mistakes, and as individuals make mistakes. However, it takes courage, it takes leadership, and it takes vision to be able to stand up and say, "We have made the mistake and we will rectify it." We do not find that courage in the present government. We do not find it in the cabinet. We do not find it in the back benches. In the government we do not find the leadership which has the vision to see what it is doing to the country. I spend a great deal of time talking to members on the opposite side, both cabinet members and backbenchers. Individually, I find them to be thoughtful, considerate, capable men. As a group, with policy set by the Prime Minister (Mr. Trudeau) who has lost all sense of direction, they lose all this. They lose it the minute they walk into this House and legislation is introduced.

In committee we go through legislation clause by clause. I have had Liberal backbenchers come to me after sitting on the national energy committee and saying that what the national

energy policy is doing to the oil industry in this country is a crime. They do not have the courage to say that in committee or to stand up and say it in the House.

Mr. Kaplan: Name them.

Mr. Shields: I find that absolutely sickening.

Mr. Kaplan: Do you have the courage to name them?

Mr. Shields: I suggest that the Solicitor General (Mr. Kaplan) talk to some of those members.

Mr. Kaplan: Which ones? Who are they?

• (1910)

Mr. Shields: The Minister of Energy, Mines and Resources (Mr. Lalonde) brought in an update on his energy policy. He will give back more than $2 billion. I say give back because the national energy policy is not an energy policy but a tax policy. It is a tax policy of greed of this government which wants money to allow it to continue spending like a drunken sailor all across this country.

The Minister of Energy, Mines and Resources is marching backward to the tune of $2.5 billion. Something must be wrong. However, that is the only time Canada starts to march forward. I would say that is not enough. The investment climate in this country today has been totally destroyed. Investors will not invest in Canada. Why should they trust a government which moves in with a national energy policy by which it steals 25 per cent of the assets that have been developed? It does that through a back-in provision of the national energy policy. It is not just foreign investors but Canadian investors as well who do not want to invest in the economy of Canada. They do not look forward to the time when things are going to change.

I travel around my riding talking to businessmen and entrepreneurs. They believed that this country had a future and wanted to invest in it. They wanted to build something from nothing. They wanted to build something by themselves. I talk to these people no more. They are bailing out as fast as they can, those who are still surviving, those who have not gone bankrupt or are in receivereship.

These people are putting their money into cash investments in order to draw interest. Why work 16 or 18 hours a day for a government that is greedy? The government will either heavily tax those people or, with the stroke of a pen on one fateful night in the House, change the economic climate with a budget called the national energy policy.

The only problem with the oil industry today is government greed. The oil industry was making the wheels of the Canadian economy spin, creating jobs right across this country. What did the government do? It attacked the multinationals. It said that "multinational" was a good dirty word and it could use it to swing Canadians behind the government. It was not the multinationals that got hurt. It was those Canadians who were doing exactly what the Minister of Energy, Mines and Resources wanted them to do, those Canadians who, as statistics will show, were buying the oil industry. Ownership of the oil industry was progressing satisfactorily. It was moving ahead.

Time after time we have heard the Minister of Energy, Mines and Resources, in interviews over television and in press releases, congratulating himself and patting himself on the back for the wonderful things that have been done by the national energy policy. He said it is dong what the government said it would do. He says, "Look how we are conserving oil in Canada, thousands of barrels a day." He says, "We are using less than we were last year or before the introduction of the national energy policy."

That is because the wheels of industry have ground to a halt. Plants are closing in Ontario and Quebec. Oil rigs, service rigs and trucks in western Canada are being sold. I said before in the House that the largest auction sale of all oilfield equipment in the history of the Canadian oil industry took place at Nisku, south of Edmonton. Oil rigs which cost a million dollars to purchase and which were still new, never having been spudded into the ground, sold to American buyers for $510,000. Is that a multinational oil company? No. It is a Canadian oil company.

Two men in Fort McMurray built one of the finest welding and machine shops north of the city of Edmonton to service the industry. Then the national energy policy came in and everything these men had built up over 20 or 25 years went down the tube. I talked to the wife of one of these gentlemen. They had lost their home and their furniture. The sheriff stood in the doorway and told them to take only their personal belongings. She asked me whether there was anything I could do. The sheriff would not let her take a table that belonged to her great-grandmother. I could do nothing because it was classed as household furniture. In spite of this, the minister congratulates himself on the success of his national energy policy.

We were told that after the energy agreement was signed, Alsands and the Cold Lake synthetic oil plants would go ahead. As we all know, they died. We were told that the energy agreement would encourage Alberta's petrochemical industry. Now the economic development minister for Alberta has stated that the Ottawa domestic tax on ethane threatens to make Alberta non-competitive. That is strictly a federal tax imposed by a greedy government, with no thought to what it is doing to the industry. Or, if there is a thought, it is a designed thought, and I do not believe that anyone could be that callous and say, "We are going to teach Alberta, we are going to teach these people in the west a lesson." I do not believe it. I believe it is ignorance on the minister's part. He is listening to bureaucrats who do not understand what they have done.

• (1920)

We were told that Canadian ownership would be accelerated by these policies, that we were going to be able to wave the flag and say that we own the oil industry. Mr. Speaker, we know what has happened to Dome; will Dome survive without massive government assistance? We do not know. Turbo

Resources, another Canadian company that took this government at its word, went out on an expansion policy and started to move in and buy out foreign investors. Are they going to survive without massive government intervention? These are just two of the companies that trust the Minister of Energy, Mines and Resources to their peril; to their absolute peril they trusted him. Now the saying is, with Dome, Jack Gallagher is a pretty sharp cookie, he has got the government now in his corner, they have got to bail him out, and if they do not, maybe a couple of banks will go with him. Mr. Speaker, that is sure some government policy to move toward Canadian ownership.

The national energy policy was imposed on western Canada by a government without representation in the west. It was imposed on the energy industry without any representation or discussion with that industry. The national energy policy seeks to control Canadian economy, with bureaucratic control and government control. This is the government that rewards people like Branny Schepanovich with a directorship on Air Canada. He is the Liberal in Alberta, the one and only Liberal in Alberta, who is supposed to be the superman in the organization field. He has been a Liberal since he left university about 16 or 20 years ago. He has let his neck stick out there. He has received his just reward, on the board of directors of Air Canada. That is the sickness of this government.

There is a survey just released from the Petroleum Services Association. I would like to put it on the record for the Minister of Energy, Mines and Resources. He has left the House again but perhaps his parliamentary secretary could bring it to his attention. He will not believe it, he will think up some reason why this cannot be, because it is coming from an opposition member. I ask him to get a copy of it. Let us look at this survey. It is a survey by the Petroleum Services Association. It says that 13 oil-well drilling and service companies have gone bankrupt, and that 23 more oil-well drilling and servicing companies are expected to go bankrupt this year. Where are they located? They are all located in Alberta and Saskatchewan. And 12,000 direct jobs have been lost in that area of the oil industry since the national energy policy, that is direct jobs, and I stress direct, because it is too difficult to determine how many indirect jobs are lost, because they are not buying pipe, they are not buying trucks, they are not buying motors. We all know where those materials are produced. They say that 227 drilling rigs have left Canada, rigs that were busy in Canada and working in Canada. Those 227 drilling rigs have left Canada since the inception of the national energy policy.

What is a drilling rig? Let us talk about that, Mr. Speaker. It consists of 227 small factories employing anywhere from 24 to 35 or 40 people. It is a small factory on its own. Can you imagine the hue and cry that would come out of Quebec or Ontario if 227 small factories were forced to close the door because the Minister of Energy, Mines and Resources and the Minister of Finance (Mr. MacEachen) introduced that policy into the House of Commons and at one stroke of the pen destroyed this industry? Can you imagine that? But we cry in the wilderness in the hinterland provinces, and it upsets me. Members will get up and say that it is members from the other side of the House, members who go back to their riding, who are causing the division in our land. That is not true and they know full well that it is not true. We have 461 drilling rigs left in Canada today. Of those 461 that are not being put up for auction—some of them will be, they will be going across the auction block soon—out of those 461 drillings rigs there are 84 actually drilling in the western basin today.

What about the downturn in the economy? If they were receiving for their production the world price, the same price that we pay Venezuela or Mexico or Iran or Saudi Arabia, if they were allowed to go in and drill without the tax regime that is being placed in front of them now, they would be finding the oil. But the attack was on. I am convinced that the attack was on the western basin. It was an attack on the oil industry in general, it was an attack that said, "We are going to move all the focus on energy development and finding the oil; we are going to move it to Canada lands, to the north, to the offshore." Even with the collapse of Alsands and the shelving of the Cold Lake project, we still hear the minister saying that the Alsands are not needed, that we will have plenty of oil coming from the Beaufort Sea in the north, that we will still have plenty of oil over in Hibernia. Mr. Speaker, they think they had it tough with Alberta when they were trying to work out an equitable agreement on sharing the exploitation of the natural resources in Alberta. "They ain't seen nuthin' yet" because I do not think Newfoundlanders will stand by and allow this government to steamroll over them, not for one minute. I am absolutely 100 per cent behind the Newfoundland government. This government knows nothing but unilateral action. That was confirmed when this government said the reserves in the Hibernia field and off the coast of Newfoundland belong to the federal government. The federal government has been unable to negotiate because it does not sit down and talk and try to work things out in a co-operative way, in the old way, in the Canadian way. Hon. members opposite emulate our famous Prime Minister, who stood and said, "Co-operative federalism is dead". In other words, "To hell with the provinces, we will do it our way or it will not be done". Where are those members of the Liberal Party who sit in government? Where are those backbenchers with spines who can stand up and tell their leader that enough is enough because what he is doing is destroying Canada?

• (1930)

I have never seen more animosity toward a government on the part of the people generally than I have seen build up over the past two years. That scares me because I love my country. I want my country to become great. I want my country to adopt the vision adopted by people like Sir John A. Macdonald and Sir Wilfrid Laurier. We have lost that vision totally because of one man and his lackeys in the cabinet.

I have said it before and I will say it again: only ten backbench Liberal members are needed to stand and say to the Minister of Finance and the Minister of Energy, Mines and Resources, "Enough is enough". They are destroying the

country, and if they will not admit their mistakes, those ten backbench Liberal members could withdraw their support. That would change the direction of this country.

People in this country no longer have any faith that things will turn around. I had occasion to speak with a chap who had been down in the United States, where the rate of unemployment is high. He was down there on business for a week. He told me he got a real boost when he went down there because the attitude of the man on the street—the people—is that they will work together and beat this thing. Their attitude is that they will drive inflation down, as they are doing. Their attitude is that they will drive interest rates down and get their country moving again. There are problems in the United States, but that chap told me that coming to Canada is like coming to another world. Businessmen are down. They are looking for more of the same that we have seen over the past two years. They are asking us when we will get rid of our incompetent government, which is doing nothing. There is indecision. There is no longer any national will in Canada. It is gone. It is gone because of the divisive, unilateral policies of the present government. I never thought I would see the day when individual Canadians would hang their heads and say, "I don't see a future here." Men I have known intimately since I was in grade school have telephoned me and approached me to ask if I could find out how they could emigrate to the United States or Australia. At least ten have done that, and that is a conservative estimate. There are men who love their country but no longer see a future here because of this continuing idiocy.

The amendments we have moved are very reasonable. All we are asking is that the government stop ripping off the people at the pumps through its National Energy Program. If the government needs a petroleum compensation charge, sure, Canadians do not mind spreading the grief around and compensating those in other parts of the country who have to pay more for gas or fuel. But why should the minister be allowed to gather up in his kitty $1.4 billion, as he did last year, and then say, "Well, there might be a slight increase?" Our amendments are reasonable amendments. They should be looked at, and I hope the government will act on them.

With that, Mr. Speaker, I would like to thank you very much. I appreciate the time you have given to me.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I follow the hon. member for Athabasca (Mr. Shields) with some sadness. I know him to be a very forthright man who is deeply concerned about his country. I sat here for 35 minutes and listened to the impassioned plea of a representative of a great part of Canada which is, of course, the oil sands centre. What is perhaps even more important, the hon. member for Athabasca is a man who thoroughly understands the industry and thoroughly understands the arduous task of making a living under the uncertain conditions this government has imposed not only on him but also on the men, women and families he represents.

It was disquieting to hear the hon. member for Athabasca talk about the loss of oil drilling rigs and the loss of jobs, not just in Alberta but right across the country. As the hon. member pointed out, we know where pumps are built. We know where pipes are put together. We know where gaskets are made. We know where trucks are manufactured. Indeed, we know where refrigerators, toasters and irons are manufactured. As the hon. member for Athabasca has said, it is not just the people of Alberta and Saskatchewan who are affected.

What bothered me most was the hon. member's despair and his near loss of hope. That is what we must redress, and there must be changes.

Under the leadership of our distinguished energy critic, the hon. member for Calgary Centre (Mr. Andre), we have put forward a number of amendments. There are more with which we must yet deal. We have put forward amendments attempting to remove, for example, Clause 12. Such amendments would, in effect, do away completely with the transportation fuel compensation recovery charge. We have dealt with that. That motion is pending and will be voted upon in due course. It attempts to bring some sense to the direction in which this government is leading us with the support of the National Energy Program.

• (1940)

In our second motion, which has already been discussed, we have attempted to restore some direction as well. In that instance we did so by moving to strike out Clause 16 for the purpose of denying the cabinet the unilateral power to revoke price agreements. This afternoon the hon. member for Calgary Centre spoke at some length about the government's attitude to written contracts. It was a damning comment on the government's regard for agreements.

In our third motion we approach the question of credibility and attempt to restore some rational approach to it. This is a reasonably technical amendment which deals with bringing into balance the pricing of crude oil, which will affect those who do the exploration and consumers who use the product as well as governments.

The motion before the House now extends that attempt to bring some sanity and some thoughtful rationale into the process. The change proposed would have the effect of lowering the maximum level of the petroleum compensation charge to some $28 per cubic metre from the $75 provided in the bill as it stands.

The PCC is presently levied at the rate of $39.64 per cubic metre or about $6.30 per barrel. This has the effect of raising the price of gasoline at the pump by 24 cents per gallon. Our amendment would force the government to lower the PPC from its present level and require that the excess collected above the $28 per cubic metre since January, 1981 be reimbursed to Canadians, through lowering the PCC.

In actual fact, as has been pointed out by others on this side of the House, this is more than symbolic; in a sense it is poetic. It would have the effect of limiting government to its promises of just a couple of years ago. It would also have the effect of reducing the increase in the cost of gasoline to the 18 cents per gallon level promised by the hon. member for St. John's West

(Mr. Crosbie) under the leadership of the right hon. gentleman who then led the government.

The need for these approaches becomes clear in other amendments. There is a need for guidelines that are understandable, credible, believeable, workable and acceptable. Our next amendment would achieve those things. We would require monitoring and adjustments from guidelines that would be understandable, that would be known and would be clear. If we had a projection of the money that will be collected by the government if left untethered, it would be revealing. Already it has been identified as exceeding $1.4 billion, and theoretically there is no end to it. That is $1.4 billion already misappropriated, in effect, from the consumers of this country. It is in excess of the amount required to pay compensation for imported oils.

The hon. member for Athabasca and others have touched on this in recent months. We all know that we could do better on the spot market.

It is pleasant to see that the distinguished Secretary of State (Mr. Regan) from Halifax has entered the House. I trust he raises his voice in caucus—

Mr. LeBlanc: He does.

Mr. Forrestall: Not to much effect, though. I would put this rhetorical question to him: who pays the second highest electricity rates in the country south of 60 and north of 45? Was he effective with his colleagues on that one?

Mr. Regan: How much higher would they be if we had gone to world price for oil?

Mr. Forrestall: We would be at 18 cents per gallon instead of 92! I do not have to calculate that for the minister.

There would be no need for massive increases in the cost of electricity in the Atlantic provinces next year if the minister had shown any concern and had approached the government asking it for compassion to include some cushion for people on fixed and low incomes in its program.

Prince Edward Island is paying two and a half times the domestic electricity rate of any other place in southern Canada, from P.E.I. to Vancouver. From north of 45 and south of 55, no one is paying more than Prince Edward Islanders. Very few people pay more than Newfoundlanders and even fewer pay more than Nova Scotians where the cost of electricity is approaching twice the national average: In part, that is because the petroleum compensation charges are so far in excess of reality that they have driven the price of oil-fired electricity way up.

The distinguished member from Halifax may speak out in caucus and cabinet, but he does not speak out in public very often. He has not been effective because the cost of electricity in Nova Scotia is double, and in some cases is more than double, the cost to other Canadians.

There is a great need for a return to some semblance of reality, and this can be seen in a number of ways. As the oil compensation charge now stands, it hurts farmers, fishermen and those who must find their living in our forests, as well as small industry. It is not just the domestic users of electricity who are affected; the entire secondary manufacturing base is directly affected at a time when it is difficult enough for them to survive the present high interest rates and bad mortgages. It affects our fishermen, and it affects our young people who might very well want to go into fishing or follow their parents on the farm. It is discouraging because there is no end to it. The effect of our amendment would be to take away the excess amount of taxation and allow people a little bit of freedom and a greater opportunity to get on with the development of their own lives.

• (1950)

In addition, Mr. Speaker, as we will be demonstrating in the days ahead, we want to put some sunset clauses into this bill with respect to the charges. We will move amendments which stipulate that the charge will continue only until it has reached $1.46 billion, that being the amount required to buy Petrofina, not including the brokerage fees paid to—the minister's son is with us today in the gallery, Mr. Speaker. Happy birthday. How is he going to get a job? Ask Dave that tonight. Today is a very significant day for David Regan; he becomes a teenager today. His dad is a better fighter than that; he is a better fighter for all Canadians. We look forward to great things from him in the area of oil and gas pricing.

We will move other amendments in this area, Mr. Speaker, which we hope will have the impact of ensuring that the Canadian ownership account is used for its original purpose: to increase Canadian ownership. There is nothing complex about that. As it now reads, the bill allows the government to buy Canadian companies; that is not increasing Canadian ownership. The whole purpose of the Canadian ownership account and these enormously inflated tax levels was to increase Canadian ownership. You do not increase Canadian ownership by buying companies already Canadian owned. At least if you do, I have not quite been able to figure out how. Perhaps someone over there might enlighten us. The points we are putting forward have been designed to try to rationalize this process and return some sanity to the NEP.

The hon. member for Athabasca said that individually members over there are not bad; some of them are reasonably intelligent. The whip is a great man but apparently unable to persuade his colleagues to a sensible point of view. The Minister of National Defence (Mr. Lamontagne) is unable to persuade anyone. On his own he is not a bad fellow; reasonably intelligent, smiles once in awhile. Too bad he does not have a military force to play with any more. As you go down the line, the Minister of National Revenue (Mr. Rompkey) and the Minister of Fisheries (Mr. LeBlanc), on their own, after five in the afternoon, are not bad fellows. But something happens to them when they go to work at 8.30 in the morning, and no one has been able to quite figure out what it is.

Three or four times today, directly and indirectly, the Acting Prime Minister, the Minister of Transport (Mr. Pepin),

was asked: have you talked to the Prime Minister (Mr. Trudeau)? Well, do you know what I believe? Since the Prime Minister went to Versailles, not one of them has picked up the phone and called the leader of this country and said, "Look, we have a problem. What are you doing over there? What are we supposed to say to Canadians?" Mr. Speaker, I do not think there has been any communication whatsoever. Is that the way you operate? Is that what happens to you between 8.30 in the morning and when you leave your office? Do you lose all capacity to communicate with one another except through the bureaucracy? Perhaps if you did talk to each other, the time of the House would not be taken up trying to restore some sanity to the minister's NEP.

All we are trying to do, Mr. Speaker, is to take the excess taxes—which in some cases have been misused or ill used, improperly used certainly—and put them back into the pockets of Canadians. We want to give the little fellow a break, the senior citizens, persons on fixed incomes or low pensions. Give the fellow driving a car a bit of a break. For most Canadians a car is no longer a luxury, it is a matter of necessity. That is what we are trying to do, curb the over-zealousness and blindness of this government in its pursuit of an energy program which has failed this country. They were warned it would fail, and yet they steadfastly and blindly refused to alter or change it.

Well, Mr. Speaker, this debate will carry on. The debate in the country will carry on. Sooner or later, whether or not it is here on the floor of this chamber, the answers to these questions will be given. The questions will be answered in a general federal election. If one were held tomorrow the questions would be answered to the very clear and distinct advantage of the Canadians who have to bear the very unfair burden of this government's National Energy Program. Somebody said the other day that if you cannot talk to one another any more, that if you are so broken down in the treasury benches that no longer are there lines of communication, that if you do not hear direction from the Prime Minister as to what you should be doing here, and if you have lost control of the bureaucracy—the budget of the Minister of Finance (Mr. MacEachen) is one sign of that and the National Energy Program of the Minister of Energy, Mines and Resources (Mr. Lalonde) is a clear indication of it—why in the name of all that is good and holy do you not do the honourable thing, call a general election and resign?

• (2000)

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, it is a pleasure to be able to speak on report stage of Bill C-103 and the two motions before us tonight. I, like many members, have had the opportunity to speak at some length on second reading of this bill. At that time I laid before the House those things that I thought objectionable in the bill, the philosophies contained therein and the principles which were incorporated in it. In reading the draft which has emerged from committee I do not think many improvements have been made. It is my intention tonight to impose upon myself the rules of relevancy. These are not usually adhered to strictly in the House. But I intend to speak solely on the proposals that came out of the Standing Committee on Energy Legislation and the two motions before us tonight. As a consequence, my presentation will likely be rather technical, somewhat dry but, mercifully, quite short.

It seems the changes proposed at report stage by and large are technical changes. There has been no change in policy and no change in substance. We are dealing with rather small technical changes. I wish that had not been so, but what more can you expect from the government in office?

I count about five separate proposals in the bill reported to this House on June 1 by the hon. member for York East (Mr. Collenette). In my opinion, it proved to be somewhat of a disappointment. The first change is to be incorporated into Clause 9 and Clause 33 of the bill. Clause 9 deals with penalties for the non-payment of the oil export charge, Clause 33 deals with very similar penalties to be levied for non-payment of the petroleum compensation charge. I point out that the penalties referred to here are not penalties to be imposed in the case of fraud; they are penalties such as those with which the Minister of National Revenue (Mr. Rompkey) is familiar. They are not cases of deliberate fraud but rather oversights on the part of people supposed to be paying these taxes.

In the original Petroleum Administration Act, the amount of penalty to be levied in cases of default was 1 per cent of the outstanding amount. This seemed quite fair and reasonable. People have lived with that levy for some time and have become used to it. However, in the original version of Bill C-103 it was the intention of the government to increase this penalty charge from 1 per cent to 1.5 per cent of the outstanding balance. I do not know why the government wanted to increase it by that amount. It would seem that 1 per cent per month, which is 14 per cent or 15 per cent per annum, is quite reasonable when there is no case of deliberate fraud. I presume the government thought that inflation would continue and in that case it might be better to levy a penalty charge amounting to some 20 per cent per annum or 1.5 per cent per month.

I am pleased to see that the penalty was rolled back to the original amount prescribed under the Petroleum Administration Act, that is, 1 per cent. In effect, having gone through this exercise, there is no change. I am pleased to support this recommendation of the committee, and I do not think any useful purpose was served by the proposed increase to 1.5 per cent per month.

I would, however, point out that when it comes to deliberate non-payment of the various charges and taxes to be levied, then we have a much different situation. The government has in no way backed down from the vicious penalties that it wishes to impose on people for deliberate non-payment. As an example, I will quote from page 12 of the bill. Clause 18 refers to penalties to be levied with respect to non-payment of the transportation fuel recovery compensation charge. These are very similar penalties prescribed for the non-payment of the compensation charge or non-payment of the oil export charge. In Clause 18 we read:

"(a) on summary conviction, to a fine not exceeding one hundred thousand dollars or to imprisonment for a term not exceeding one year or to both—

Under the old Petroleum Administration Act the maximum fine for a summary conviction was $200,000 or imprisonment for a term not exceeding six months. The prison term has been doubled. Similarly, for conviction on indictment under the old Petroleum Administration Act the maximum penalty was imprisonment for a term not exceeding two years, whereas under Bill C-103 and the new energy administration act, the penalty prescribed is, as we read in Clause 18:

(b) on conviction on indictment, to a fine not exceeding one million dollars or to imprisonment for a term not exceeding five years or to both."

I have registered my objection to these penalties before. It seems that if you are convicted for murder, rape or armed robbery you are likely to be back on the streets again in six months to a year, whereas if you refuse to pay your Petro-Canada tax you are fined $1 million and end up in jail for five years in the lowermost dungeon operated by those opposite.

When it comes to prescribing penalties under the law, it seems that those who would break the tax laws of this country are subject to much greater penalties than those who commit crimes against generally accepted moral standards of behaviour. I think that at some point in time we should take a look at the penalties prescribed under the Criminal Code for certain offences and then take another look at the penalties prescribed for breaking the tax laws of this country. In my opinion, the penalties for breaking tax laws are grossly out of proportion.

The second recommendation of the committee deals with a rather technical subject. It deals with overpayment in the EPF payments from the federal government to a province. You will recall, Mr. Speaker, that we dealt not so long ago with this very subject when we were talking about writing off certain sums of money in cases of provinces having been found to have received too many EPF payments because their estimated population was below that subsequently established by the recent census. Provinces found themselves owing fair amounts of money to the federal government. In certain cases those amounts were written off. If an overpayment has been made under EPF, it can be counted as part of the refund on certain oil export charges which under the Energy Administration Act would be accruing to the particular province. It could deal with agency fees because I understand that the provinces, by reason of their collecting the oil export charge on behalf of the Government of Canada, are eligible for certain agency fees.

• (2010)

This is a technical change. It has certain advantages to it, despite the way in which I have explained it which was rather complex. It should simplify the bookkeeping somewhat and it should get around the problem which we very often have where the federal government gives a cheque to the province and three weeks later the province writes a cheque to the federal government. It should simplify some of that, at least in theory. It will avoid certain double payments.

For these reasons I support the change, but it is illustrative of the very technical nature of the legislation before us. It is extremely complex legislation. I imagine there are very few of us in the House—and even fewer in the general public—who could understand the bill clause by clause. It is technical, administrative law designed for a very technocratic government.

Although I do not expect that it will be the case, I hope we can simplify some of the tax legislation. I am pleased to see the Minister of National Revenue sitting opposite. I am sure he would like to see that happen as well, but he probably suspects, even more than I, that it will not be the case. We find ourselves living with these very complex tax laws, rules and regulations which are very difficult to interpret. The more technical we get, the more likely it is that some technocratically-inclined lawyer will find loopholes in them.

I have another difficulty with Clause 10 of the bill which amends Section 17 of the act. It is difficult to read the new draft of Bill C-103 which was reprinted as amended and reported on June 1. Clause 10 amends Section 17.1 of the Energy Administration Act. Clause 10 becomes Clause 10(1) which deals with four subsections. If we go by the way the amendments have been printed, we come to the end of Clause 10 which deals with Section 17.1(4), and suddenly we are stuck with Clause 10(2). It is very difficult to find out to what that refers. The main difficulty is that subclause (2) is inserted, and it is the only one in the bill which does not amend a section of some other existing act of Parliament. Every clause in the bill, including the short title, amends the Petroleum Administration Act or some other act of Parliament but Clause 10(2) does not. It stands on its own, the way I read it.

If somebody wanted to make an update of all new legislation, he would take various acts of Parliament and all the clauses which amend different sections of different acts and apply them to the various acts. He would find that he had one subclause left over with no place for it to go. After all the other clauses were taken out and applied to the respective acts, we would have an act of Parliament comprised of one subclause. It is inconsistency in drafting, and it is very difficult to explain or to comprehend. Would it not be possible to rewrite or renumber Clause 10(2) so that it applies to the Petroleum Administration Act? It quite rightly belongs there. Then it would amend some section of that act and would not stand on its own in the middle of nowhere. This is a very technical matter which is best addressed by draftsmen in the Department of Justice. I hope someone in that department will read my remarks and take another look at it before third reading.

Now I should like to deal with what I perceive as the third major change recommended in the report on Bill C-103. It alters the wording in three clauses—Clause 11 which deals with the oil export charge, Clause 38 which deals with the petroleum compensation charge and Clause 44 which deals with petroleum compensation payments. Again this is a fairly technical matter, but previously compensation charges and payments were to be levied and made in respect of certain materials. Paragraph 65.19 of the old act gave the governor in council the power by regulation to designate certain products for payment or charges. Paragraph 65.19(a) allowed the governor in council by regulation to designate any hydrocarbon or mixture of hydrocarbon resulting from the processing

or refining of hydrocarbons described in paragraph (a) or (b) of the definition "petroleum" in Section 65.1(1) as a petroleum product. This did not include the possibility of a petroleum-like product such as synthetic crude oil produced from coal. In the first draft of Bill C-103 we see in a similar place in the legislation a redefinition which indicates that the governor in council may make regulations designating any product resulting from the processing or refining of hydrocarbons or coal as a petroleum product.

This so very often happens when we try to be more encompassing with our legislation; when we try to be more specific, we run into difficulties. There are certain difficulties with that definition. Thus, under the new proposal it was necessary to redefine what was really meant. The new definition has certain advantages. It indicates that the governor in council may "designate as a petroleum product any substance resulting from the processing or refining of hydrocarbons or coal if such substance is asphalt or a lubricant, or is a suitable source of energy by itself or when it is combined or used in association with something else." No doubt that is a better definition, but it still leaves us with certain difficulties.

In my opinion it would exclude certain things which should be excluded. Certain oil products should be excluded from the definition, such as aniline, benzene solvents, and various dye stuffs. Also it would exempt certain petroleum products such as solvents, plastics, and these types of things. This was good because we needed to encompass in our definition of these chargeable products certain coal products such as synthetic oil from coal to which I referred earlier. I understand that there is a certain amount of research being conducted by the Canmet division of Energy, Mines and Resources. I was pleased recently to visit that research establishment. I certainly hope, as do many other Canadians, that their research work proves successful.

• (2020)

It would also presumably include synthetic pipeline gas produced by hydrogenation processes, beginning with coal as a raw material. I do not know whether certain products will be included or excluded in this definition. In this respect we have run up against difficulties of clearly defining what is meant. First, coke produced from coal—where does that fit into it? Very little coke is used for heating purposes in Canada but there is metallurgical coke used. Where is the line drawn when metallurgical coke is put into the furnace, because part of it is used for the purpose of reduction and other parts of it are used at the same time as an energy source? Where would metallurgical coke fit into this definition? Where would water gas and producer gas fit into the definition? What about petroleum coke, which is produced in the process from which synthetic crude is derived from the tar sands in Fort McMurray, Alberta? I understand that there are large stockpiles of petroleum coke at the present time for which a market cannot be found. This is a good energy source which whould be used, but if it finds itself subject to taxes and charges which are proposed in this bill it would be very difficult to find a market for it. It is difficult enough now, and if it becomes taxable, as it might under this legislation, it will cause even more difficulties.

The fourth matter arising from the committee report concerns the Canadian ownership account. It has somewhat broadened the scope of the minister to appropriate funds for public ownership. On this side we have a philosophical objection to the way in which the Liberal government has gone about nationalizing everything in sight and saying that it intends to follow on with that process. I will not get into an argument over that tonight but rather will just look at some of the details. Whereas the minister was formerly allowed to appropriate these funds for acquisition of certain investment instruments—debt instruments and equity instruments—he will now be able to use his powers of appropriation of public funds to engage in any form of appropriation. I do not know why the government has wanted to give those all-encompassing powers to the Minister of Energy, Mines and Resources (Mr. Lalonde), but it has.

I am pleased to see that the drafting of Section 65.36(3) has been tidied up. We now have specific reference to an order which the governor in council must make when these powers of appropriation over the public purse are to be used. There are very complex rules and regulations which deal with a negative resolution on the part of Parliament when the minister desires to use these powers.

I must confess that I have read through about six times both drafts of the procedure to be adopted by the government and in Parliament when such an order is to be made. I find it very difficult to understand exactly how that process is to operate. If you read the proposals coming out of committee it seems that the proposed system has been watered down somewhat, that is if you go from the old draft of Bill C-103 to the new one.

As one illustration of that let me point out that the time period in which the government must table that order in Parliament has been extended from 15 days to 20 days. Originally, under the old draft, if such an order was contemplated and the government wanted to have the force of law behind it, that order had to be tabled in Parliament within 15 days of its issuance. That has now been extended to 20 days. We see a watering down of provisions there.

I find it difficult to interpret this. One can contemplate many things that could possibly go wrong. Where does the House of Commons and the Senate fit into this legislation? What happens in the unlikely event that the House of Commons chooses to agree with the order and say that it is good for the country for the government to spend so many billions of dollars to take over the assets of certain companies to give to Petro-Canada, and the Senate says no? I have read through this on several occasions and I can envision serious constitutional difficulties which could arise if the Senate decides to take a different approach than the House of Commons on a particular order.

From a personal point of view, I would have preferred if the power of a negative resolution, which would have the objective of overthrowing an order proposed under Clause 65, had been

confined to one House of Parliament, which presumably would be the House of Commons since it generally deals with money items. Those items are not usually dealt with in the Senate. It is very unusual to give the Senate the power to address money items.

The last point that I can identify in the report which was handed down by the hon. member from York East deals again with a rather minor item. It deals with interest payments on petroleum compensation payments made in error. Under the first draft of Bill C-103, if the government paid a certain compensation payment to a particular refinery and subsequently discovered it had paid $100,000 too much, and that $100,000 remained in the hands of the refinery for a certain period, the refinery would be obliged to pay interest back to the government set at such a rate as the governor in council decided. I do not see anything particularly wrong with that unless the interest rate was set at a punitively high level. However, the recommendation of the committee in the new draft of Bill C-103 says that this interest will no longer be payable. If the government makes an error and pays the refinery or oil importing company too much money, it is the government's fault and it is out of luck. Of course it will get its original amount returned but it will not collect interest on that money. It seems rather unusual that the government itself has recommended in this particular case paying what is in effect a penalty since it will lose the interest that it might have received on that $100,000. It seems rather unusual for it to do that when one considers the UFFI situation where it has made a mistake but is not really willing to make any special form of compensation under those circumstances. In this case, if it makes a mistake it is in fact giving the oil importer or the refinery a bonus for its mistake. The company will be collecting interest on the moneys it has on deposit in the interim. I find it rather unusual that the government has proposed this. It is only a minor matter so I will not raise any great objection.

• (2030)

Now we come to the two motions which have been proposed by the official opposition. The first one deals with the petroleum compensation charge and the maximum amount of the charge which the governor in council will be permitted to make under this proposed legislation. We in the opposition have proposed that the maximum amount of the petroleum compensation charge be restricted to $28 per cubic metre. Believe it or not, it works out to 18 cents a gallon. I guess we must plead that we are somewhat guilty of nefarious objectives in proposing this figure of 18 cents a gallon. Your Honour will recall that some two and a half years ago, in the budget proposed by the hon. member for St. John's West (Mr. Crosbie), the figure of 18 cents was the proposed increase to the excise tax on gasoline. Since that time, I believe taxes in excess of 90 cents have been imposed. The 18 cents we propose would be applied solely to the petroleum compensation charge, not to the myriad of other charges and taxes which have been levied by the government opposite.

When the vote on this motion takes place, I want to see how many hon. members opposite rise to vote in favour of a tax or petroleum compensation charge of $75 per cubic metre, some 54 cents a gallon. At the time of the last election they said that if the people of Canada voted Liberal, the taxes would never amount to 18 cents a gallon. I want to see which way hon. members on that side of the House vote on this very simple amendment we have proposed and put forward.

The second motion we have proposed is likewise very simple, but it addresses a serious problem. We propose that the amount of public revenue the government be allowed to collect by way of the petroleum compensation charge should not exceed petroleum compensation payments made to importers and refiners under this bill. We on this side of the House are scared because, as so often happens when the government first imposes its tax, it says that it will be applied for a certain reason, but after a while that reason disappears and the government still continues to collect the tax. In the case of gasoline, we can think of provincial road taxes which were first applied many years ago. The idea was to apply a tax on "motor spirits", as they were called in those days, in order to build roads, but after a while the connection between the two was forgotten and the taxes on gasoline were increased all the time. That money was not necessarily used to build roads. It just went into general revenue. This continued year after year ans taxes on gasoline are now a constant part of the Canadian provincial tax scene. They will never go away. If Your Honour will recall, the same thing happened at the federal level with income tax. It was first to be levied as a special charge to help fight the war, but then the war ended. Did the income tax go away? No, it did not go away. It has been with us ever since and it has increased and increased. We do not want this to happen with the petroleum compensation charge. I do not think there is the need, but if there were the necessity to have the charge and a compensation system where Canadian oil producers were taxed in order to bring imports for this country, we would live with it. However, when that need disappears, then that petroleum compensation charge should disappear. Our amendment is quite simple. It says that the two must remain in balance and that that particular tax should not exist any longer when the reason for it is gone, and should not be used as a mechanism to collect general revenue.

Those, then, are my observations with respect to Bill C-103. I hope that with regard to the two motions we have before the House, everyone will see fit to at least support Motion No. 5. It has been a pleasure for me to speak on such a technical subject.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: The question is on Motion No. 4. Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 75(11), the recorded division on the proposed motion stands deferred.

The question is now on motion No. 5. Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 75(11), the recorded division on the proposed motion stands deferred.

Mr. Gordon Taylor (for Mr. Hawkes) moved:

Motion No. 6

That Bill C-103, an act to amend the Petroleum Administration Act and to enact provisions related thereto, be amended in Clause 39 by striking out lines 14 to 17 at page 25 and substituting the following therefor:

"each subsequent month until such a time as the amount of revenue collected under this section is equal to the sum of one billion four hundred and sixty million dollars".

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, Motion No. 6 deals with Part III.2 of the Petroleum Administration Act amendments, Bill C-103, which relates to the Canadian ownership special charge and taxation. During May of 1981, in violation of Liberal election promises, this sneaky little tax was brought in to finance Petro-Canada's purchase of Petrofina. In early 1981, at the urging of the Minister of Energy, Mines and Resources (Mr. Lalonde), Petro-Canada made that outstandingly shrewd business decision to purchase Petrofina.

Mr. Speaker, as a player of the stockmarkets, you may recall that in the summer of 1980, before the National Energy Program, before the investment public came to know the true nature of the Minister of Energy, Mines and Resources and the ideologues who were advising him, the Canadian oils stockmarket was pretty buoyant. In fact, it was at a high, as some of us have learned rather sadly. At that time, Petrofina's stock was trading in the order of $50, roughly. Then some rumours started to spread. Apparently some believe it was more than just speculative rumours. The stock went from $50 to $80 or $85, even though the general stock market for gas and oil stock remained static and may in fact have gone down slightly.

• (2040)

About that time when Fina stock was going to about $80 or $85, the rest of the stock market in terms of oil was stagnant, perhaps slipping a little. Fina had not made any major discoveries. There is no other reason for the action of the Fina stock than that some people apparently knew something that others of us did not.

The government announced a takeover offer and then shrewdly engaged its agent, Mr. Maurice Strong, well known for his Liberal connections, to purchase Fina at the price of $120 a share. Those people who bought Fina stock at $50 in August were pretty happy. I do not know of anyone in this party who got wind of that information, but those who did came out rather well. The total price was $1,476 million. That was a very shrewd purchase for Canada. It did not create one new job for Canada, did not add one cubic foot of gas or one new service station or refinery. It did not add a thing to Canada unless, of course, the million dollar fee paid to Mr. Strong is considered an addition or the millions and millions earned by those who speculated fortuitously in the stock are counted.

That money had to come from somewhere. In order to pay off the owners of the stock, the money had to be borrowed. Borrowing costs at that time were in the vicinity of 18 per cent and 19 per cent. We had to borrow $1.5 billion at 18 per cent and 19 per cent to buy this company which had been paying dividends on its capital of about 2 per cent.

We did not gain any new jobs, an extra barrel of oil, an extra cubic foot of gas or anything else. For the same capital structure, we were paying 18 per cent and 19 per cent as opposed to 2 per cent. That was a really shrewd deal for Canada. For what cost us 2 per cent, we were now paying 18 per cent or 19 per cent.

Even though the assets of Petrofina were transferred to Petro-Canada, we could not burden that poor Crown corporation with the real costs of purchasing those assets, the 18 or 19 per cent. Heaven forbid! If they would have to bear the real cost, that would make their income statement and balance sheet look a little bit awkward. No, no, Petro-Canada could not be expected to pay the real cost. The consumers of Canada were going to bear the real cost.

Those little geniuses in Energy, Mines and Resources who invented the National Energy Program and the rest of this absurdity which has driven this country to its knees came up with the Canadian ownership charge. They said, "We are loading on all these taxes already, such as the petroleum compensation charge, the petroleum and gas revenue tax, the natural gas and gas liquids tax, the incremental oil revenue tax, the excise tax, the sales tax, the income tax. Who will notice the Canadian ownership charge—it is only four cents a gallon." It went on and nobody noticed. The Liberals broke every promise they had made during the election campaign. That was all right. A promise broken only hurts if somebody notices it. If nobody notices it, it is a great deal. That little four-cent a gallon tax went on. The little geniuses were delighted because it was politically successful. It was a great success. When Petro-Canada took over the Fina stations, they

rushed out and painted the dead maple leaf on it. The television cameras were there and the announcers were saying, "Holy smokes, we are Canadianizing."

The station was there before. The gas was exactly the same. You did not get any better gasoline or any more gasoline. No jobs were created. All that happened was that the consumer was paying four cents a gallon for the privilege of seeing that dead maple leaf on the new station. It was a real deal!

Those geniuses in Energy, Mines and Resources were so happy that they said they would allow the minister to raise that tax to 24 cents a gallon. Then they could buy four Petrofinas a year. We could then have these dead maple leaves painted on every service station in the country. They said that would make them so happy, it would generate jobs and make us self-sufficient. They said it would be marvellous, all the wonderful things that were going to happen.

With the passage of time we realized that the $1.5 billion we paid for Petrofina was at least a billion dollars too much. If Petrofina were still privately owned, the stock today, if it behaved the way the rest of the oil stocks are behaving, would be trading at $20 or maybe $30. We paid $120 a share for shares that today are worth $20 or $30.

It was a shrewd business deal. It really fills you full of confidence. You just wish from the bottom of your heart that the people who made that deal were in charge of the entire industry. If they ran all the oil companies in this country, wouldn't we be well off with those clever people? My goodness, we could have deals like that every day, paying $120 a share for stock that is worth $30 a share.

As things go it is not the habit of this government to admit mistakes or to apologize for blowing at least a billion dollars, and probably more, of public money. It is blowing it, just blowing it. It gathered it in taxes and sent it to Brussels.

If that money had gone to a Third World country in the form of aid, that would have made a little sense. Why, though, for goodness sakes, are we collecting taxes from the consumers of gasoline and heating oil in this country to send to Brussels? Why did we send a billion dollars of unearned income to Brussels? We did not gain a job out of that transaction, we did not gain a barrel of oil, we did not gain a cubic foot of gas, we got nothing. We just took $1 billion and sent it to Brussels. And, because we could not afford it, we have had to keep our interest rates high, to borrow back the equivalent of $1 billion from some place else around the world. So we have this shrewd little business deal worked out by the geniuses in the Department of Energy, Mines and Resources, it cost us $1 billion, it generated not one job and it contributed something to the higher interest rates that Canadians are suffering from. A few more business deals like that, Mr. Speaker, and we will not have one and a quarter million unemployed, we will have two million unemployed.

• (2050)

These central planners in the Department of Energy, Mines and Resources, who think they are so much smarter than everyone else in the country when it comes to energy matters, are no smarter than those central planners in Warsaw or in Moscow, and they plan just as badly as the central planners there. And you wonder how many of these horrifying experiences we have to go through before there is a recognition of that fact, Mr. Speaker.

This amendment contained in Motion No. 6, is very simple in its intent. It would merely say, let us stop after Petrofina, enough is enough, let us stop, no more taxes collected to hand over to the bureaucrats to go out and buy companies and to earn fees for Maurice Strong and other people, no more, because that sad experience has cost the country dearly, let us not do it again, let us stop after Petrofina. The amendment simply says that after you have collected $1,460 million, the amount of money to buy Fina, pay off that debt, which is costing us 18 per cent or 19 per cent, just call it a bad experience, a bad decision, and let us not repeat it. That is all this amendment does. It is a very simple amendment, that commends itself on its face.

Surely anyone who would look at the experience of that particular purchase and the consequences of it, would have to say, ah, ah, no more, let us not do that again, let us not have that exercise again, let us not create this little kitty for the minister and his minions to dip into and buy companies when the urge strikes him.

If state ownership of companies were the answer to Canada's problems, we should not have any problems, because we have over 400 Crown corporations. If Crown corporations were the answer to providing us with the window on industry, to let the central planners make better decisions, we should not have any bad decisions. Owning Air Canada, owning CN, how is it possible that we can have bad transportation policies, when we have this monstrous window on industry? If these windows are the thing that will provide us with the information so that governments can make good decisions, then they really have no excuse for not making this a utopia, as they have over 400 windows right now. It is a fallacy that Crown corporations provide anything but a repository for has-been politicians to earn handsome salaries. You may not have guessed that I am talking about Jack Horner and the chairmanship of the CNR.

Some hon. Members: Hear, hear!

Mr. Andre: Hurrah, hurrah, applause. Marvellous. Little toys, that is what they are, toys to give Maurice Strong fees, toys to give the Jack Horners and the Bryce Mackaseys of the world comfortable positions to be collected at the public trough. They do nothing for Canada but cost us money. We have a Crown corporation in the broadcast business and apparently it took 74 of them to report the Versailles Conference—74 accredited persons from the CBC to report at Versailles.

I realize that the ideologues on my left here believe that Warsaw and Moscow are the ideals toward which we should work, where the central planners are in total control of everything. But those who have the capability of reasoning and who look back on the Fina purchase objectively and measure objectively what we have achieved as a country as a result of

that purchase, I am sure will reach the inescapable conclusion that it was a mistake and that we should close off that little source of funds, after the Fina purchase has been paid for. That is what Motion No. 6 says, Mr. Speaker.

After they have collected that money from this sneaking tax, pay off Petrofina, to give Maurice Strong and those people what they have not earned but what nonetheless they will receive. Let us close the books on that sad experience and not leave that kitty in funds for the minister and his ideologues to play with at our expense.

Some hon. Members: Hear, hear!

Hon. Elmer M. MacKay (Central Nova): Mr. Speaker, I want to speak briefly on this bill and on the amendment, in support of my colleague who has just spoken. He made a good point about the ludicrous position in which this country finds itself because of the lack of co-ordination even between the Crown corporations in the exercise of government policy, whether it is in the field of energy or elsewhere.

Certainly no one could quarrel with his statement that it would be absolutely appropriate, once the sum that was paid for Petrofina has been taxed from the people of Canada, that this particular charge should cease to function. That makes eminent good sense.

Another thing is very obvious to those of us who are watching the way the Crown agencies and government control exist in this country is the difference in other countries. For example, in Japan there is a meaningful relationship between the country and the entrepreneurs who take guidance from the government. In Japan the government is a close partner of private enterprise and helps it to land orders; it avoids regulations and practices which will impede business. On the contrary, it fosters success.

With respect to this particular piece of legislation, I can think of nothing more incongruous than to look at the argument that was made not by politicians but by the Air Transport Association of Canada, ATAC, to a government committee. It pointed out that the government and the national energy policy sought to put on a particular tax, with Bill C-103, called the transportation fuel compensation recovery charge, enough in itself to baffle most people trying to make some sense out of this particular taxation measure.

As the submission made on May 5 goes on to point out, this charges, or purports to charge a tax on both foreign and domestic air carriers. But, lo and behold, we find out that because of treaty and other regulatory obligations our domestic air carriers are forced to pay the tax while foreign competitors are not subject to it. We also find out that the loss that Air Canada, our own national carrier, experienced in the last quarter, about $27 million, probably was caused by a tax approximately equal to that amount which it had to pay under this particular inequitable and stupid tax. Our national air carrier was forced into a loss position because of a misguided tax which the Minister of Energy, Mines and Resources (Mr. Lalonde) saw fit to impose on the Canadian air industry. Can hon. members think of anything more stupid? I certainly cannot.

• (2100)

It is obvious that this government is not well inclined toward the private business sector. It is suspected rather strongly that since the present administration can boast of few members with any business experience of any sort, it does not really know business very well, and this particular legislation is a good example of that. This might explain why, for example, the Minister of Energy, Mines and Resources delights in his new oil consortium which was recently put together by Esso Resources to take advantage of the special grants which are offered under the National Energy Program to Canadian-controlled companies. However, when we look at the makeup of this consortium, we find that it looks as if the minister were going to achieve exactly the opposite of what his policies were meant to do, in the same way as he has achieved exactly the opposite effect to what he intended with regard to the tax on Canadian air carriers and foreign air carriers.

The National Energy Program Canadianization features were meant to put more of the oil industry in Canadian hands and control. This new oil consortium which was created entirely to make it eligible for the preferential incentives accorded Canadian-controlled firms not only will be headed by an American-controlled firm, but the 80 per cent grants it will receive will be the most extravagant financing by taxpayers of oil exploration in history. This will also be very harmful to management standards in the industry.

In a recent column Bill Wilson, the noted business commentator and columnist, said that Lewis Carroll, the creator of "Alice in Wonderland", would have thought twice about writing this scenario in "Through the Looking Glass," but Canadian law makes reality of the most remarkable consortium ever to search for oil in the harsh conditions of the Beaufort Sea. Esso Resources' $600 million deal with this group of smaller Canadian companies—some not even in the oil and gas business, according to Mr. Wilson—is a direct product of the National Energy Program's discriminatory features. Mr. Wilson said:

> Because Esso Resources is American-controlled through Imperial Oil back to Exxon, it was one of the primary targets of the NEP's discrimination against foreign ownership. On its own, it could only have secured 25 per cent grants to aid in exploring the oil leases it holds in the Beaufort, both off and onshore.

To obtain the full 80 per cent grants it found thoroughly Canadian companies with which to make a deal. The only problem is that some of the companies are in the real estate or investment business with no more gas and oil experience than filling up a company car at the service station.

> The biggest of them, Home Oil, is the project operator. The problem is that Home has no experience that would qualify it to undertake a $600 million exploration in the appallingly severe Beaufort environment. So, because Esso is the only company in the consortium with the technology and experience to run it, it will become the project operator's agent, doing the actual work for Home Oil.

Wilson adds that this illustrates with stark clarity the degree to which Esso Resources and other companies like it are needed in Canada, whether they are ultimately controlled in

the United States or in Timbuktu. And before anyone gets carried away over the Canadian content aspect of the consortium deal, Wilson warns that they should remember what the last burst of Canadianization did. It produced the takeover frenzy of 1981 that did much to weaken the Canadian dollar by shipping $10 billion out of the country. It rigidly locked the country into substantially higher interest rates than would otherwise have been necessary, despite Washington's levels, and helped precipitate this very serious recession. It also helped determine its depth and severity.

While this consortium scheme does not carry the same risks of exporting capital, it will, however, test with a vengeance the scheme of providing 80 per cent grants from public funds to finance northern exploration. Mr. Wilson concludes in his column:

> It is beyond all rational belief that any company, no matter how well managed, can maintain its own economic efficiency if the funds it is spending come 80 per cent from government, and only 20 per cent from its own cash flow or borrowing. It is not a disparagement of Esso Resources and its management to say that it cannot insulate itself from the effects of this sort of financing, no matter how hard it attempts to maintain its effects. Those cheap dollars will erode the best cost controls.

Meanwhile, the real help companies should be getting is not available to them. The National Energy Program has seriously harmed their cash flow just when they need it most to deal with the high cost of borrowing and just when the budget has further eroded their cash position, and the government now says it does not have the necessary funds to promote research and development as it should be promoted to give our industries a chance to compete on work markets.

So, when one says that only growth will give us jobs, as many of us in this House believe, I have to add that we will never achieve any growth under the present administration unless it changes its posture. Surely we have seen the ultimate irony take place in Versailles. At a time when a summit conference was held to deal with energy and other problems and at a time when the country is full of misery and apprehension, where is the economic conference held? It is held at Versailles. It is one of the most obvious symbols of opulence and luxury the world has ever known. And who is the host? Why, it is a socialist who is the host, President Mitterrand. Who is the man who is the chief centre of attraction? He is the free enterprise President of the United States who is universally vilified by all concerned, including our Minister of Finance (Mr. MacEachen) and the Prime Minister (Mr. Trudeau), for taking steps to help his own country. And those steps of President Reagan appear to be working. Surely we are faced with a lot of paradoxes. The Prime Minister is now taking an extended tour. In the old days in Rome they used to say that Nero fiddled while Rome burned. We have seen here today that Pepin fiddles while Trudeau roams! What do they say in Quebec? I wish I were more bilingual, but is it not something like this:—

[*Translation*]

—the more things change, the more they stay the same.

[*English*]

We have seen that the more things change the more they remain the same. We have seen other energy policies put forward by Donald Macdonald when he was minister of energy, mines and resources. We were going to have energy self-sufficiency by 1980. We were going to have pipelines to the maritimes. Everything was going to be fine, and now it is more of the same, and the goal of energy self-sufficiency gets further and further away.

If this government is going to do anything to help this country, it has to stop its drifting, ad hoc approach. The Liberal government will do such damage to our economic position that we will find it increasingly hard to hold our place in the world, much less improve it. The November budget should be withdrawn. Incentives to invest and produce should be restored. The National Energy Program should be further amended to allow experienced companies to invest and not have to put together these artificial consortiums. Now that the Minister of Energy, Mines and Resources has seen some light and has reduced the harmful petroleum and gas revenue tax to some extent, he still needs to worry about low investor confidence. The measures he has taken have not impressed the financial markets at all. Meanwhile, these few measures he has taken have just provided a further drift into economic stagnation.

The only way we will get any improvement is for this government and the Minister of Finance, who no longer have any credibility on economic issues, to withdraw the budget, change further the National Energy Program and create better incentives for Canadians to invest in their own country. This government needs credibility badly. Its lack of credibility in energy matters extends back to when the Minister of Finance put those unebelievably crass advertisements in the papers in Cape Breton. He said: "Vote for Allan J., and the price of gas will come down and stay down." Anyone who is knowledgeable—as the Minister of Finance must be held to be; He is a veteran politician—who would say something like that could only be suspected of putting the interests of his party ahead of the interests of his country. This government has come back to power. It has come back bankrupt in policies, and its lack of policies has bankrupted our country.

Surely the Minister of Energy, Mines and Resources and his cabinet colleagues can read the handwriting on the wall. Ever since this country started to do away with incentives, to fool around with capital gains taxes and to pay oil companies to explore for oil when they were perfectly capable and willing to do so on their own, and ever since confidently forecast revenues failed to materialize, surely the handwriting for depression has been on the wall. I hope that members in the chamber will show at least a modicum of common sense and support the amendment of the hon. member for Calgary Centre (Mr. Andre). In this way they can show that this ill-advised and obviously quixotic attempt to buy a service company in the guise of Canadianizing our energy industry when those revenues which have been allocated for that purpose are being taken from the pockets of Canadian taxpayers, is enough of

this particular brand of taxation. The amendment ought to be enthusiastically supported by all members in the House. That would be a step in the right direction.

• (2110)

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, before I get into my comments I wonder if the hon. member would permit a question.

Mr. MacKay: Certainly.

Mr. Waddell: Given that our oil industry was 75 per cent foreign owned and now is about 68 per cent foreign owned, how would the Progressive Conservative Party propose to Canadianize the industry?

Mr. MacKay: Mr. Speaker, Canadianizing a diminishing resource when allowing our manufacturing and other sectors to fall into gross undercapitalization and underutilization, is not the priority I would put forward in this country. I think that ownership is secondary to management control in this sophisticated environment. If our energy sector is well managed and efficient, I am not so concerned about who owns it as long as the Canadian people are getting lots of energy at a reasonable price.

Mr. Waddell: I thank the hon. member for being so frank and straightforward, as he normally is. That question bothered me so much that I went back to peruse some old Conservative Party statements. A report of the 1974 Conservative Party conference has this to say:

> To maximize the benefit to Canadians the Progressive Conservative Party believes that as a cornerstone of such a policy for the 1970s and the 1980s Canadians must dedicate themselves to acquiring and holding ownership of more than 50 per cent of the non-renewable resource industries in Canada. A Progressive Conservative government would take the lead in this direction ... (and) would negotiate realistic arrangements for the phased marketing of foreign-held shares to accomplish the objective in an orderly fashion.

Strangely enough, it was the hon. member for York-Peel (Mr. Stevens), the slasher, the member who considers himself the blue Tory, who presented that motion. So we have a blue Tory saying that it is the policy of the Conservative Party to Canadianize the industry and to negotiate the "phased marketing of foreign-held shares to accomplish the objective in an orderly fashion".

What does that mean, Mr. Speaker? It seems to me that the Conservative policy is simply to wreck Petro-Canada. That is not much of a policy, and I do not think they have an alternative.

The hon. member referred to Versailles and he is right, there was too much splendour there. It is rather ironic while so many people, especially young people, are unemployed in the western world, to see all that magnificence. In my province alone thousands and thousands of people are unemployed and UIC there costs $33 million per month. When hon. members to my right were referring to Versailles, I kept thinking about the philosophical mother of the Conservative Party, Marie Antoinette and her spiritual successor, Ronald Reagan, telling us all to eat cake. That is exactly what their policy is aimed at—except that there is no cake.

Let us try to deal with the Canadian ownership special charge in a proper way. The idea of the special charge was that money would accumulate into a Canadian ownership account and would be used to increase the participation of the Government of Canada in the petroleum industry. I hope it is agreed by all parties that it is unacceptable to have such a key commodity such as oil controlled by non-Canadians. Earlier I said it was about 70 per cent foreign owned. We let that happen and we are all to blame for it in various ways.

We in the New Democratic Party believe that the government should participate in the industry and be more than a mirror on the industry. That is why David Lewis and Tommy Douglas pushed for Petro-Canada in the House. We think that Petro-Canada must be put in the driver's seat because of the logic of dealing with multinational corporations. Anyone who reads about them will realize how difficult that is.

It is ironic that the sources of our future energy, off Hibernia and in the north, are areas controlled by multinational corporations. In Hibernia it is controlled by Mobil of New York, in the north partly by Dome, if it survives, but also by Imperial Oil of Exxon in New York and by Gulf. So the multinationals are directing the area where our new energy is to come from.

We have often said in the House that we do not want to see a Petro-Canada that is a place for patronage appointments. We want a Petro-Canada that is fully accountable to the people. I draw the attention of the hon. member to the speech given by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie). As he so often does in the House, he tends to deal with things in a novel way. He was talking about how to make a Crown corporation accountable to the people. If a Crown corporation is not accountable to the people, the solution is not to get rid of it but, rather, to make it accountable.

I think that Canadians like Petro-Canada so far and they are using it. They feel it is their company, and I think they would like to see it expand. There will be problems in future with Petro-Canada, no doubt. It will have to become more accountable. There will have to be some dealings with the gas stations. It may be that it will have to rebate some money to the purchasers of gas. But right now I think Canadian trust Petro-Canada and I hope that trust continues.

While I am on my feet I should like to pay tribute to William Hopper, the president of Petro-Canada. If we are going to have someone directing large government corporations, they should be people like Bill Hopper. He has some guts and is willing to stick his neck out and do things for the people of Canada.

I do not think it helps for the Conservatives to stand up day after day and attack Petro-Canada. I do not think that is good politics either. It is ironic that we in this party are called ideological and not pragmatic, yet we are not standing up attacking the notion of Petro-Canada on ideological grounds. I find it strange that a party which, as Robert Stanfield pointed

out not too long ago, is really the founder of the CBC, now stands up and attacks the concept of Crown corporations.

The Liberals are slightly misleading Canadians, Mr. Speaker. Petro-Canada is not the number one oil company in Canada. It is Imperial Oil.

Mr. Regan: I like Petro-Canada better.

Mr. Waddell: The minister may like Petro-Canada better but the government's policies continue to prop up Imperial and keep it as the number one company. The number one Canadian company is not even Petro-Canada. It is Dome Petroleum. Still, the internationals are the major companies in Canada. For all this fuss and bother of the National Energy Program and the Canadian ownership account, there has not been much progress in making Petro-Canada the number one oil company in the country. This Canadian ownership charge has been reduced from a maximum of $4 a barrel to the present $1.15 a barrel. This is a significant backing down from the October, 1980 budget wherein the government indicated that in its pursuit of expanding the role of PetroCan and other Crown corporations in the energy field it was prepared to raise the necessary funds from the special levy. The levy is now at its maximum, and that covers the takeover of Petrofina. It would appear in fact that there will be no further takeovers. In fact, the Minister of Energy, Mines and Resources and the Minister of Finance have said this. On March 5, 1981, Ambassador Towe said to the National Association of Petroleum Investment Analysts in the United States:

• (2120)

Purchases by Petro-Canada are one way of increasing public ownership, but they are not intended to place the public company in a predominant position in the industry.

So really the takeovers are finished. It is true, as the hon. member for Calgary Centre (Mr. Andre) said, PetroCan paid too much for Petrofina. It was grossly inflated. But because they paid too much does not, by itself, make public ownership bad. What is bad is that they paid too much. The gas stations coast to coast was the correct thrust; it gives PetroCan an image, Canadians can see the sign and so on. But they could have done it quite differently because in fact it is window dressing for public ownership.

It seems to me, Mr. Speaker, that this Liberal Canadianization is really inadequate because it is basically privatization. The basis of the NEP is not the takeover of public companies—that is pretty well finished with the takeover of Petrofina—it is in fact privatization. It gives to the Dome Petroleum's of this world the chance to take over part of the foreign-owned industry. Well, it is not worth it. The petroleum incentives program, which we will debate in the next bill, is a scheme to give $8.9 billion to private Canadian companies so they can drill in the Beaufort. It is a terrible scheme because, first of all, we should not be drilling in the Beaufort. We should be using the conventional system in Saskatchewan and Alberta. There are more jobs there, Canadians can participate and it will help the industry. The small companies in Alberta told us there was no way they were going to go to the Beaufort, they cannot afford it. It will be the American companies or groups or consortiums controlled by Imperial Oil, or some dummy group or company pretending to be Canadian.

Look at the Canadian ownership rate, Mr. Speaker. It is almost impossible to figure out. I challenge any of the accountants in this House to try to figure out what is going on. This will just build the bureaucracy. It seems to me there is a simpler way, and that is to use tax revenue or some of the revenue from the Canadian ownership charge to get away from PIP grants. These people want private enterprise; let them have private enterprise. Why do they need financing from the federal government? Why do they need 93 cents of every dollar from the federal government to explore in the Beaufort Sea? Take that money and, right out front, pass an act in this House setting up a fair takeover procedure for Imperial Oil. It would cost a heck of a lot less and in a short time PetroCan would be number one in the industry.

I will say this about my Conservative friends, except for the matter which I brought up at the beginning of my speech they are pretty straightforward in their positions. I may not agree with them, as I do not agree with what the hon. member for Calgary South (Mr. Thomson) says, but he says it honestly and in a straightforward manner. I think we in the NDP are at least being out front in our position on this. We make no bones about it, we are not going to play around with PIP grants or COR programs; we would make PetroCan number one by moving straightforward and taking under public control one of the American majors. I think there is support for this in the Canadian public. A group which appeared before us in committee, a number of distinguished people from business and labour, took a poll and said that people wanted 75 per cent Canadian ownership by 1985, not 1990. By a two to one margin they wanted PetroCan to take over one of the large multinationals and be number one in the industry. That is exactly the policy we are advocating here.

I want to say, Mr. Speaker, to the hon. member for Calgary Centre when he tries to tar us with this brush of Soviet central planning, or Polish, or whatever it is he calls it, I suggest he read Geoffrey Simpson's articles in *The Globe and Mail*. He has written some articles on Statoil of Norway, a government company which directs the exploration and development of oil in the North Sea. The people benefit from it. The United Kingdom has the same thing. The irony there is that it was developed by Tony Benn, who is on the far left of the Labour Party in England, and it was kept up by and large by the right wing Thatcherites. Why? They are not stupid, they realize that they need a directing force for this vital industry in order to benefit the people. There is Pemex in Mexico. By and large all oil-producing countries have state-owned oil companies which act as the directing influence for their oil industry.

The state does not have to own everything in industry; that is nonsense. Small companies are vital. Small private companies in the west should be getting the breaks, and I have spoken in the past about some of the things we could do to help these small companies. I will not go into that now, but what we are saying is: make PetroCan the driving force in this industry

in Canada. That seems to me to make some sense and it is a way we can really get energy security for Canada.

Energy security is not something that should be used by the Canadian Petroleum Association or by big oil companies to say to Canadians: give, give, give us more. As I said, Mr. Speaker, I talked to people this weekend who were just astounded at how the government could find $2 billion for Imperial and its friends, but cannot find the money for medicare, job-creation programs or for aid to certain other depressed industries. It cannot find the money to help people with their mortgages but it can find $2 billion to help the oil industry. I know parts of the oil industry are in trouble. I have suggested ways in which they could be helped. I do not think it is good enough to stand up and say that the Canadian ownership charge is a communist conspiracy and to say that Petro-Canada must be broken up or changed. I warned the Conservative Party about this.

We have had experience in British Columbia. The B.C. government tried to BCRIC the state energy and some other companies but it was not the answer. It is not the answer. I know people in other parts of Canada have not seen how BCRIC works. It is simple. What happens is you sell off all the publicly owned corporations. You are told it is going into the hands of the people. But it goes into fewer and fewer hands. The company is controlled outside of the province or maybe of the country. In the end you have a corporation that is responsible to no one, not even to its shareholders. I hope the Conservatives will explain what phase marketing of foreign held shares is and how you phase in that marketing. I know how we in the New Democratic Party would do it. We would simply use the Canadian ownership charge. We would use some of the taxes instead of giving away more money and pouring it into empty holes in the north. We would use the money to take over the company, such as Imperial Oil. Then we would have Canadianization of the Canadian energy industry.

• (2130)

Mr. MacKay: Mr. Speaker, would the hon. member for Vancouver-Kingsway (Mr. Waddell) entertain a question?

Mr. Deputy Speaker: The hon. member for Central Nova (Mr. MacKay) has asked if the hon. member for Vancouver-Kingsway (Mr. Waddell) would entertain a question.

Mr. Waddell: Yes, Mr. Speaker.

Mr. MacKay: I appreciate my friend's courtesy, Mr.Speaker. I can agree with what the member has said about a straightforward approach toward nationalization. It makes a great deal more sense than the back door approach which is exemplified in the $600 million Esso consortium approach. But does the hon. member agree with me that it also makes a lot of sense to terminate the taxation of Canadian people for purchasing Petrofina once that purchase is a *fait accompli* and use the revenue derived for some other purpose, public or private, rather than to continue leaving the door open for undetermined and uncontrolled spending by the government, and will the hon. member support our amendment?

Mr. Waddell: Yes, Mr. Speaker.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I would like to discuss some of these matters. When we talk about Canadian ownership, I like to think of businesses today that are considered Canadian owned. I look upon our farms as being largely Canadian owned. Some Canadian farms are individual proprietorships, some are owned by partners and some are family farms. There are some large corporate farms. The owners of the farms stand on their own feet and they make their own decisions. If they make money, they have a profit. But if they manage badly, they incur a deficit. In my view, however, that is the Canadian way of doing things. When it comes to businesses, we have the same thing. We have hundreds of businesses in this country that are Canadian owned. These businesses are owned by individual Canadians who make their own decisions. They make a profit or a loss according to conditions and the way they manage, etc. But we should make a very distinct difference between a company owned by the state in which individual Canadians have no say in the way it is managed. Canadians receive none of the profits personally if that company does well. They pay for the cost of this state-owned company eventually through taxes. Canadians may get some benefits through government services, but there is no direct link through the company that is nationally owned. It should be made clear that when we talk about Canadian ownership we are talking about Canadians owning the business, not the state owning it. That is what is confusing to people today.

Our friends to the left talk about Canadian ownership. They are talking about state ownership or nationalization. The Liberals opposite talk about Canadianization when they really mean nationalization. The government is taking over business.

Canadians are well aware of the difference between Canadian ownership and nationalization, and we should not be confusing them with terminology.

Let me talk about Canadian ownership in the petroleum industry. In 1976 the tax laws were changed by the government then in power. Canadian ownership started to increase. Canadian ownership was on the increase right up to the time when the National Energy Program started. Then Canadian ownership came to a sudden halt and started going backwards. In the Conservative's 1979 budget we had what was called a Canadian stock ownership program which would have increased Canadian ownership in this country. The Progressive Conservative Party has stood for Canadian ownership and a gradual progression to the point where Canadians own the greater part of the businesses, the farms and the resources of this country. But we draw the line with state ownership. We are asking for Canadians to own things, not for the state to own things, and we want that made very clear.

Our program would enable Canadians to own, manage, control, make a profit, or take a loss, according to the free enterprise system.

I would like to deal now with the matter of the Canadian ownership charge. The hon. member for Calgary Centre (Mr.

Andre) has dealt with this subject so exhaustively that there is little left to be said. The COC was first mentioned in the Petroleum Administration Act. It allows the government to charge up to $4 a barrel or 60 cents per MCF of natural gas in order to pay for the purchase of oil and gas properties by Crown corporations. In other words, it allows the government to take over or nationalize corporations in this country. The current level is about $1.15 a barrel or 15 cents per MCF in order to pay for Petro-Canada's purchase of Petrofina. If the information given to Canadians is correct, namely that this charge was there to buy Petrofina, then every member on the other side of the House will support the amendment because once Petrofina is paid for, it is paid for. If there is something else to be purchased, that is a new deal entirely. We will be watching for that. And I am asking the Canadian people out in the great beyond from the Atlantic to the Pacific and from the forty ninth parallel up to the Arctic to watch when the vote is called to see how our friends on the Liberal side of the House vote. People should watch to see whether the Liberals will vote to mark finish when the total amount for the purchase of Petrofina is paid. If the Liberals do not vote for the amendment, it means this government wants the tax to go on and on and on so it can nationalize other businesses.

When Petrofina was nationalized we took something away from those Canadians who owned shares in the company. People who owned shares had some say in the company. They won or lost according to what that company did. If the company made money, they made money and if the company lost money, they lost money. They were part and parcel of Petrofina. But when Petrofina was purchased by the Canadian government people were paid a tremendous amount of money. Instead of it being a highway robbery, it was a highway gift from the public treasury. People were paid $120 a share for shares running between $30 and $50. Now those Canadians sold the shares because they had no choice, but they were Canadian-owned shares and now they are Canadian government-owned shares. If there is anything which shows the difference between nationalization and privately owned, surely it is this. Of course these people received a pile of money through the sale because they owned shares, but now those shares are no longer owned by Canadians; they are owned by the Canadian government. That is the difference between Canadianization and nationalization.

• (2140)

I should like to review one or two of these other taxes. We have talked about so many of these taxes that people are beginning to wonder just how many taxes are involved in the National Energy Program. The NEP did not do anything to bring the oil industry into Canadian hands. As a matter of fact, it did the very opposite. Scores and scores of Canadians who owned small businesses lost them because of the National Energy Program. Is that Canadianization? That is what happened. The NEP was not very profitable to Canadians. It may have been profitable to the Government of Canada, but not to Canadians.

We can see the ill effects of the National Energy Program right across the land—loss of jobs, businesses going bankrupt and farmers going bankrupt. All these things have ramifications. The NEP must take responsibility for many of the bankruptcies and losses. It did not bring the industry more and more into Canadian hands; it took more and more of the industry out of Canadian hands, in fact some Canadian industries went out of the country entirely. I will refer to COC a little later if I have the time, but that is enough for now.

Let us look at the PGRT. On October 28, 1980, the budget of the present Minister of Finance (Mr. MacEachen) initiated the PGRT effective January 1, 1980, at the rate of 12 per cent of all oil and gas production. The federal-Alberta agreement of September, 1981, indicated that the rate of the PGRT would be raised to 16 per cent but that a resource allowance of 25 per cent of the price of oil would be deducted from the taxable revenue. This raised the effective rate to 12 per cent of the wellhead price of oil. This tax change was given effect in the 1981 budget as well. There we have 12 per cent of the wellhead price going to the Canadian government; it is just one tax.

Now I should like to deal with another tax which was initiated by the government, namely, IORT. In the federal-Alberta agreement the government settled on price increases significantly above those scheduled in the National Energy Program. The increment, that is the difference between the NEP and the agreement prices for 1981, was $2.50 per barrel, with a similar increment in 1982. For the years 1983 to 1986 the increment will be $3.75 per barrel. The IORT will tax back 50 per cent of this incremental revenue. While this revenue is not subject to corporate tax, it is subject to PGRT. In addition to the 12 per cent PGRT tax, we have up to 50 per cent of the incremental revenue coming back into the federal treasury.

Already we have a pretty good sum coming out of the industry, but then we have PCC which allows the government to levy a special charge on all oil consumed in Canada in order to pay for the equivalent in compensation which importers of world price syncrude oil would receive. The maximum levy was originally set at $1 per barrel, but in July, 1980, the government raised it to $1.75. In the 1980 budget the government rolled the syncrude levy into the petroleum compensation charge which was imposed on all oil in order to pay for the import compensation and oil sands production, including the special compensation charge used to pay for Alberta cutback oil. This charge is being levied as high as $8.15 per barrel. A scheduled increase for January, 1982, of $2.50 was cancelled. The current levy is $6.30.

Under Bill C-94, which would have been passed by the Liberal majority had we not started the bells ringing and kept them ringing until that bill was split into several bills, this charge could have gone as high as $20 per barrel. The maximum order of this levy imposed on oil has now gone down to $12 under Bill C-103. Let the people of Canada out there who thought that the bells were a game or something to amuse ourselves know that it saved them $8 per barrel on every barrel

of oil. This levy is imposed on oil as it enters the refineries, hence the oft-used reference to refinery taxes. That is the PCC. We have the PGRT, the IORT and the PCC.

There used to be a story in the old Alexander readers about the fellow who wanted to get all the golden eggs from the goose at one time. He killed the goose so that he could pick them out, but got nothing after all. This is what is happening now. The government is taking so much out of the industry that there will be no industry left. It is killing the goose that lays the golden egg. The government has already started to give some back. An hon. member of the New Democratic Party, its energy critic, said that he would like to know where the money came from. That $2 billion came from the oil industry, and the government is just giving some of it back. It should never have been taken in the first place. Killing the goose will not help the country.

Then we have the Canadian ownership charge, COC, which I have already discussed. Then there is the federal sales tax. The government originally imposed a 5-cent per gallon tax on gasoline and diesel fuel. The budget of the hon. member for St. John's West (Mr. Crosbie) sought to change the fixed rate to a 9 per cent *ad valorem* tax imposed on products as they leave refineries. Now we have a federal sales tax on the price of gasoline and diesel fuel. Finally we have another tax—perhaps I should not say "finally" because there may be some about which I do not even know—which is the excise tax on gasoline. This tax is a vicious tax indeed. The excise tax on gasoline was originally imposed in the June 23, 1975 Budget of John Turner at the rate of 10 cents per gallon. In November 1978, in an attempt to curry favour with voters in the pre-election period, the then minister of finance, the hon. member for Saint-Maurice (Mr. Chrétien), reduced the tax to 7 cents in order to offset the impact of a crude oil price rise which was due to flow through to consumers. The budget of the hon. member for St. John's West on December 11, 1979, would have raised this tax to 25 cents per gallon. In the mini budget of the Minister of Finance in April 1980, the excise tax was imposed at the rate of 1.5 cents per litre, which is the current rate. This tax is refundable for those using gasoline for non-personal purposes.

That is a list of at least six taxes which are taking money out of the petroleum industry, yet some people wonder why the petroleum industry is dying and going bankrupt, why business after business are going bankrupt, and why some of them have even fled the country in an attempt to stay alive. It also tells some of the story that the hon. member for Athabasca (Mr. Shields) told the other night about equipment costing tremendous sums of money being sold for a song because there was no use for it any more; it was being sold and taken out of the country, for the large part. This is supposed to be Canadianization? What the government is doing is bankrupting the country.

Let us see what some of the people have had to say about this, people such as businessmen who have been successful through the years and had started from scratch. They started by using their backs and their arms, by thinking and by co-operating with other people so as to build up businesses. There is one chap, Ron Southern, who today is president and chief executive officer of Atco Limited in Alberta. This is a good company. I had business dealings with this company when I was involved with the highways department in Alberta. That company always gave dollar for dollar value and tried to be a good corporate citizen. This is what Mr. Southern said:

• (2150)

> The Canadian government failed to recognize fundamental investment factors in creating the National Energy Program, and the result is a policy which carries the seeds of its own destruction, and will require substantial modification.

It will require this if it is going to survive. The absence of the oil industry itself at the planning table was very, very evident. In other words, the people who did not know the intricacies of the industry decided to tell the industry what was good for it and how it should operate. It is no wonder that there was an absolute and complete failure of the National Energy Program and, along with that failure, it has ruined many other parts of the country.

Mr. Southern went on to say:

> The federal government tried to impose a program as though there were no other players in the game. It avoided debate by refusing to allow the oil industry itself a place at the table.

He went on:

> One does not know for certain whether the federal government knowingly set up a possible situation that could eventually lead to a consolidation of the industry into a handful of huge petroleum companies, the majority of which are government-owned, or heavily influenced, or that the government genuinely did not understand that the elements of the NEP could produce such a result.

The hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) said this afternoon that he would give the government the benefit of the doubt. However, there are too many instances like this. We have seen where the National Energy Program has ruined one industry in this country. Now we have something similar happening through Bill C-85 which provides for the creation of Canagrex, a brand new corporation which is to have such control over the food and agricultural industry in Canada. It will even be able to tell the farmers what they can grow and what they can or cannot sell. What are we coming to? Is this government trying to get control of energy and then control of agriculture to make us subjects and slaves to it, subject to an all-powerful government? If it is not, then why is legislation like this being allowed by their own members who will suffer just as much as anyone once they are out of the House?

The people of Canada are angry and afraid of what they see happening. They are fearful when they hear about Canagrex. I received a letter of sadness from a lady who lives on a farm. She said, "It almost makes me feel as if I have to sell the farm and get out of the country." She said, "I am afraid, if our government is going to take this powerful control over the exporting and growing of food in Canada."

There is an attempt to do this in the oil industry and now the government is attempting to do this in the food industry. How much further will it go?

As Mr. Southern said, he does not know whether it was by design that the government consolidated the industry into a

handful of huge petroleum companies, the majority of which are government owned or heavily influenced by the government, or whether it simply made a mistake. The government itself will have to answer that.

Mr. Southern went on to say:

NEP has done irreparable harm to the smaller Canadian-owned independent petroleum companies, the contract drilling and well service companies as well as Canadian manufacturing and supply companies. Ottawa will eventually be forced to modify its plans in order to restore lost confidence and revitalize the petroleum sector in particular and Canadian manufacturing and service industries in general.

The other night the government recognized that it had made some mistakes. It is giving $2 billion out of the $6 billion that it has taken from the industry back to it. That is not enough. It will start the industry rolling again to some degree but will do nothing for the consumer. It is not doing anything for the many consumers who cannot get jobs.

What are these taxes doing to our people? Let us examine the price of gasoline. Out of today's price per gallon of gasoline, 77 cents is federal government taxes. Out of heating oil, 40 cents out of every gallon is federal government taxes. I recently talked about the fact that people across Canada who are burning heating oil have had their bills go up, and 40 cents out of every gallon that they purchase goes into the coffers of the federal government. That is where the major charge comes from and that is what makes the big difference. The government calls that Canadian ownership. It is no wonder that the people of Canada are rising up in anger when they say, "You talk about Canadian ownership, but you are robbing me of my income so that I cannot even pay my taxes or my mortgage. I will lose my home and I will lose my business, and you call that Canadian ownership?" That is what these taxes are doing. The government has been entirely too hoggish. It is trying to get every possible cent it can from the industry, and it will not only ruin the petroleum industry, it will ruin the other industries as well.

This is true even in the farming industry. With respect to the excise tax, we urged the members of the House on the government side not to put an excise tax on farm products or food production, such as on fertilizer. Would they listen? No, they insisted on putting it on fertilizer and applying it to the price of food so that everyone who buys food will have to pay more. Home-owners, widows, old-age pensioners, the crippled and the retarded will all pay more because of that excise tax.

We even asked the government to wait a few extra days so that the co-operatives in Alberta would not have to go to the bank to borrow money, thereby increasing their charges and putting a heavier burden on the farmers. The government will not even give it an extra 30 days. It said that they can pay it. The Standing Committee on Finance, Trade and Economic Affairs would not even recommend it. Those people in the co-op came down here and gave sound arguments but could not get anywhere because the government would not listen. Nor would the Finance Committee listen.

Farmers right across Canada, from Ontario, Quebec, the prairies, the maritimes and Newfoundland, who use fertilizer are being penalized. That has been one of the factors which has caused the increased numbers of farm bankruptcies. All the government has to do is to look at its excise tax. Not only does it want to kill the goose that laid the golden egg, it is killing the entire country. It is time that it awakened to the fact that the people of Canada will only stand for so much. When Canadians get to that point, the government better beware. The people are getting sick and tired of this taxation, taxation, taxation.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

[*English*]

THE ECONOMY—QUERY RESPECTING CONTACT BETWEEN ACTING PRIME MINISTER AND CANADIAN DELEGATION AT VERSAILLES. (B) PURSUIT OF CANADIANIZATION POLICY

Hon. Elmer M. MacKay (Central Nova): Mr. Speaker, I would like to continue the matter that I raised today with the Acting Prime Minister, the Minister of Transport (Mr. Pepin). It was obvious to those of us who were in the House today listening to the question period as you were, Mr. Speaker, that the Acting Prime Minister did not have the mandate or the benefit of the party line when he was speaking for his government this afternoon. As you may recall, I asked him what contact he actually had with Versailles. Did he have any knowledge or authority to answer for the government here in the House? Finally, I asked him how much longer it was going to take the government to come to the realization that it could not continue to use the national energy policy and the ill-conceived and capriciously administered foreign investment review legislation. The government could not continue to use these two devices to derive billions of dollars from this country while expecting the taxpayers to subsidize the falling Canadian dollar which was the result of these policies, with still more taxpayers' funds to keep it from falling to a level which the government deemed to be unacceptable. The Acting Prime Minister said: "I thought it would be normal for me not to get in touch with them"—"them" being his cabinet colleagues, I suppose, the Prime Minister (Mr. Trudeau), the Minister of Finance (Mr. MacEachen) and the Secretary of State for External Affairs (Mr. MacGuigan)—"not to take time away from discussions they were having with other people."

I think it is really a shocking situation and an insult to Parliament when the Acting Prime Minister in this administration will admit to the House of Commons that he has apparently had no meaningful contact with his colleagues who were participating in this supposedly high level economic

conference at Versailles, to which he has been referring for weeks in all economic questions as being the venue in which some results would be produced. I think that that is absolutely shocking.

• (2200)

The minister was then convicted by his own answer when he said, "I thought that that was the right approach with regard to the causes of the present situation. I think it came out strongly, from everything in the press, that the crisis we are experiencing now is not only in Canada." If we are to take this literally, it means that the Acting Prime Minister, the spokesman for the government, only knows what he reads in the press, and he is here in Parliament not as an enlightened spokesman conveying to the people of Canada and to the members of Her Majesty's Loyal Opposition the latest developments from a highly touted economic conference; rather, all he is doing is stalling with old, stale press reports, until the Minister of Finance wends his weary way home again.

This whole business of the way in which the national energy policy is being administered, is very interesting. This debate directly follows from what has been said a few moments before and relates to the questions to which I tried to obtain some answers this afternoon. I do not wish to repeat what I said a few moments ago, but the paradoxes are certainly so striking that they must certainly be underlined again. This government is intellectually and, I suppose, practically bankrupt when it comes to advocating any new policies. It can only fall back on whining and complaining about what the President of the United States feels it is necessary to do to promote economic recovery in his own country, measures which appear to be having at least some success. I would like to say something further to what the hon. member for Vancouver-Kingsway (Mr. Waddell) said some time ago, and it has been noted before in the House. There are areas in which hon. members in my party, and members in the New Democratic Party do not agree. We sometimes have a certain amount of agreement concerning civil rights and environmental matters. We usually take completely opposing stands on our approach to economic management in this country, but I think there is a measure of respect because of that. However, the government opposite stands for very little except expediency. It will embrace any half-baked policy as long as it can achieve a mandate during an election campaign. Then, when it must produce as it is now expected to produce, having convinced the people of Canada that our approach was wrong, it falls back and whines and complains and blames everything on President Reagan. It is really a very shocking situation.

In addition to the other paradoxes that we see implicit in this and in some of the other things which have already been said about the National Energy Program and the government's tug-of-war economic policies, I think the question bears repeating again in this context: just what is the national energy plan doing to its government's own policies? I come back again to what it is doing to the airline industry in this country. Again I repeat the submission which I have briefly summarized but which I believe to be accurate. It is the submission ATAC made to a committee of this House. I may not have put it on the record in its entirety a few moments ago, but I would like to refer to it again because it fits right in with the kind of information and approach many of us were trying to elicit from the government a few moments ago and this afternoon. This particular policy in the national energy plan has been characterized by ATAC as charges imposed on both foreign and domestic air carriers. As they point out, it was effective as of January 31, 1982, to be replaced by this new scheme that will be and has been explained in the House and in committee. They said this:

• (2205)

> In our view, this governmental attitude is incongruous inasmuch as it seeks to legalize a charge which has already been judged by government to be in violation of Canada's bilateral treaty obligations and for which as stated above, government has already informed the foreign carriers that they would be refunded (to the exclusion of Canadian carriers).

How can any national energy policy be held to be rational when, on the one hand, it is driving billions of dollars of capital from our country and, on the other hand, it is discriminating against our own air industry, and when the Acting Prime Minister cannot answer for the government but only refers to press clippings and then begs us to wait until the Minister of Finance, who never had any answers before, returns from Versailles to enlighten us.

Mr. Douglas Fisher (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member has given us the usual Tory Eaton's catalogue of haphazard complaints. His story tonight is that the Minister of Transport (Mr. Pepin) has given him an inadequate answer, based on the fact that that minister has not incessantly telephoned the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. MacEachen) in Versailles in anticipation of the hon. member's question.

He makes it sound as if the Prime Minister and the Minister of Finance are off in some hidden, silent world not covered by the press and not accessible to reasonable people. He makes it sound as though the Canadian public have not been exposed to what many observers call the biggest media circus in the world. The poor hon. member has not been able to get information from the media or any other source, and he complains because the Minister of Transport asks him to wait for 24 hours.

If I may add a little conjecture, I would imagine that if the Minister of Transport had been on the telephone incessantly in anticipation of this question, we would have had complaints about the telephone bill. That is the kind of attitude that was adopted in that last address. It was not a reasonable presentation, and it deserves the kind of political answer I have just given.

ASTRA TRUST—POSITION OF DEPOSITORS. (B) MINISTER'S STATEMENT

Mr. Joe Reid (St. Catharines): Mr. Speaker, on April 26 last, investors in the Astra Trust Company were told by the

Federal Court of Canada that even if they could prove negligence against the officials or the ministers with regard to supervision, licensing or inspecting of the Astra Trust Corporation, they would not be allowed compensation.

Since the Government of Canada managed to obtain compensation for itself, I took the liberty on April 26 to ask the Minister of State for Finance (Mr. Bussières) what he was prepared to do for those individuals who had lost their life savings and hard-earned earnings in the collapse of Astra Trust. I argued then, as I still do, that this government has an obligation to those depositors because Astra Trust was incorporated by this government after it was refused incorporation by the province of Ontario.

It was through that incorporation that the subsidiary mortgage and investment corporations were established as wholly-owned subsidiary corporations of Astra Trust. Because it was incorporated as a trust company with whatever indications that trust really means, it invited the public to make deposits, and so they did. Unfortunately, it went through those subsidiary companies which did not have the protection of the Canada Deposit Insurance Corporation.

The minister replied that it was the fault of the province. It was the usual shifting of the buck which we on this side are used to. The minister's response was deceptive in that he led this House to believe that the federal government honoured its commitment to its depositors, that it was the Ontario government that left and continues to leave the suffering victims of the subsidiary companies without compensation.

That was the usual manly dodge on the part of the minister and his government as they peeled off the $29 million of the assets in the hands of the receiver and left a measly sum of less than $10 million for the benefit of the great number of individual depositors and claimants.

• (2210)

What this whole matter boils down to, Mr. Speaker, is the incorporation of Astra itself. We know of the heavy and constant pressure brought on the different officials of the federal government in the incorporation of Astra. We know also of the reluctance of those officials and ministers to appear before standing committees to respond to questions why it was incorporated and why it was so licensed to do business.

We know, too, that the people who were set up to do business by this government were one and the same group of individuals who carried on the business in those subsidiary corporations, and they carried it on fraudulently and dishonestly. Not only that, why should the government not bear some responsibility to those depositors? They set the rules. If you walk into a trust company, do you see a sign saying something like this—I do not see one when I walk into any such company—"Deposit more than $20,000 at your own risk?"

The Canada Deposit Insurance Corporation, a federal Crown corporation, one of many, reimbursed individual depositors up to a maximum of $20,000 each, for a total of $21 million. This was in addition to the repayment of $8,400,000 on a loan that they gave that same company to bail them out of financial difficulty—so that they knew they were in financial difficulties. The Canada Deposit Insurance Corporation then received 90 per cent repayment of those advances, which in turn took more than 90 per cent of the total of the assets in the hands of the receiver—adding insult to injury, Mr. Speaker. In fact, the Canada Deposit Insurance Corporation, while others went broke, increased its deposit insurance fund by $33 million in the very same year it paid out the $21 million to the Astra depositors. In other words, the insurance fund would have in effect remained healthy, even if it had not received a penny or a single dollar in return from the Astra Trust when it collapsed.

In review then, Mr. Speaker, if this government has not a legal obligation to those victims, then surely it has a moral obligation to protect them in their life savings and hard earned moneys deposited with that company. First, there was the unusual and irregular incorporation which permitted—in fact, invited—the public deposits. Second, Astra Trust incorporated by this government did then incorporate subsidiary corporations, investment and mortgage corporations. Third, one of the reasons why the Canada Deposit Insurance Corporation was set up, was to guarantee the public and depositors against such an instance as this of collapsing or going bankrupt. No one could foresee then, and should not be able to foresee now or foretell, that there was the same deposit guaranteeing corporation on the ground, that would get its hand in there first, to the detriment of the depositors they were designed to protect.

The minister did not state his response in the House, but waited until he got outside of the House, to announce that there would be no return for those depositors. I suggest to you, Mr. Speaker, that there should still be hope for those depositors, there should still be a chance for them to receive some return; and the only person that they can turn to now is the minister in his capacity to ensure that the depositors in finance companies incorporated by this government are truly and properly protected.

Mr. Douglas Fisher (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I congratulate the hon. member for raising a very serious question that has considerable implications for ordinary people. I think that he has obviously thought out his concerns considerably in detail here. May I say that to the extent that the federal government had an obligation to Astra Trust depositors, such claims have been largely met. Insured deposits in the "guaranteed" fund and the "agency" fund were reimbursed by the Canada Deposit Insurance Corporation in the summer of 1980. Total payments were about $21 million. In March of this year the liquidator of Astra Trust made a court-approved interim distribution of the assets of the company, and some $15.6 million of the $17 million was paid to the CDIC as reimbursement of its claims against the company. The liquidator has indicated that additional payments may be made in the future, which means that there is a possibility that the depositors in the "guaranteed" fund may be reimbursed in full.

• (2215)

The hon. member has referred to an $8 million loan from CDIC to Astra Trust. This loan to Astra was made for liquidity purposes some time prior to the decision to wind up the company. CDIC obtained repayment of the loan by assuming ownership of the assets pledged to secure the loan. It is simply not true that the federal government received repayment of funds at the expense of the depositors. The federal government met its obligations to the depositors.

STATUS OF WOMEN—PARLIAMENTARY REPORT ON BATTERED WIVES—GOVERNMENT ACTION

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, on May 12 I asked a question of the minister responsible for the status of women concerning battered wives. To the horror of Canadians, a number of male Members of Parliament responded with loud guffaws when I told the House that one in ten husbands beat their wives regularly. A protest from all parts of Canada has flooded in to all Members of Parliament. Articles and letters continue to express general outrage and demand redress on behalf of Canadian women. Unfortunately, since neither *Hansard* nor television cameras identified the offenders, all Members of Parliament have been shamed and must prove their innocence as a result.

Fortunately, this outrageous incident awakened a public and political awareness of the very serious and high incidence of problems of wife battering and the need for government action on recommendations which were made in the report on violence in the family tabled in the House by the Standing Committee on Health, Welfare and Social Affairs. The lip service we have had from ministers, and even from the Prime Minister (Mr. Trudeau), is not enough, however.

On May 12 I asked the Minister of State for Mines (Mrs. Erola), who had a secondary responsibility for the status of women, to initiate immediate federal action on this matter. Her reply was that she would consult with the Minister of National Health and Welfare (Miss Bégin) to try to give some leadership to develop transition houses under the Canada Assistance Plan. This was quite unsatisfactory, since this would require provincial agreement, and the result would be inadequate funds. It seems the minister had not studied the report, which recommends that the federal government should take immediate federal action on its own to provide start-up funds and facilities for new transition houses. The federal government should also ensure adequate ongoing funding to maintain a core staff.

There are over 90 transition houses now in Canada, most of them inadequately funded and barely able to survive, and many more communities need similar and better services.

The minister responsible for the status of women also misled the House when she said she had discussed this matter of battered wives at her meeting with provincial ministers, when actually she merely announced at that meeting the report had been tabled.

I also asked the Solicitor General (Mr. Kaplan) to take immediate action on recommendations concerning justice and law enforcement, and he bragged that he was training young RCMP cadets. The committee recommended, however, that there be retraining and sensitizing of all police officers to deal more effectively with wife assault, not just training of young cadets who have little serious interest or experience in domestic disputes. The Solicitor General also ignored recommendations for affirmative action in the RCMP, which is needed to provide male-female teams on the beat. He ignored the recommendation to have police lay charges against assailants, since this can rarely be done by battered wives who fear reprisals. A large increase in the number of federal judges was also recommended, to deal with exclusion orders and to protect spouses. The minister ignored all these recommendations. These are all matters of federal jurisdiction that can and must be dealt with immediately by the federal government to stop what is criminal assault.

• (2220)

CMHC is to be commended for providing low-interest mortgages and start-up funds to some new transition houses such as the one in Charlottetown. However, the report also recommends that CMHC initiate policy to encourage several units in every social housing development to be reserved as second stage housing for battered wives. These would pay normal rents, and as the minister need not provide further funding he must take action on this matter.

Finally, Mr. Speaker, I want to say that last week I visited Anderson House in Charlottetown, a typical transition house which has had continually to scrounge temporary funds from the Department of Employment and Immigration, the Secretary of State (Mr. Regan), and receives inadequate per diem payments from the province. The staff has had to be cut by 50 per cent. This is a costly and inefficient way to provide inadequate funds which should be replaced by a federal advance of permanent core funding to maintain staffing and overhead costs of transition houses. The provinces could then contribute a per diem rate for each resident.

If we are serious about the problems of battered wives, the federal government must take these initiatives immediately. To do less is to continue to treat criminal assault as a chauvinistic joke.

Mr. Jack Masters (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I should like to begin my remarks by reminding everyone that when the subject was brought into Parliament by the hon. member opposite the question began as follows, "Madam Speaker, I have an upbeat question for the minister responsible for the Status of Women." I somehow think that might have been the subject of the laughter in the House at that time, rather than the content of the question.

Mr. Speaker, I welcome the opportunity to respond to the question from the hon. member for Vancouver East (Mrs. Mitchell) who has been a member of the committee studying the issue of wife battering.

The commitment of this government on this issue is well known. In the Speech from the Throne the government stated that the serious problem of violence against women will also be addressed, along with other amendments to the Criminal Code, and efforts will be made in concert with the provincial and territorial governments to improve health and social services for women who are victims of violence.

The hon. member opposite may recall that both the Solicitor General (Mr. Kaplan) and the Prime Minister (Mr. Trudeau) have stated that the RCMP now has, as part of their training program, sessions on family violence. This training is presently under review with a view to expansion.

Mr. Speaker, the problem of violence has been addressed by members of all parties of this House through the Standing Committee on Health, Welfare and Social Affairs as a result of unanimous consent given to a motion by the hon. member for York-Sunbury (Mr. Howie). This motion empowered it to examine appropriate measures for the prevention, identification and treatment of abused persons involving intra-family violence and in particular to address the issue of battered wives and dependants.

The minister responsible for the Status of Women appeared before the standing committee early on in the proceedings and made a major, and widely reported presentation on this subject, and several of her recommendations made to the committee were very well reflected in the recommendations brought forward by the committee in its report.

The House may recall that a few weeks ago the first ever federal-provincial conference of Status of Women ministers was held and it was indicated there that this subject of wife battering is a concern of the provinces as well as of the federal government. The minister responsible for the Status of Women has assured us that the area will be examined more closely at the next federal-provincial meeting.

Also, the justice minister has promised that wife battering will be discussed at the next meeting of federal and provincial attorneys general.

In all the work that has been done on this subject, the great concern has been to bring this issue to the public attention. This report has certainly done that. The work of the members of that committee is greatly appreciated.

Mr. Speaker, I call on the hon. member opposite, and indeed, all our colleagues in this House to join together to help to protect Canadian women and, as Linda McLeod, in the report of the Canadian Advisory Council on the Status of Women termed it, put an end to the vicious circle.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow afternoon at two o'clock.

At 10.25 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, June 8, 1982

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

YUKON TERRITORY

CONGRATULATIONS TO RE-ELECTED CONSERVATIVE GOVERNMENT—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I move, seconded by the hon. member for Erie (Mr. Fretz):

That this House congratulates the Conservative government of Yukon on its re-election yesterday and supports the people of Yukon and their government in their struggle to achieve provincial status and ownership of their own land and resources.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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DISASTERS

ASSISTANCE SOUGHT FOR FORT CHIPEWYAN, ALTA.—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, whereas forest fires last year in northeastern Alberta completely destroyed the trap lines of the residents of Fort Chipewyan; whereas commercial fishing on Lake Athabasca has now been banned because of unacceptable levels of pollution of the Athabasca River, and whereas this double disaster has dealt a severe economic blow to the residents of the community of Fort Chipewyan causing severe unemployment and hardship, I move, seconded by the hon. member for Peace River (Mr. Cooper):

That this House direct the Minister of Employment and Immigration immediately to declare the community of Fort Chipewyan a region for special assistance so that employment projects can be initiated without delay to allow the people of this area to retain their dignity and self-worth.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

IMMIGRATION

SUPPORT URGED FOR LANDED IMMIGRANTS AND REFUGEES—MOTION UNDER S.O. 43

Mr. Laverne Lewycky (Dauphin): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Whereas the concerns of new immigrants were illustrated by the Canadian Federation of Vietnamese Associations at their recent meeting in Ottawa when they unanimously passed several resolutions regarding resettlement assistance and language training, I move, seconded by the hon. member for Spadina (Mr. Heap)—and I am sure this motion will have the unanimous support of the House:

That the federal government, in the preparation of its immigration levels paper and settlement policy take into account and consider, first, providing financial support to the Vietnamese Association projects of training resettlement workers with a background in legal matters; second, supporting a training program of Vietnamese community workers; third, improving and extending the period of language training; fourth, providing a minimum of 24 weeks of language training with living allowances, regardless of their sponsorship, and fifth, inviting ethnic communities to participate in the formulation of language training policies for immigrants and refugees.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE ECONOMY

CALL FOR RESIGNATION OF THREE MINISTERS—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, whereas the Minister of Finance (Mr. MacEachen) went to the OECD in Paris last May and discovered unemployment, and the Right Hon. Prime Minister (Mr. Trudeau) and the Secretary of State for External Affairs (Mr. MacGuigan) went to the Summit in Versailles last week and discovered high interest rates and the sinking dollar, I move, seconded by the hon. member for Peace River (Mr. Cooper):

That the House recommends that the Minister of Finance go to Cape Breton and the Secretary of State for External Affairs journey to Windsor and the Right Hon. Prime Minister drop into Montreal and see the conditions in their own ridings and then if they have any responsibility at all they will all forthwith resign.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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[*Translation*]

AUTOMOTIVE INDUSTRY

REQUEST THAT GOVERNMENT CONCLUDE AN EQUITABLE AGREEMENT WITH JAPAN—MOTION UNDER S.O. 43

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, I rise on a matter of urgent and pressing necessity, under the provisions of Standing Order 43.

Considering the thousands of automotive workers who have been laid off for an indefinite period at Boisbriand, Oshawa, Windsor and Oakville, and considering the failure of the Liberal government to conclude an agreement with Japan on what would constitute an equitable share of the Canadian automobile market, and the government's inability to bring down interest rates, I move, seconded by the hon. member for Oshawa (Mr. Broadbent):

That this House demand that the government reach an equitable agreement with Japan and that it reduce interest rates and thus enable Canadian production to recover.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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[*English*]

EXTERNAL AFFAIRS

ISRAEL-LEBANON CONFLICT—SUPPORT URGED FOR UNITED NATIONS RESOLUTION—MOTION UNDER S.O. 43

Hon. John C. Crosbie (St. John's West): Madam Speaker, I rise under the provisions of Standing Order 43 to move, seconded by the hon. member for Sault Ste. Marie (Mr. Irwin) and the hon. member for Saskatoon East (Mr. Ogle):

That this House support the resolution of the United Nations Security Council calling for an immediate and unconditional withdrawal of all Israeli military forces from Lebanon and for the immediate and simultaneous cessation of all military activities within Lebanon and across the Lebanese-Israeli border; and that the House urge all parties to the conflict to seek peaceful means of achieving their mutual security and resolving their differences.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Mr. Ron Irwin (Parliamentary Secretary to Secretary of State for External Affairs): Madam Speaker, I rise to support the resolution of the hon. member for St. John's West as it is an endorsement of the United Nations Security Council resolution. Whether it is the shooting of an Israeli ambassador, the maiming of a Lebanese child, the drowning of a British seaman, or the death of an Argentine soldier, there never is a time, as General Grant once said, that some way cannot be found to prevent the drawing of the sword.

I hope the House will endorse the hon. member's resolution. I think that would go a long way toward bringing about a permanent settlement of the Lebanese-Israeli dispute.

Some hon. Members: Hear, hear!

Madam Speaker: I must put the motion to the House. I am afraid I did not realize the hon. member was discussing the motion and therefore debating it. Does the House give its consent to this motion?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

• (1410)

THE ECONOMY

DEMAND FOR REVERSAL OF GOVERNMENT POLICIES—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, given the unprecedented outflow of investment capital from Canada which grew by 500 per cent in 1981 to almost $20 billion, while our foreign borrowing has increased by more than $30 billion secured by way of bonds and loans with foreign lenders who enjoy guaranteed rates of return of 16 per cent to 20 per cent annually, and whereas the anti-investment policies of the federal Liberals are the principal cause of widespread unemployment, high domestic interest rates, and untold human misery everywhere in Canada, I move, seconded by the hon. member for Prince George-Bulkley Valley (Mr. McCuish):

That the government be directed to restore economic confidence by reversing immediately its anti-investment policies embodied in FIRA, the NEP, and the illegitimate November 12 budget or, barring such a reversal, the government is hereby instructed to resign.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

HOUSING

NECESSITY FOR LOWER MORTGAGE INTEREST RATES—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, the president of the Ontario Real Estate Association stated recently that it is not the lack of a down payment which has brought the construction industry to a halt, but rather the inability of home owners to meet excessively high monthly interest payments. Therefore I move, seconded by the hon. member for Erie (Mr. Fretz):

That the government recognize that until it introduces economic policies that will lower interest rates to home purchasers, the real estate industry and the construction industry will never become strong again.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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AGRICULTURE

CALL FOR PROVISION OF EMERGENCY FUNDING FOR FARMERS—MOTION UNDER S.O. 43

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas high interest rates have caused many farmers to lose all of the equity they have built into their businesses, sometimes over several generations, and whereas there have been repeated calls by members of the farm community for interest rates at 10 per cent, I move, seconded by the hon. member for Cowichan-Malahat-The Islands (Mr. Manly):

That this House urge the government to provide emergency funding for farm debt consolidation at 10 per cent interest rates for farmers facing economic disaster, and that such action be taken prior to the summer recess.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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ENERGY

SUGGESTED REMOVAL OF EXCISE TAX ON NATURAL GAS—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, in view of the hardship the federal excise tax on natural gas has placed on all those who have to make use of natural gas as a fertilizer base as well as for home heating, I move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

That the Minister of Finance remove this cancerous and inflationary tax if and when he presents a new budget to the Canadian people.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FISHERIES

GOVERNMENT AUDIT AND TAXATION POLICIES—CALL FOR COMMITTEE INVESTIGATION—MOTION UNDER S.O. 43

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, whereas fishermen are complaining bitterly at the tax collection procedures of Revenue Canada and the proposed deduction of income tax at source, and whereas the Standing Committee on Fisheries and Forestry failed to convince the Minister of National Revenue (Mr. Rompkey) to appear in order to answer questions on these two important matters, I move, seconded by the hon. member for Vancouver East (Mrs. Mitchell):

That the Standing Committee on Fisheries and Forestry be given a reference by this House to investigate the federal government audit and taxation policies and procedures as they affect Canada's fishermen, and that the committee be empowered to travel and call witnesses, and report its findings to Parliament this fall.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

REQUEST THAT MINISTER MAKE ECONOMIC STATEMENT BEFORE SUMMER RECESS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the Minister of Finance, either in that capacity or in his capacity as Acting Prime Minister. He will know that the Prime Minister of Canada, who is still out of the country, indicated in Versailles that the economic policy of Canada is to wait six weeks to see if some other country does anything. Will the Minister of Finance today give this Canadian House of Commons a firm commitment that the Minister of Finance will introduce either a new budget or a full economic financial statement before this Parliament leaves for a summer recess?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker—

Some hon. Members: Hear, hear!

Mr. Nowlan: You are pretty slow.

Mr. Stevens: This is the surrender at Versailles.

Madam Speaker: Order, please.

Mr. MacEachen: —I would like to answer the Leader of the Opposition because I, too, am somewhat concerned about the interpretation that the Prime Minister had somehow stated that any possible statement or any possible action to be taken by the Government of Canada was somehow delayed by six weeks. What the Prime Minister said, not only at his press conference but at the Summit meeting, was that because of the impact American high interest rates are having on the world economy and on Canada, and because of the impediment they constitute to the recovery, it was impossible for the world to wait until the fall, until after November, for the United States to act and, therefore, action was essential before the U.S. Congress and the Senate adjourned. That is how the reference was made. Obviously the impact of American policies is very important, but that is not to say there are not actions or responses that Canada on its own will have to consider.

Mr. Clark: Madam Speaker, as the Minister of Finance may have noted, he did not answer the question I put to him. What the Prime Minister said—

[*Translation*]

And I would like to quote what he said for the Deputy Prime Minister and Minister of Finance:

We shall see whether the Americans are going to act with the urgency—

[*English*]

That is the Prime Minister's comment on action in other countries. Our problems are in this country, caused by this government in this country.

Some hon. Members: Hear, hear!

TIMING AND NATURE OF FINANCIAL STATEMENT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, what I and those 50,000 Canadians who will be out of work in the next six weeks if this government continues to delay want to know, is when there will be a full economic and financial statement in this House of Commons. Will it be in the form of a new budget? We want a guarantee that the Government of Canada, which ran away to Versailles, which is running away and blaming the Americans—

Some hon. Members: Oh, oh!

Mr. Clark: —will not run away from the House of Commons but will, instead, deliver that statement when the House of Commons is sitting here. Has the Minister of Finance the courage to give us that commitment now?

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Let's hear it.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have no difficulty in telling the Right Hon. Leader of the Opposition, as I did when I appeared before the standing committee, that I intend to update the economic forecasts and the consequent fiscal implications. I will make that update in the House of Commons. There is no question about that.

Whatever updating is required will take place in the House of Commons. It will not be made elsewhere on such an important matter as a new statement, a new report, or a new review of the economic situation and the fiscal requirements that flow from the changed economic situation since the budget. I have no hesitation in assuring the Right Hon. Leader of the Opposition that that will be made in the House of Commons, and I have absolutely no hesitation in facing the opposition at any time on these important matters because I believe, like him, that this is the place where I ought to make a statement of that consequence.

• (1420)

Some hon. Members: Hear, hear!

Mr. Clark: The Minister of Finance has not moved very far from the Hall of Mirrors. He has told us that he will give Parliament an update on what might be a forecast, a review or a statement.

QUERY RESPECTING POSSIBLE CHANGE IN ECONOMIC POLICY

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, with a government whose policies have driven investment out of the country and have created thousands of new additions to the unemployed list in the country, I want to know whether the Government of Canada is contemplating a significant change in economic policy? Will that be introduced in the House of Commons, and when will it be introduced?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think that the Right Hon. Leader of the Opposition will be interested in the communique which was issued following the Summit, and to which Canada obviously gave its support and obviously participated in its conclusions. I believe that it does not, in any of its particulars, anticipate a basic change in economic policy.

If the communique indicates anything, it indicates quite clearly the following: "Growth and employment must be increased. This will be attained on a durable basis only if we are successful in our continuing fight against inflation." That is the basic thrust of the communique, and that is supported by Canada. It does not anticipate the kind of change in policy which the Right Hon. Leader of the Opposition seems to anticipate. I would like basically to remove any thinking that that is a result of the communique itself, or is in the mind of the government at the present time.

Mr. Clark: The Minister of Finance said that they are planning no major change in a policy which has driven away investment, destroyed jobs, and destroyed confidence in

Canada; that is what he just said. His Prime Minister has been saying that he will see what the Americans do and then come back to talk with his caucus colleagues, if any of them will talk to him, to see what they think should be done.

REPORTED STATEMENT BY PRIME MINISTER

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, what in the world is the Prime Minister talking about? Why is he holding out this hope of some kind of change six weeks from now, six months from now, or whenever, if the Minister of Finance is saying in the House that there will not be any basic change in the disastrous economic policy which has been imposed upon the country by this government that does not have a mandate and does not have the courage to go to the country to get one?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the Right Hon. Leader of the Opposition obviously misunderstands the situation once again, because it is he who formulated the questions this afternoon, not I. He asked the question whether it was the intention of the Minister of Finance to make a declaration indicating a basic change in Canadian economic policy. I have explained to him that we have just completed a Summit in which we participated fully. We gave our signature to a declaration which was the result of intensive debate and which indicates that growth and unemployment must be increased.

Mr. Wilson: Growth and unemployment?

Some hon. Members: Oh, oh!

Mr. MacEachen: Employment. This can only be done on a durable basis if we are successful in our continuing fight against inflation. That is our policy. Maybe the Leader of the Opposition would tell us whether he is recommending a totally opposite, contradictory and different policy. If he is, we would be pleased to hear it and to consider it.

• (1425)

INCREASE IN GOVERNMENT DEFICIT

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is for the Deputy Prime Minister and Minister of Finance. Surely the minister must understand that his statement today about the policies which he has been following for the past two years which are causing a great deal of concern, great unemployment and many bankruptcies to many Canadians, is a tremendous disappointment to them today, hearing that there will be no change in the basic policy that the government has followed.

The minister talked about the Versailles Summit communique which stated that Canadians will pursue, as a matter of urgency, greater control of budgetary deficits, and at the same time he has allowed his deficits to increase from the $10.5 billion estimate at the time of the budget to the current estimate of around $17 billion or $18 billion. What exactly is he proposing to do to reduce that deficit?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am somewhat surprised at the tenor of the question of the hon. member. Is he suggesting, at a time of very deep slack in the economy and at a time of very grave and rising unemployment, that the government should be taking a more restrictive fiscal policy than the policy that was laid out in the budget? If he is suggesting that, then I think he is recommending a policy that the Government of Canada will not follow, or indeed would not think to be in the best interests of the Canadian people at the present time.

Mr. Wilson: This is not just a forum where we can parry around with words. I am asking questions.

Madam Speaker: Order. We have to move to other questioners very soon. There has been quite a bit of time taken by the Leader of the Opposition. I would ask the hon. member for Etobicoke Centre to be brief.

MEANING OF STATEMENT IN SUMMIT COMMUNIQUE

Hon. Michael Wilson (Etobicoke Centre): I am asking the minister if he will tell Canadians just exactly what the government meant when ministers signed the communique in Versailles which states that, "we will pursue as a matter of urgency greater control of budgetary deficits." What did he mean?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I will tell the House and the hon. member what that sentence actually means. The hon. member can interpret it for himself. The paragraph, as a whole, needs to be read. It begins by saying:

> Growth and employment must be increased. This will be attained on a durable basis only if we are successful in our continuing fight against inflation. That will also help to bring down interest rates, which are now unacceptably high and to bring about more stable exchange rates. In order to achieve this essential reduction of real interest rates, we will as a matter of urgency pursue prudent monetary policies and achieve greater control of budgetary deficits.

Miss MacDonald: What are you going to do?

Mr. MacEachen: That last particular sentence was inserted—

Mr. Clark: What are you going to do?

Mr. MacEachen: —as a result of representations made by the Canadian delegation—

Mr. Clark: Come on, what are you going to do?

Mr. MacEachen: —to bring to the attention of the United States that if the world is to get any opportunity to get out of this recession the United States must take action to reduce its

real interest rates. That is the purpose of that sentence. It was directed against the United States, not against Canada.

Some hon. Members: Oh, oh!

REQUEST THAT NEW ECONOMIC MEASURES BE INTRODUCED FOR EARLY DEBATE

Hon. Edward Broadbent (Oshawa): Madam Speaker, as usual the Deputy Prime Minister talks a good battle. He has come back from a conference which did in fact lead to the Prime Minister recognizing in Versailles that there was an economic crisis in Canada for which we can at least be thankful.

I have a specific question and a proposal, assuming that the Deputy Prime Minister takes seriously the words that he reiterated just now, that the government is committed to growth and employment in terms of new policies. Considering that there are roughly three days of debating time left on energy bills which we have all discussed and debated before, and also considering that there are three days allocated to opposition parties remaining in this session, I would like to ask the Deputy Prime Minister is the government now prepared to come to grips in a serious and immediate way with the economic problems of this country, by introducing, say, next Monday, specific economic measures to which we could allocate a full week's time of debate, if the opposition parties gave up their days for debate on other matters so that we could get on with dealing with the economic crisis.

• (1430)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I want to make it clear to the hon. member, as I made it clear earlier when questioned by the press, that the results of the Summit at Versailles will be considered by the Canadian cabinet. I will be reporting to the cabinet this week on what happened at Versailles. We will be having discussions in our own caucus and, as a result of that process, we will determine the course of action and what the response ought to be. But it seems to me that it is absolutely essential to intensify our efforts in this country to reduce inflation because our performance, in comparison with most other countries, is not very good.

Miss MacDonald: It is bad.

Mr. MacEachen: The way to that result is certainly by a moderation of income claims by all Canadians at the present time.

Mr. Deans: While the interest rates are too high.

Mr. MacEachen: If the hon. member is interested in pursuing that kind of policy which has been pursued by colleagues of his, like President Mitterand and Chancellor Schmidt, then of course I would be interested in his support.

OFFER OF PARLIAMENTARY TIME FOR DEBATE

Hon. Edward Broadbent (Oshawa): Madam Speaker, the Deputy Prime Minister cannot get away with prevaricating—

Some hon. Members: With what?

Mr. Broadbent: —for an unlimited period of time. I am serious about the economic problems of the country. I would hope that there are other people on the opposite side of the House who are serious, as well.

I want to repeat the question and I simply ask for consideration by the government at this time, not for a final answer, but, rather, for a commitment to consider the proposal. We are saying, as one opposition party, that action is needed, and needed quickly. We are also saying that we are prepared to give up our number of days and, cumulatively, there is at least a week's debating time available so that the Government of Canada could act in a number of ways, whether on housing, whether on interest rates, or whether on a longer-range strategy. But it would not be required to take action for at least a week, to give time to the government to consider it.

All I am asking from the Deputy Prime Minister today is a commitment that he will take this proposal back to his cabinet colleagues and give us an answer tomorrow. Will he be prepared to come back next week with economic action?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member is making some sort of an offer saying, "We are ready to give up parliamentary time." That is an unnecessary gesture, a bit of grandstanding by the hon. member.

Some hon. Members: Oh, oh!

Mr. MacEachen: Parliamentary time is not a factor. We are quite prepared to stay here as long as necessary to deal with economic problems. If the hon. member is trying to compress things into the month of June, well, that is his problem. But what I am saying to hon. members of the House is that we take the economic situation very seriously. We have just returned from an economic Summit where we had very intensive discussions. We now intend to consider the matter in the cabinet, very deeply and very seriously, and when decisions are taken on what course of action we ought to take, then of course the hon. member and the House will be advised. However, I think he will understand that it is a bit of a grandstand to say, "Come in next Monday and, in order to facilitate that, we will give up our opposition days." Really, it is pretty sad, is it not?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Broadbent: Madam Speaker, there is only one sad group in this Parliament today, and that is the Government of Canada.

Some hon. Members: Hear, hear!

Mr. Broadbent: That is the sad group.

REQUEST THAT GOVERNMENT DETERMINE PLANS WITHIN TWO WEEKS

Hon. Edward Broadbent (Oshawa): I want to indicate to the Deputy Prime Minister and to the House leader, with whom he is now consulting, that this party will be prepared to sit all summer if necessary, if that is what is required to get the government to act.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Broadbent: Neither the Acting Prime Minister in answer to the Leader of the Opposition yesterday, nor the Deputy Prime Minister in answer to the Leader of the Opposition today have told us we would get any action within an early number of weeks. Will the Deputy Prime Minister give us a commitment that within two weeks, if not within a week, the government will finally make up its mind and do something for all the unemployed people in the country?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, once again I want to tell the hon. member for Oshawa that surely the important thing is not to seek action within a day or two days, but the important thing—

Mr. Broadbent: Within ten years, with you people!

Mr. MacEachen: —is to consider what proper proposals are appropriate at the present time. Then we will know the attitude of the hon. member. We intend to take this situation very seriously.

Miss MacDonald: About time.

Mr. Broadbent: This decade.

Mr. MacEachen: As the hon. member knows, the Prime Minister is attending the Summit of NATO leaders this week, and on Monday, when he returns, we will begin—we will continue the process of consideration leading up to—

Mr. Clark: You will continue to begin, or will you begin to continue?

Mr. MacEachen: We will continue the process which we will have already begun this week, since my return.

EXCHANGE VALUE OF DOLLAR—GOVERNMENT POSITION

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is directed to the Minister of Finance, and the Canadian people are not cheering, even if his Liberal claque is cheering; they are groaning under the economic conditions.

The Canadian dollar was valued at $1.02 in October of 1976. It has devalued 22.5 per cent today to 79 cents. It has declined 9 per cent in value since February of 1980 when the government came back into office. During that period the unemployment numbers went up 570,000. The inflation figures went up over 5 per cent, and the bank rate by 5.5 per cent. Obviously a lower Canadian dollar does not help our economy. Can the minister tell us whether it is still the government's policy to prevent any further devaluation of the dollar, and if so, how do the minister and the government plan to accomplish that?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): The hon. member should know that the Canadian dollar is not on a fixed exchange rate. It moves up and down in response to market forces, and that is still the policy. But I would add in reply to the hon. member that it is not the intention of the Government of Canada, as was recommended by a number of provincial premiers, to seek a deliberate devaluation of the Canadian dollar. To us, that seems to be a very unwise course of action. But the dollar is not on a fixed rate. It is moving and will continue to move in response to basic market forces. That is the policy.

REQUEST THAT MINISTER INTRODUCE NEW BUDGET

Hon. John C. Crosbie (St. John's West): Madam Speaker, the minister said that parliamentary time is not a factor. He has now been in office for two years and three months during which time the situation has gone from bad to very grave. Therefore I would like to ask him a supplementary question. Perhaps I should ask the Secretary of the Treasury down in the United States, if we are to listen to him, but I am asking the minister here. When we return to office we will, and—

Mr. Lalonde: Dream, dream, dream!

Mr. Crosbie: And my question is: will the government now revive our economy and put our people back to work by revoking the November 12 budget and bringing in a new budget which will encourage the risk-taker and the investor, by changing the new energy program in major ways, to treat all investors fairly and to give the oil and gas industry some incentive? Will the government start to welcome foreign investment and restore confidence which will start our economy moving again? Will you do those things, or step aside and let someone else do them?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): The hon. member is always interested in regaining office because he ends his question with a plea for us to step aside and let that crowd opposite take over the situation.

Mr. Crosbie: You are a failure, a miserable failure.

Mr. MacEachen: The Canadian people had nine months of that—

Mr. Crosbie: Give them another chance.

Mr. MacEachen: —and did not wait very long to change the hon. member and his leader.

Mr. Clark: Ask them today.

Mr. MacEachen: I think the reason for that kind of attitude is the basic misunderstanding—

Mr. Clark: They cannot believe what you say.

Mr. MacEachen: —of the hon. member as to the cause of the current economic situation in Canada. He fails to understand that there is a world recession, that every country in the world is suffering from that recession and there will not be a broadly based recovery affecting the United States, Canada and Europe unless there is a basic resolution to the high interest situation in the United States. That is the first step. The hon. member may talk of marginal changes in Canadian policy, but that is not the way out of this situation. That is why the Canadian delegation at the Summit conference kept its eye on the ball and repeatedly urged the United States to take steps that would give the rest of the world a chance to get out of this recession.

• (1440)

LEVEL OF INFLATION

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is also for the Minister of Finance who, several times, faced with the evidence that is mounting in the country of capital fleeing to other lands for investment purposes, has read from a communique issued in Versailles which calls for the continued fight against inflation. With our inflation level in excess of 11 per cent year over year, as high as it has been in living memory, will the minister tell the House when his fight against inflation will commence, bearing in mind that the Americans at least got their level down to almost 3 or 4 per cent?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, as the hon. member knows, we have been maintaining a monetary policy and a fiscal policy that are directed against inflationary pressures in the economy. I will admit to the hon. member that in Canada at the present time income settlements are much higher than in most other countries of the world. That is an aspect of our problem which has to be addressed by all the major participants in the economy. If we are to remain competitive and if we are to participate in a recovery that is to come, and will come, we have to be more successful in dealing with this aspect of our inflationary pressures.

I have argued against the introduction of a comprehensive system of wage and price controls. Therefore the only workable alternative is to secure a better understanding among the main participants in the Canadian economy of the result of current economic behaviour. That is really the situation that we face in this country at the present time.

Mr. Stevens: As we all know, somebody else in Versailles said "let them eat cake".

PLIGHT OF WORKERS

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my supplementary question to the Minister of Finance arises from his last answer. Unemployment is estimated to go up another 50,000 in number in the next six weeks, the dollar is now approaching 79 cents, there is an exodus of capital with the bond issue that the minister placed in Europe falling out of bed, down two points alone on $750 million. Has the minister no concern for the plight of Canadian workers other than to insult them with what he just said, that it is their wage increases that are causing the problem, bearing in mind that in the last five years the average wage earner has seen his real buying power fall by 10 per cent in this country?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): No, Madam Speaker, I want to assure the hon. member that I have no intention and I will not insult Canadian workers. I have not regarded them as the culprit in the present inflationary situation. I do not believe they are responsible for the current situation, but I do say that unless we have greater success in bringing down the level of income settlements in Canada in all groups, this country will not succeed economically. That is the situation at the present time.

When we see the largest industrial union in the world, the metal workers in West Germany, just recently settle for several points below the inflation rate, it gives us some cause to consider what the course of action ought to be in Canada.

* * *

PUBLIC SERVICE

DESIGNATION OF ESSENTIAL EMPLOYEES—EFFECT ON RIGHT TO STRIKE

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, my question is directed to the President of the Treasury Board. At the instigation of the federal government the Supreme Court ruled last week that the federal government had the right to designate large numbers of public servants as essential to public safety, and to remove their right to strike. The specific decision dealt with Canada's air traffic controllers where approximately 1,800 out of 2,200 lost their right to strike. Is it the intention of the government to use this Supreme Court decision to remove effectively the right to strike from public servants? If so, will the government bring this change of policy before the House in the form of legislation so that Canada's elected representatives can debate this anti-union policy?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, the hon. member obviously was not

here in 1967 when the act in question was adopted. The issue was thoroughly debated at that time. Section 79 of the act simply provides that the employer is entitled to apply to have those employees whose duties involve safety or security designated and, once designated, they cannot strike. The issue was debated. The issue was well understood by parliamentarians of the day. The section has been applied consistently. In this particular instance the government elected to use it in the case of air traffic controllers. The Supreme Court has simply confirmed the interpretation that the government has of this section and which all parliamentarians had of this section in 1967.

REQUEST THAT MINISTER TABLE LIST OF PLANNED DESIGNATION CHANGES

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, my supplementary is directed to the same minister. It is clear that he is not living up to some of the provisions of the ILO with regard to this matter. It is clear that the government's new tactic on designation is a new policy and is being used to change labour relations. Within the last few weeks groups other than the air traffic controllers have been hit with extreme designations. The ship repair group on the dockyard in Halifax have had nearly 80 per cent of their membership designated. The Public Service Alliance has had its H.P. designation—

Madam Speaker: Order. That really is not a question.

Mr. Parker: I am merely stating there are other groups. Will the President of the Treasury board at least table a full list of the planned changes in designations rather than trying to sneak them through one at a time over the next few months?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I must say that I am puzzled by the question. There is no planned change. There is absolutely no change in the law. In each instance the employer simply moves forward with a list of proposed designations, and the union has a perfect right to contest them. If the Public Service Staff Relations Board determines that these employees are carrying out duties necessary in the interests of safety and security of the public, surely the hon. member is not against that. This government is interested in protecting the safety and security of the public.

There has been absolutely no change in policy, and the designation procedure used today is exactly the same as it was in 1967. As far as the air traffic controllers are concerned, the circumstances speak for themselves. The issue has gone through two courts. I am pleased, as I hope hon. members will be pleased, that it has been satisfactorily resolved and that the interpretation given to the section by the government has been confirmed.

[*Translation*]

THE ECONOMY

INQUIRY WHY MINISTER OF FINANCE IS NOT DISMISSED

Hon. Roch La Salle (Joliette): Madam Speaker, my question is also directed to the Minister of Finance. Earlier, the minister clearly indicated that he intended to maintain a philosophy that he has fiercely defended, with very unfortunate results, during the last two years. The minister said that he still believed in the future economic growth and job creation, provided that we keep up our fight against inflation. As a result of this philosophy, during the last two years Canada has lost 16,000 businessess and 300,000 jobs which provided a living for 1,200,000 Canadians. In the circumstances, and considering the fact that a number of ministers as well as the minister's fellow members have publicly condemned his policies and qualified him as incompetent, does the minister, if he really wants to serve his country, need any further reasons for asking his Prime Minister to allow him to resign?

Mr. Clark: Hear, hear. Resign!

• (1450)

Madam Speaker: A supplementary, the hon. member for Joliette.

Mr. La Salle: I now understand why the Minister of Finance has no new proposals to put before the House, because he has no idea of the harm he has caused this country as a result of the lack of adequate measures. Madam Speaker, I believe that the refusal of the Minister of Finance to—

Some hon. Members: Order!

Mr. La Salle: It relates to my question. I understand, Madam Speaker, that these people do not want—

Madam Speaker: Order, please. The minister has the option of not answering the question and that is his right. The hon. member may proceed with a second question, but it must be brief as well.

Mr. La Salle: Madam Speaker, in my second question I wish to ask the Minister of Finance whether he is aware of the problems experienced by Canadians today, whether he realizes that at least 500,000 Canadians will have no alternative but to go on welfare by December 31, and whether he has any idea of the hardship he is causing to Canadians as a result of the lack of adequate measures, and in the circumstances, whether the Minister of Finance has anything else to say besides his usual refrain, which is bringing this country to the brink of bankruptcy—

Madam Speaker: Order, order!

[*English*]

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I believe the hon. member's second question is a pretty good illustration of the reason why I declined to answer his first question, which was basically a series of rhetorical statements. I am quite prepapred to answer questions, as I do every day, but I really cannot answer them if they are not formulated in a way that they can get an answer.

The hon. member asked me if I am aware of the difficulties that the Canadian people face. Madam Speaker, there is no one more aware of the difficulties that currently exist in the Canadian economy, and there is no one who is more worried about the rising level of unemployment than members of the cabinet, including myself. We are following the policy, no matter how difficult it is at the present time, that we think will bring the country to a possibility of renewed strength. Now, if the hon. member or his party has a different policy, a better policy—

Mr. Clark: We do.

Mr. MacEachen: —I think it is their responsibility to lay it out and let us examine it. But up to the present time they have failed, and have not indicated what their economic policy is in current circumstances.

Some hon. Members: Hear, hear!

POSITION OF MINISTER

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is directed to the Minister of Finance. We have seen an incredible performance of stonewalling this afternoon. We are in a great recession. We have more than 1.2 million Canadians out of work. We have double-digit inflation. And we have bankruptcies at near record levels. Yet we have the minister telling the House, and I am quoting him, that he needs more time to consider—

Madam Speaker: Order, please. I do not think we have had more than five or six questioners today during question period. I know that some answers have been long; but if hon. members want to give everyone a chance to ask a question, they should not be repeating those statistics, which have been repeated four or five times in the course of this question period. They should go directly to their questions.

Miss Carney: Madam Speaker, the heads of two Canadian chartered banks have told the finance committee that extended periods of high interest rates will cause serious damage to the economy, that bankruptcies will increase to an intolerable level, and that a time of crisis is near. Is the minister waiting until the crisis does occur, in order to change his economic policy, or is he prepared to act now?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think the members of the banking community who appeared before the committee have been stating well known facts, that the existence of high interest rates is very damaging to the Canadian economy and to all the economies of the world. That is well known. I share their concern. That is why, at the economic Summit, the Canadian delegation directed its efforts completely in the direction of trying to find ways and means of bringing down interest rates throughout the world, particularly in the United States. So I would agree with the concern that has been expressed by the hon. member.

INQUIRY OF THE MINISTER

Miss Pat Carney (Vancouver Centre): Madam Speaker, this supplementary question is also addressed to the Minister of Finance. Since he has been wrong on his economic forecasts, and wrong on his budget measures, and wrong on his National Energy Program revenue projections, and wrong on his claim that a lower Canadian dollar would lead to lower interest rates—

Mr. Clark: He does not know where he is living.

Miss Carney: —now that he tells the House that he believes his policy will lead to renewed growth in the economy, why should Canadians believe him?

Some hon. Members: Oh, oh!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, of course I disagree with the premise of the hon. member's question. It is another rhetorical question that is really impossible to answer.

* * *

FARM CREDIT CORPORATION

AVAILABILITY OF FUNDING

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I also have a question for the Minister of Finance. It relates to some of the statements the Minister of Agriculture has made as a result of the passing of the farm credit bill. The Minister of Agriculture said he would have an additional $1 billion of funding available for the Farm Credit Corporation after the first of June. I would like to know from the Minister of Finance if he will support the Minister of Agriculture in his efforts to raise that additional $1 billion of funding for the Farm Credit Corporation, at lower rates, through the agribond concept, which is similar to the small business bond concept.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have always supported the Minister of Agriculture in his efforts to improve conditions for the Canadian farmer, and I will continue to do that.

Some hon. Members: Hear, hear!

ADVANCE CROP PAYMENTS

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I would also like to ask the Minister of Finance if he is prepared to look at something that would help farmers without increasing the deficit, that is, an amendment to the Prairie Grain Advance Payments Act. The Minister of State responsible for the Canadian Wheat Board in the other place, is in favour of that. I wonder if the Minister of Finance, as a senior member of the cabinet and Deputy Prime Minister, is prepared to support the minister in the other place, to see that as of the first of August farmers will have some additional funding available to them.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, when the responsible minister brings forward his amendment I will look at it quite sympathetically, but I cannot forecast what the response will be until I see the specific amendment.

* * *

THE JUDICIARY

CANADIAN JUDICIAL COUNCIL REPORT ON ACTIONS OF BRITISH COLUMBIA JUDGE—GOVERNMENT POSITION

Mr. Svend J. Robinson (Burnaby): My question, Madam Speaker, is for the Minister of Justice. It concerns the recent report of the Canadian Judicial Council on the actions of Judge Thomas Berger. The minister stated recently in the national media that the Council accepted the report of their committee of investigation, which was an appalling document that essentially found that Judge Berger's actions would support a recommendation for his removal from judicial office. Will the minister take this opportunity to correct publicly this totally erroneous statement which he made, and confirm that in fact, far from accepting the report, the full Council rejected the report of the investigation committee and found that Judge Berger's actions did not in any way constitute grounds for his removal from the bench? Will the minister set the record straight?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I said that the committee reported that Mr. Justice Berger had committed an indiscretion, that it was unprecedented, and that they were not recommending his removal from the bench. I have accepted the same recommendation, to the effect that we should not put this question to the House of Commons and the Senate. Of course, as the Judicial Council of Canada said, he had committed an indiscretion. I have accepted that report.

Mr. Robinson (Burnaby): Madam Speaker, the minister has had his opportunity, but he is continuing to take cheap shots at this respected British Columbia judge—

Some hon. Members: Oh, oh!

Point of Order—Mr. McGrath

Mr. Robinson (Burnaby): —whose only offence was to condemn the shameful betrayal of Canada's founding peoples and our native peoples. This is a travesty of justice.

• (1500)

REQUEST FOR REFERRAL OF SUBJECT TO PARLIAMENTARY COMMITTEE

Mr. Svend J. Robinson (Burnaby): Madam Speaker, in view of the fact that the minister has refused to correct this shameful attack on Judge Berger, and in the process has continued to lie to the people of Canada and abuse his office as Minister of Justice, will the minister allow the Standing Committee on Justice and Legal Affairs an opportunity to examine this question and give Judge Berger an opportunity to reply to this serious and unprecedented attack on his credibility?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I said there was a report which was presented to me and, at the request of the hon. member, I made it public. I said I have accepted the recommendations of the Judicial Council, which said that there was an indiscretion but that, as it was unprecedented, there should be no remedial action or the removal of Mr. Justice Berger from the bench.

It was at the request of the hon. member and of the hon. member for Nepean-Carleton that I made the report public, and I repeat in the House that it is extremely important in our system that we have a complete distinction between the parliamentary and executive powers and the judicial powers in Canada. That is the cornerstone of our system.

We welcome the report, which says that when you want to participate in political debate, you run in politics; if you want to be a judge, you act as a judge. That is all.

Some hon. Members: Hear, hear!

* * *

POINT OF ORDER

MR. McGRATH—WITHDRAWAL OF UNPARLIAMENTARY LANGUAGE

Hon. James A. McGrath (St. John's East): Madam Speaker, I rise on a point of order, but it is probably more in the form of a question of privilege. It has just come to my attention on reading *Hansard* that I interjected yesterday following an answer by the Minister of Public Works (Mr. Cosgrove), and *Hansard* quite correctly reported me at page 18147 as having said, "That is a lie". That is unparliamentary, Madam Speaker. It adds nothing to the decorum of this place and I withdraw it.

Some hon. Members: Hear, hear!

Madam Speaker: Is the hon. member saying he did not make that interjection? At any rate, the Chair did not hear it; otherwise, I would not have allowed it.

Mr. McGrath: Madam Speaker, we have a very competent *Hansard* reporting staff in this place. I did make that remark. It was reported, it was unparliamentary, and I withdraw it.

Some hon. Members: Hear, hear!

Madam Speaker: I thank the hon. member.

Mr. Cousineau: Hey, John, did you hear that?

* * *

PRIVILEGE

MR. ROBINSON (BURNABY)—REPLY OF MR. CHRÉTIEN RESPECTING JUDICIAL COUNCIL

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a question of privilege following upon the answer of the Minister of Justice (Mr. Chrétien) to my remarks. The Minister of Justice has refused to correct what is obviously a lie which he has perpetrated, suggesting that a committee of the judicial council—

Some hon. Members: Order.

Madam Speaker: Order, please. The hon. member has just seen a formidable example of someone who has withdrawn such an expression. I ask the hon. member to withdraw it right away.

Mr. Chrétien: Madam Speaker—

Madam Speaker: I distinctly heard the hon. member say that another hon. member has told a lie. If I have not heard the hon. member correctly, I will hear from the hon. member, who will assure me he has not said that.

Mr. Robinson (Burnaby): Madam Speaker, we are dealing with a situation in which a judge has no opportunity to reply to an attack upon himself.

Some hon. Members: Order.

Mr. Robinson (Burnaby): His credibility has been undermined. At no time did I suggest that the Minister of Justice abused his position by lying in the House. However, at the weekend the minister did unquestionably tell the people of Canada that the report of the investigation committee of the Canadian judicial council—

Madam Speaker: Order, please. As long as the hon. member has not said someone in this House has told a lie, that is fine; no unparliamentary language has been used. As for the rest of the hon. member's invervention, he is obviously debating a question. He does not have a question of privilege.

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

Madam Speaker: Order, please. It is over. I have just ruled.

Mr. Waddell: Madam Speaker, I rise on a question of privilege arising out of the question period. It affects my privilege as a Member of Parliament because as Members of Parliament we have a responsibility to protect judges who cannot reply. I think we have to put this on the record to give the Minister of Justice (Mr. Chrétien) a chance to reply. The fact is that there was a recommendation by a subcommittee—

Madam Speaker: Order. The hon. member is still debating the question. It is not a question of privilege. He has no foundation for a question of privilege at this time.

ROUTINE PROCEEDINGS

[*English*]

PETITION

MR. OGLE—WORLD INVOLVEMENT IN NUCLEAR ARMAMENTS

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I have a petition to the Hon. the House of Commons of Canada in Parliament assembled as follows:

The PETITION of the undersigned residents of the Riding of Saskatoon East, in the Province of Saskatchewan, who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your Hon. House will therefore provide a remedy,

Humbly Sheweth:

THAT the World involvement in nuclear armaments will lead to the probable destruction of the human race,

WHEREFORE the undersigned, your Petitioners humbly pray and call upon Members of Parliament to express their fears and concerns for the future of all mankind.

AND as in duty bound your Petitioners will ever pray.

There are 24 names of parents and grandparents who are deeply concerned about world involvement in nuclear armaments. I present this petition.

* * *

[*Translation*]

COOPERATIVE ENERGY ACT

MEASURE TO ESTABLISH THE COOPERATIVE ENERGY CORPORATION AND THE COOPERATIVE ENERGY DEVELOPMENT CORPORATION

Hon. Marc Lalonde (Minister of Energy, Mines and Resources) moved for leave to introduce Bill C-116, an act to establish the Cooperative Energy Corporation and the Cooperative Energy Development Corpopation.

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

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,794 and 3,885.

[*Text*]

SECURITY CHECKS FOR PERSONNEL ON PARLIAMENT HILL

Question No. 2,794—**Mr. Cossitt:**

1. Has the RCMP or any other branch of the government made security checks on all persons hired to work in any of the buildings on Parliament Hill, including (a) cleaning staff (b) maintenance staff (c) protective staff (d) restaurant and cafeteria staff (e) employees in the offices of the Members of Parliament, Senators and Cabinet Ministers and (i) if so, is this a regular procedure and on what date did it commence (ii) if not, is the government concerned about security clearance for these persons and will security checks be undertaken?

2. Did the government recommend to the Management and Members' Services Committee of the House of Commons or to anyone else that such checks be made and, if not, for what reason?

Hon. Yvon Pinard (President of the Privy Council): 1.(a) to (d) No. (e) (i) Security checks on employees of Members of Parliament, Senators and Cabinet Ministers are conducted at the request of the PCO or a department whenever such employees require access to classified government documents in the discharge of their duties. In the case of ministers' exempt staff and departmental employees employed in Parliament Hill offices, the procedure is mandatory and a condition of employment under government policy. In the case of ministers of the Crown and parliamentary secretaries associated to ministers involved in defence and external affairs, House of Commons staff who are assigned government-related duties involving access to classified material are subject to a security check, but only after the requirement has been explained to them and their consent has been given to proceed. (e)(ii) Not applicable.

2. No. A government, as such, would not, under normal circumstances, address a recommendation to the Management and Members' Services Committee of the House of Commons. A matter of common interest to elected members would be put to the Speaker for consideration.

DPW EMPLOYEES AT BROCKVILLE

Question No. 3,885—**Mr. Cossitt:**

1. During the past five years, what were the names and job designations of those employed by the Department of Public Works at the Brockville federal building?

2. Were there any instances where competitions were not held to fill their positions and, if so, in each case, what were the details?

Hon. Paul J. Cosgrove (Minister of Public Works): 1. During the past five years, those employed by Public Works Canada at the Brockville Federal Building are as follows:

Petroleum Administration Act

Names	Job Designations
C.A. Euverman	GS-BUS-1
S.L. Gorgerat	GS-BUS-1
W. Kirk	GS-BUS-2

2. All new employees are recruited and screened by the Canada Employment Centre. A list of successful candidates is maintained by them and they refer candidates at a client's request to staff a position.

[*English*]

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

[*Translation*]

Madam Speaker: Questions enumerated by the Parlementary Secretary have been answered—The member for Central Nova (Mr. Mackay) on a point of order.

[*English*]

Mr. MacKay: Madam Speaker, just looking at some of my questions on the Order Paper, on February 9, four months ago, I put on the Order Paper a series of questions in question No. 3,750 concerning our diplomatic staff in eastern European countries and the diplomatic staffs of those countries stationed in Ottawa. On March 22 I filed further questions concerning the penetration of the RCMP security service by communist agents and the pressures exercised by Czechoslovak agents against Canadian citizens.

These are all questions which concern our country, and I hope there will be some effort made to deal with them pretty quickly. I hope the absence of answers is not deliberate.

Mr. Smith: Madam Speaker, the absence of answers is not deliberate. I am not aware offhand what stage the answers are at, but I will look into this matter on behalf of the hon. member.

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

MEASURE TO AMEND

The House resumed, from Monday, June 7, 1982, consideration of Bill C-103, to amend the Petroleum Administration Act and to enact provisions related thereto, as reported (with amendments) from the Standing Committee on Energy Legislation, and Motion No. 6 (Mr. Hawkes).

Hon. Don Mazankowski (Vegreville): Madam Speaker, I want to speak in support of the amendment proposed. Debate on the amendment was opened by my colleague, the hon. member for Calgary Centre (Mr. Andre). When one looks at the amendment, one will recognize that it is a fairly simple and straightforward amendment but, most of all, it is a very reasonable amendment. It is responsible and contains a great deal of common sense. The amendment proposes to limit the

amount of money that can be collected under the Canadian ownership account. According to Clause 39, which deals with Section 65.26(3)(b) of the act as set out on page 29 of the bill, the money provided by the collection of this surcharge can be used as follows:

• (1510)

—for investment in shares, debentures, bonds or other evidences of indebtedness of or for property acquisitions from any person in order to increase Canadian public ownership of the oil and gas industry in Canada and to repay loans or expenses incurred for that purpose.

The amendment would place a limit on the revenue collected under the Canadian ownership charge of $1.460 billion. It is a sunset provision, in effect. Parliamentary approval would be required before any wild and woolly deals such as the Petrofina deal could be made. In this clause the government seeks carte blanche approval to buy a company outright, to buy shares in a company or to buy properties without parliamentary approval. It could use its authority to draw upon a slush fund to be created at the expense of the consumers of Canada in order to buy a greater percentage of the oil industry. Considering the present lack of control we have over Crown corporations and the accountability of the government, I think this amendment deserves to be considered.

What the government is really saying is that state takeover is a way of Canadian life; that it has become part and parcel of the social and economic fabric of our society; that the government has the power and in its wisdom it shall decide when, where and how it shall penetrate the oil industry and how much it shall pay for it without being accountable to the people of Canada or making any reference to Parliament.

My colleague's amendment deserves consideration by all members of the House, Mr. Speaker. If the institution of Parliament is to be preserved and its credibility enhanced, then it must uphold its responsibility for funds held in trust for the Canadian people. Parliament must have the final say in this connection.

There are other areas that I want to touch on briefly, such as the economic climate in the country which is closely tied to the fundamental principles of the National Energy Program and the budget. There is no question that the country is in very serious economic trouble and there are many reasons for this. I would be the first to admit that the international environment is part of the problem but I do not think it is the only reason. The Minister of Finance (Mr. MacEachen) and his colleagues on the treasury benches will have to accept their responsibility for the present ills of the country. They cannot continue to plead that it is an international problem and an offshoot of the policies of the United States. I say very bluntly that the problems we face in this country are largely made-in-Canada problems and require made-in-Canada solutions.

There are three components that I believe contribute to the current malaise. The first is a psychological or attitudinal problem. There is a negative psychology in the country which pervades all aspects of our society and all regions of the country. The record of the government in the last two years has created this negativism. It has created a feeling of deep mistrust and now Canadians do not believe anything that the government says any more.

A week ago the Minister of Energy, Mines and Resources (Mr. Lalonde) announced changes to the National Energy Program. However, people in the industry are so cynical now that they do not believe that the minister's intentions or the intentions of the government are honourable. These provisions are to be in effect for a limited time only. But the fundamental philosophy enshrined in the National Energy Program was not withdrawn; it was a patchwork scheme drawn up to attract a certain amount of support. There may be support in some sectors of the industry but, by and large, the damage has been done. The goose that laid the golden egg that was our once vibrant industry has been killed. It will take more than the announcement made by the minister to revive it.

There is a mood of cynicism in the country. When people remember that the government fought an election on a platform of cheap energy and that in less than two years it has doubled the price of gasoline, it is not surprising that no one believes it any more. Today the Minister of Finance reiterated that the government has a mandate from the people of Canada, but that mandate was obtained on a platform of lies and deceit. If the people of Canada had a second chance, knowing as they do now that the government did not mean what it said, I am sure the results would be quite different. There is a feeling of deep mistrust in the country and a realization that the government would rather confront than co-operate. This has led to division and mistrust rather than to harmony.

Another aspect of this attitudinal problem is that more and more Canadians now realize that the government is incompetent. It does not have answers. It has destroyed the incentive, the desire, to progress that was once alive in the country. It has destroyed industries that were once humming and viable. There is a growing realization that the government is incompetent and is largely responsible for the mess we are in, that it does not understand what makes the country tick or what makes the economy tick. It has run out of solutions.

Rather than having a positive mood in the country and a readiness to tackle urgent economic problems, there is a feeling of hopelessness, despair and helplessness around us. There is uncertainty, confusion, and investment decisions are being postponed. Things are going in reverse, Mr. Speaker.

There is a general view abroad in the country that, given our resources and the opportunities that exist for individuals, companies, entrepreneurs and investors, we should all be doing much better. But the government has stymied initiative; it has stymied investment; it has stymied the entrepreneurial spirit that was the hallmark of this country over the last 20 or 30 years.

• (1520)

Another reason for our present problems is the economic policy of the government which is reflected in the philosophy of the budget. That budget, as we all know—and we are not sure whether it will survive this Parliament—stifles growth,

discourages investment, penalizes initiative and enterprise, and advocates greater state control in the growth and development of economic opportunity in Canada. It was interesting to note that Mr. W. P. Wilder, the president and chief executive officer of Hiram Walker Resources Ltd., in a speech to the Canadian Club of Montreal on March 1, said this:

> The biggest single barrier to investment—whether it be the multi-million dollar investments called for by the energy industry or the smaller investments required in other industries across the country—is uncertainty. And this federal government, through its over-all approach to the economy, has raised a basic uncertainty as to whether or not investment in Canada—by Canadians or by anybody else—is really a very good idea in business terms.

I think that summarizes very succinctly the prevailing mood in the minds of investors.

The third issue which has led to the deterioration in our economy is, naturally, the NEP. The fact that we are engaged in this rather long debate, Mr. Speaker, which strikes at the very core of the NEP, is certainly a tribute to my colleague, the hon. member for Calgary Centre, and indeed to the House leader of my party. I think it is fair to say that the NEP is not fully understood by the average Canadian, and hopefully through this debate we will be able to apprise Canadians in a more general way as to the real thrust of the NEP, what it has done and failed to do, and how it might be improved.

The short and simple solution would be to have the whole thing withdrawn and to start all over again. I think that would do a lot to lift confidence and improve the investment climate, particularly in the oil sector. Those are not only my views, they are shared by other learned individuals in the country. I would like to quote from an article written by Mr. John Meyer, a very well-known journalist, who has written some very learned articles on the economy, energy, and business in general. This is from an article which appeared in *The Executive* magazine of April, 1982 and is entitled—and this is the very point I am trying to make—"Canada's collapse began with the NEP". He goes on to say:

> This is a recession which need never have happened. Now that it has, it looks as if it will last longer and hurt more than any previous post-war recession. After three quarters, there is still no end to it in sight.
>
> This recession was triggered and has since been intensified by a succession of federal measures and, to a lesser extent, the provincial responses they evoked. The breaking point came with the National Energy Program.
>
> To attribute this recession to the arrival together of most of the developed countries on the same downslope of the business cycle, or to attribute it to high U.S. interest rates, is to ignore the dominant role of energy among our other natural resources.
>
> Provision for a competitive rate of return on oil and gas production would have strengthened the dollar, improved national productivity and raised the national income. At most, it could have overtaken the deterrents of high interest rates and slumping other countries. At least it would have offered the promise of early recovery. The introduction of the NEP deprived us of both.
>
> Before NEP, the strongly rising volume of investment in oil and gas exploration and development had been driving the whole economy forward. Every dollar invested by the petroleum industry multiplied two or three times through the economy in purchases of equipment and services.

I might add, Mr. Speaker, the purchase of equipment and services not only in western Canada, but indeed throughout all of Canada. I quote again:

> Since NEP, the industry's investment here has been drastically reduced, by 30 per cent to 40 per cent through 1981 and by at least that much again this year. These are not now recoverable funds. They have either been committed outside Canada or absorbed by government.

He goes on to say:

> For the better part of a decade, government has been reaching out to capture key elements in the economy, to transform them into instruments for implementing its vision of the corporate state—that is, one in which political authority is assured by control over investment and production.
>
> An earlier model of the corporate state was Mussolini's Italy of the late 1920s and 1930s. But set aside what the attempts to emulate it here imply for individual rights and freedoms. Consider only what it has cost so far in forfeited economic growth.

I can quote Mr. Wilder again where he says in his speech to the Canadian Club of Montreal:

> And the main point I want to make—a point I do not believe the energy industry has made as clearly as it should have—is that the NEP is not an isolated set of government policies that affect the oil and gas industry alone. The NEP is just one part of an approach to the economy of this country on the part of the federal government that is undermining the ability of every industry in Canada to meet the kinds of economic challenges it faces today.

He goes on to say that:

> In total, because of the NEP, the energy industry is smaller, and weaker, and less capable of finding the new energy sources we will need to achieve self-sufficiency in Canada.

He goes on to talk about trust:

> The people in our industry are less and less disposed to trust the federal government.

He then talks about Canadianization:

> —"Canadianized" industry is going to be much smaller than it would have been under more advantageous conditions.

So the things we are espousing here today have not simply been dreamed up by members on this side of the House. The fact of the matter is that they are shared by many other knowledgeable people throughout the country. Simply put, we can summarize the NEP as being the most destructive measure ever perpetrated on a once viable industry in Canada. It has literally destroyed the western oil industry. Exploration is down by 40 per cent, over 200 rigs have left the country, we have massive lay-offs, bankruptcies, and employment is down by 33 per cent. More than 14,000 people have lost their jobs in the energy industry since the NEP came into being. There has been an exodus of capital, something like $18 billion in 1981. Over $1 billion worth of machines have left this country in the form of drilling rigs and equipment. We have auction sales every day. As my colleague the hon. member for Athabasca (Mr. Shields) has indicated, those sales produce 50 cents on the dollar and certainly that is eroding confidence in the industry and in the economy as a whole. On May 21, 1980, two years ago, there were over 400 drilling rigs working in western Canada. Today there are fewer than 100. Those rigs are like little factories for us in western Canada; they employ 40 to 50 people each. Where have they gone? They have gone south of the border, and some young men and women have been fortunate enough to go with them. They found jobs there and the United States gave them work permits.

I can go on. The cancellation of megaprojects is clearly another example of the disaster which has been caused by the NEP. We are more reliant on imported oil today than we were a year ago. And what are we doing? We are importing oil

while shutting in our own domestic sources of supply. Something in the order of 200,000 to 300,000 barrels a day are shut in. Those wells are not pumping so they do not require service, and that is adding to the unemployment rolls, further eroding our balance of payments, weakening our dollar, increasing interest rates, and contributing to the declining confidence in the Canadian economy.

There can be no question that the disastrous NEP has not yet completed its work in the country. The fact of the matter is that its effects are now spreading to the petrochemical industry. In the province of Alberta at the end of 1981 there was a value of $8 billion placed on some 15 petrochemical projects which were identified as having the potential for development. What has happened? A number of things have happened. What with excessive taxation and the National Energy Program, the competitive edge for Alberta's ethane price no longer exists. Feedstock prices in the United States are considerably less and as a result some 15 projects worth $8 billion have been thrown into jeopardy. They are either on hold, postponed indefinitely or have been dropped. That is the kind of climate that exists.

• (1530)

I spoke earlier of confidence. Some people ask how we can restore confidence in the country. There are some people who believe that confidence will not be restored until the Liberals leave the treasury benches of government. Mr. Roy Farran on April 16 wrote the following in the *Edmonton Journal* under the heading: "When the Liberals go, oil industry will recover". Mr. Farran's article reads:

> Politicians would do an enormous favour to the nation if they would quit lying and start telling the truth. Any chance of Canada's becoming energy self-sufficient before 1990 has been blown long ago.
>
> What do you think it means when Imperial pulls out of a petrochemical plant near Edmonton, when half the companies withdraw from the third oil sands plant, when Imperial disperses its team at Cold Lake, when Shell sells off subsidiaries, when oil lease sales drop by half?
>
> Why do you think Alberta Energy shares fell from $25 to $10?
>
> I suppose there are still pipedreamers up there at the university who will say with a straight face that the oil companies are only bluffing for more. And they'll base their argument on some figure thrown out by Lalonde or Leitch during the energy battle even though by now it is quite clear that neither of them knew what they were talking about.

His article continues:

> They really did kill the goose that laid the golden eggs, didn't they?

Mr. Farran goes on to say:

> Canada is now feeling the joy commonly experienced in the Third World when hated multinationals are driven out. The euphoria of liberation is marvellous. Then come withdrawal pains as they learn too late that these gringos or foreign dogs did bring benefits, too—
>
> The most that can be said is it could have been a lot worse if Alberta had not fought so hard. But the pact was no great day for Canada, believe me.
>
> Only when the Liberals go will it be time to peal the bells. For everything they touch goes bad.

That feeling is very predominant, particularly in western Canada and to an increasing degree in other parts of Canada. What this government has done to the oil industry it is doing to other industries as well. Look what it has done to the dollar. What this government has done to the oil industry and to the dollar will also happen to Canadians. This government will inflict serious damage and hardship on them.

When we look at the value of our dollar these days we can only identify that, through the process of Canadianization, the National Energy Program and the budget, we have had a tremendous outflow of Canadian dollars which has caused the reduction in the value of our dollar, making it necessary to raise interest rates to attract sufficient capital into the country. The investment dollars which left the country are no longer here to stimulate industry and the economy, to retool, to improve our productivity, to engage in greater research and development which enabled Canada to be more productive and competitive in the international marketplace. Everything this government has touched has gone sour.

The National Energy Program is a clear example of that. Back in 1980 Canada's energy industry was coming along. It was going great. There was an agreement initialled and ready to be signed. The Alsands project was going ahead. The Cold Lake project was going ahead. The heavy oil upgrader project was going ahead. There was a mood of optimism. There was a feeling that we would finally achieve the goal of energy self-sufficiency. There would have been benefits for all Canadians, not only for western Canadians. Before the ink was dry on the Syncrude contract, some $250 million worth of contracts were let to the province of Ontario for the machinery and equipment that were necessary to see that project go ahead. The $14 billion or $15 billion oil sands plant would have created some $7 billion worth of economic activity for Ontario. Everyone would have benefited. We would have been more secure. We would have had a greater level of employment. There would have been a positive attitude in the country rather than the negative attitude we have today.

I want to talk briefly about Canadianization, which is really the thrust of this motion. The clause we are now dealing with is the heart and core of the whole question of Canadianization. No one will argue with the objective of increasing Canadian ownership in any industry, particularly the oil industry. I support it and my party supports it. It is a laudable objective, there is no question about that. But in the process of this government implementing its program of Canadianization, it has literally destroyed the very basic component of Canadian enterprise within the energy sector, that is, the exploration and service sector. That industry has been crippled and destroyed as a result of the policies of the National Energy Program. It was an industry that was almost totally Canadian owned. We have expertise in drilling and exploration, in manufacturing and indeed in the servicing area.

In terms of dealing with the heavy oil tar sands and the various methods and the technology that we have, I believe we are second to none in the world. But with the killing of the Cold Lake project, with the killing of the Alsands project and the delay in moving ahead with the heavy oil upgrader, our technical expertise is getting less and less.

The same thing applies to the service and exploration sector. As a result of the National Energy Program and the government's commitment to Canadianization, what has happened? Every day a new outfit goes into receivership or bankruptcy. I will give one example of this. A company called Raydan Transport Ltd., an oilfield trucking company based in Nisku just south of Edmonton, owned a fleet of 39 trucks. It employed 105 people full-time and it hired 36 casual workers when necessary. By last December the company had auctioned all but one truck and the staff had been reduced to four. That is one of the results of Canadianization and the National Energy Program.

During the last week in May in the city of Lloydminster, which is in my constituency, 200 oil industry jobs were thrown into jeopardy. In the *Toronto Star* we read:

> The jobs of 200 Lloydminster residents were thrown into jeopardy after Universal Industries Ltd. announced it has been placed in receivership yesterday. The company, which manufactures oil-pumping units, faces financial difficulties due to the continuing economic uncertainty surrounding the Canadian oil and gas industry.

I know the owner of that company. It is not a fly-by-night company. This company has been in business for a long time. Last year at this time 350 people were on the payroll. Today that company is in receivership. The owner reduced the number of people employed to 200 but he was still forced into receivership. Whether he will survive will depend upon the co-operation of the receivers and the banks. But that company was a thriving company which employed 350 people. It supported 350 families. As a result of the National Energy Program a community within my constituency is going down the drain.

In the town of Wainwright the lead headline in the *Star-Chronicle* reads: "Jurassic quitting Canada". Jurassic employed 30 people in oil servicing. The owner decided to move his rigs south to Oklahoma. Mr. Voll, the owner, said this:

> The decision was taken in the light of federal and provincial policies which continue to destroy the small operator, he said. Last fall's National Energy Program, then the Lougheed-Trudeau agreement in September set the stage for the move.

• (1540)

That happened in December, 1981. The following was also reported in *The Regional Times* of Lloydminster:

> One hundred and fifty local jobs are in jeopardy after four local oilfield companies were placed in receivership Friday.
>
> Management of Petroserv Management Ltd., who also own and operate Weldex Machine Ltd., Midway Oilfield Service Ltd. and G and W Oilfield Service, is now in the hands of a receiver appointed by the Bank of Nova Scotia—

That occurred in February, 1982. I have another example to which I will refer in Vermilion. These are all communities in my constituency. If one drives through my constituency, one sees oil wells sitting idle and not pumping. From where are we getting our oil? We are buying it from Venezuela and Mexico at $40 per barrel. These oil wells are shutin and are laying off people. Companies are going bankrupt. What a disgrace! It does not make sense. The poor Minister of Employment and Immigration (Mr. Axworthy) is trying his darndest to generate jobs. Why does he not talk some sense into the Minister of Finance and the Minister of Energy, Mines and Resources? It is too bad they are not here. The minister is a very persuasive gentleman. Why does he not visit our ridings to see what could be done? I know he is genuine and sincere about trying to help the unemployed, but he can only generate so many jobs and make-work projects. Genuine jobs are going down the drain.

I should like to refer to an article entitled "Slowdown in oil industry causes lay-offs in Vermilion". It indicated that 19 Bird Oil employees were laid off nearly two weeks ago, most of whom were welders or welders' helpers. They were let go because of the slumping sales of oil storage tanks. These 19 employees made up nearly half of the labourers which the Calgary-based company employed in Vermilion. That is the kind of situation with which we are living. The article in the Vermilion *Standard* indicated that there was little chance of rehiring anyone for the next few months. It simply does not make sense to the people of Alberta or, more generally, to the people of western Canada. This oil is being shutin and we are relying upon imported oil to serve our domestic needs. We are paying a dear price for it. We are paying a very heavy price both in terms of what it is costing out of our pockets and in terms of how it is further eroding the value of the dollar, further contributing to the balance of payments deficit, and further undermining confidence in the economy.

This is not a fabrication. These are the facts. We are dealing with individual companies and individual lives. We have to give answers when we are travelling around our constituencies. What answers can we give? Our constituents simply ask: "Can you not talk any sense into these people?" The Canadianization concept and objective advocated by the government has been a failure.

The minister will say that we have increased our penetration of Canadian ownership by 7 per cent, but it cost us $6.5 billion. It has not generated one additional barrel of oil. It has not added to our technological expertise. It has not improved confidence within the oil industry. In fact, it has not done anything.

One might very well ask: Do we need Canadianization in our frontiers? The answer is no, they are already dominated by Canadian companies. Panarctic is owned by Petro-Canada and Dome is owned by Dome Canada. Also there is the Arctic Islands exploration group.

In addition to the difficulties which I cited in my own constituency, we know that rigs and companies have moved south of the border. Recently the Houston *Business Journal* referred to the Canadian connection and indicated that energy, money and politics blur borders. It identified some $2.5 billion of Canadian investment capital which has been invested in the Houston area. It cited about 24 companies which have set up offices in that city. That is one of the results. The outflow of capital has hurt the opportunity to invest and to create jobs. It has further eroded the value of the dollar and put pressure on the people in charge of fiscal and monetary management to increase interest rates.

In the first six months of 1981 the oil company acquisitions or takeovers by Canadians amounted to $6.5 billion. The

government was hellbent to Canadianize. It enticed and encouraged people to become involved in the Canadianization process. For example, Dome today is indebted by some $7.8 billion. Unless there are some further concessions or a bail-out is provided, it is uncertain whether Dome will be able to survive. Other companies have been similarly lured into takeovers, such as Sulpetro and Turbo. These companies were lured into the Canadianization process by the government. They are in trouble. There is a breakdown of confidence and there is uncertainty.

The budget is not helping matters. The government moves in and out and changes the rules of the game as it sees fit. The fact is that Canadianization has backfired and has created more problems than it has solved. As a result, the Liberal government will be advocating more and more state control, state intervention and state ownership. This is the thrust of the budget, of the National Energy Program and of the musings of the Prime Minister (Mr. Trudeau) and the Minister of Energy, Mines and Resources. This is the thrust contained in the document entitled "Economic Development for Canada in the 1980s".

This administration is so obsessed with centralized power and control that it is prepared to sacrifice a once vibrant private sector for a controlled economy which is steered or guided by an army of bureaucrats and by a group of political manipulators. We are not sure where it will stop.

In an April 19 article which appeared in *The Financial Times*, it was indicated that an internal energy department study was being conducted in which officials were probing the refining and marketing segments of the oil industry, looking for rationalizations and for new interventions. Also it indicated that there was talk of carrots and sticks to promote different objectives, as well as the possibilities involving forced Canadianization, price controls, profit restrictions, production directives and the continuing erosion of private control fo the industry.

A very learned and respected journalist, W. A. Wilson, wrote the following in a recent article:

> As the National Energy Program develops, bureaucratic regulation and control will increase. One recent government study suggests that upwards of $1.5 billion will have to be spent during the next eight years simply on federal supervision of the oil industry and that hundreds of additional officials will have to be hired.

The only outfit which is hiring new people is the Government of Canada. The productive sector is on the decline and the government is hiring more bureaucrats and more regulators. It is appointing more people to boards and task forces which will monitor and basically interfere with the smooth operation of a once viable industry. Of course, these are paid for by Canadian tax dollars. Mr. Wilson went on:

> One of the worst potential problems is rarely even mentioned and practically never in Ottawa. Administration of subsidies running to many billions a year will demand an extraordinarily high level of honesty. In reality, the level of dishonesty in society is fairly high. The NEP creates the greatest incentive to graft by the unscrupulous which any Canadian government has ever set up.

The amendment proposed by my party is a small mechanism which would serve as a check and balance. It would give Parliament some control over any further acquisitions encouraged by the army of bureaucrats and political manipulators in charge of the country at the present time.

I should like to deal briefly with Petro-Canada because essentially the funds envisioned in this particular provision would be administered and handled by that state oil company. It is in place, and I think it is fair to conclude that it will be part of the Canadian business landscape for many years to come. It enjoys fairly widespread support, but it must be made to work effectively for Canadians. I believe that Petro-Canada has strayed rather dramatically from its primary mandate, which essentially was to provide a mechanism to promote exploration for oil and gas resources in Canada at a pace and in areas which could not be expected of the private sector.

• (1550)

When the creation of Petro-Canada was being debated, there was a recognition of the fact that there would probably have to be public funds injected into those areas of Canada, such as the frontier, heavy oil areas and offshore areas, since the private sector may not be eager to go into those areas. Therefore, one of the primary objectives in creating Petro-Canada was to use it as an instrument to further enhance the security of supply in Canada and to further assist in achieving the goal of oil and gas self-sufficiency.

The second objective was essentially to ensure and promote a more rapid pace of oil sands research and development as a potential back-up source of energy supply for Canada.

Third, it was to give the Government of Canada a window on an international industry which is notoriously difficult to control. It was also given a mandate to improve the government's knowledge of Canadian energy stocks, costs and markets to provide a better insight since energy is a primary engine of economic growth. It was important for the government to have a window on the industry.

Fourth, it was to provide a mechanism to engage in state-to-state trading, which seemed to be a desire that had been expressed, rightly or wrongly, by people and countries with whom we were engaged in trade.

The fifth objective—and this was not the primary one—was to increase Canada's presence in an industry which was overwhelmingly foreign dominated.

I make those points simply to reiterate that Petro-Canada's mandate was not to Canadianize the oil industry or to make the industry more efficient and competitve but, rather, to promote Canadian self-sufficiency in energy by accelerating the timing of high-risk exploration and development in the Arctic, the eastern offshore basins and the heavy oil sands and tar sands of western Canada.

When we examine the record of Petro-Canada we see that these objectives have not been fulfilled. It has not concentrated on enhancing security of supply. It has not added to our known reserves in the country. It has not advanced our technology or speeded up another tar sands or heavy oil development. It did nothing to salvage Cold Lake.

What has actually happened is that it has become nothing more than a downstream refining, distributing and retailing oil company. It has become an integrated oil company. It has essentially established itself as another major oil company to be nothing more than a glorified service station operator. It is another intergrated oil company very similar to the others except operating under somewhat different and preferential guidelines. It has not aided in accelerating the development of heavy oil, a heavy oil upgrader or enhanced recovery systems in Cold Lake. It has done nothing toward accomplishing the development of another tar sands plant. Today it is doing virtually the same thing as those companies in the private sector continue to do, and at an enormous cost in terms both of money and what it has done to the erosion of our economic climate in Canada.

Up to this point Petro-Canada has cost billions of dollars. We are more reliant on foreign oil today than we were a year ago. This has been the succession of Petro-Canada. The cancellation of Alsands and Cold Lake has not brought forth an alternative energy policy from the government. Does the government plan to revitalize a smaller Cold Lake or the heavy oil upgrader? Does it intend to stimulate the exploration and development of our conventional resources in the western basins or will we have to rely upon Venezuela, Mexico and the OPEC countries in the hope that production from our frontier lands and offshore will be developed in sufficient amounts in time to bail us out of the crunch?

What is most disturbing is that the international component of Petro-Canada will be funded rather heavily. It will receive $250 million over the next four years and will be searching for oil in Tanzania, Senegal, Pakistan, Jamaica and Bangladesh. The question which must be asked soon is: What has Petro-Canada done for Canada and the average Canadian lately? What is it doing in terms of ensuring that it is an effective mechanism and is providing fair value for the dollars that have been invested in it? Not only must Petro-Canada fulfil its mandate; it must provide a benefit to the consumers of Canada. It has not done that heretofore.

I believe if Petro-Canada is to work for the benefit of the average Canadian, there must be greater parliamentary control and a greater degree of accountability to Parliament. We know that there is a proliferation of Crown corporations in this country. There are approximately 400 Crown corporations which are becoming uncontrollable. These Crown corporations are not properly scrutinized nor are they subject to the proper checks and balances that any other business owned by individual shareholders is. They are merely carte blanche operations which can proceed to establish subsidiary companies without any reference to Parliament. They operate quite independently without any realistic or effective accountability to their shareholders.

A new framework for the creation of Crown corporations is needed if we are to continue to proliferate our Canadian economy with increasing numbers of Crown corporations. Crown corporation legislation is needed which would provide an effective parliamentary mechanism to monitor them and hold them accountable. Through proper legislation these corporations would be accountable to Parliament and, therefore, accountable to the shareholders of Canada.

We need the Auditor General to audit these Crown corporations. The Auditor General, in his report ending March 30, 1980, had this to say about Crown corporations:

> Control and accountability of Crown corporations has been a major concern of this office for a number of years. As we have stated in previous Annual Reports (most recently in Chapter 8 of the 1979 Report) and in testimony before the Public Accounts Committee, we think that all corporations wholly owned by the Government of Canada on behalf of the taxpayers should be subject to comprehensive auditing.
>
> Comprehensive auditing in Crown corporations can help provide the independent assurance Parliament requires as to whether systems and procedures related to financial control are appropriate, whether there is due regard for economy, efficiency and effectiveness, and whether management practices are consistent with the expressed public policy goals of Parliament. This kind of assurance, we believe, is also desirable for directors and shareholders of Crown corporations.
>
> During the 31st Parliament, legislation in the form of Bill C-27 on Crown corporations was introduced in the House of Commons. The bill provided that Crown corporation auditors should conduct value-for-money audits. The bill died on the order paper at the dissolution of Parliament in December, 1979.

Since then, nothing has happened. The government has withdrawn its intention to introduce Crown corporation legislation that is necessary to establish the proper framework.

In the latest Auditor General's report we again hear that call from him when he states:

> Legislation is necessary to provide for comprehensive audits in all Crown corporations wholly owned by the Government of Canada. Only through such audits may Parliament be given independent assurance concerning systems and procedures related to financial and management controls.

• (1600)

> The comprehensive audit would monitor the degree to which, in conducting the affairs of each corporation, there has been due regard to the economy, efficiency and effectiveness. This information is especially significant for the Directors of the corporations.

We do not have that framework, but we must have that framework if we are going to monitor and hold accountable the Crown corporations in this country. There is no legislation on the Order Paper at the present time or any indication that the government has any intention of introducing such legislation. The government is, in effect, aiding and abetting this blank cheque exercise which is seen in this particular bill. It is really a blank cheque exercise which is being funded and paid for by the consumers of Canada.

The amendment with which we are dealing goes a partial distance in providing a mechanism which would exercise some control and, indeed, make it necessary for parliamentary approval before Petro-Canada or the bureaucrats went out on a spending spree to buy up more oil companies financed by the taxpayers of Canada. Clearly this is a role for Parliament and a role in which the people of Canada should have some say.

By approving this amendment, we would be ensuring that there will be no more Petrofina deals and there will be no more huge payments to Maurice Strong and friends of the Liberal Party to facilitate deals like this. Such transactions will have to come before Parliament to get the kind of support that is required and envisioned, and which this particular amendment

will have the effect of providing. So I urge all hon. members, in the interests of preserving the institution of Parliament and of ensuring that there be proper accountability, to support this particular motion because, as I said at the outset, it is simple, it is pratical, it is responsible and, above all, it is a common sense amendment.

Mr. Roy MacLaren (Etobicoke North): Mr. Speaker, I had not intended to participate in our discussion this afternoon, but after listening to some of the remarks of the hon. member opposite who has just spoken, I want to make one or two comments. I listened to the hon. member with the respect which I normally accord to him, because he has made a number of very useful contributions to our debates in the past. But I thought that this afternoon he failed in some respects to maintain that standard by introducing material which was either erroneous or anachronistic in some ways irrelevant to the legislation we have before us. In particular, I have in mind the discussion in which the hon. member engaged with regard to that part of the legislation referring to the petroleum compensation charge and the related question of a shut-in oil industry.

I am sure the hon. member opposite would recognize that over the years the amount of shut-in oil in Canada has varied depending on marketing and other circumstances. But as we all recognize, the amount of shut-in oil in Canada substantially increased during a recent period. Indeed, the government quite clearly stated in the National Energy Program update of a fortnight ago that it considers it essential that Canadian domestic oil be used to meet Canadian needs and that it has been deeply concerned about the level of shut-in oil which has existed in recent months. So there is no disagreement in the House or, indeed, across Canada in general that the amount of shut-in oil has been high and that measures should be taken to reduce it.

When the government did recognize that a problem was emerging earlier this year, it announced on April 1 certain actions which have considerably alleviated the problem. However, for a moment I want to touch on some of the reasons the problem occurred and then on some of the solutions which have been put in place.

Initially, some part of the shut-in oil resulted from the cutbacks in production which the Government of Alberta instituted as part of its response to the National Energy Program. Oil companies understandably moved at that time to offset the cutback in Alberta production by seeking the guarantee, the assurance, of offshore supply. Those contracts, of course, simply could not be cancelled or reneged upon in a very brief period. Some of them have already run their course and others will in the near future.

Second, a contributing factor has been a lower demand in the United States for Canadian heavy oils. The recession in the United States has resulted in lower demand for heavy oils surplus to Canadian needs which have been exported to the United States. The result has been additional shut-in oil in western Canada.

Third, of course, has been the reduction in demand here in Canada for refined petroleum products.

Some mention was made earlier, in our discussions of the National Energy Program, of its success in reducing the demand for oil. One of the ramifications of that success has been that within Canada there has been a drop-off in demand for certain types of oil. The eastern refiners have necessarily had to vary their mix of imported oils to match demands in Canada and that, in turn, has had its impact on the shut-in oil problem.

Fourth, some refiners took advantage of lower international oil prices in recent months. A few Canadian refiners have taken advantage of those lower international prices to reduce their costs. That has meant, in some instances, passing up Canadian supply in favour of imported oil. All those factors come together and have contributed to a situation where we have had significant amounts of shut-in oil.

As I mentioned, the government moved on April 1 to ensure that there would be greater use made of our own domestic sources of oil and to ensure that imported oil was not used to displace Canadian oil. On April 1, measures were announced to ensure that heavy oil surpluses were competitively priced in the U.S. market. The National Energy Board took steps to issue licences for the export of such oil for 12 months rather than for shorter periods which had been in place in the past. Additionally, the government moved to encourage eastern Canadian refiners to import only minimum offshore amounts so as to help ensure that Canadian sources were used in place of imported oil.

As a result of those and other measures there has been a quite dramatic drop in the amount of shut-in oil in Canada. There was, in fact, a period in April when shut-in oil amounted to some 65,000 cubic metres. Two months later, in June, that amount has dropped to 5,400 cubic metres. That is, in two months it has dropped from 65,000 to 5,000. All hon. members will agree that that has been a dramatic and sudden reduction in shut-in oil, both of the conventional light and medium crudes, as well as heavy crudes. Now, that is not to say that the amount I have just cited for June, 5,400 cubic metres, will necessarily be the same amount for every month in the future, but it seems evident to me that we have seen a real turnaround in the situation which is very real. I would recommend that the hon. member who spoke before me look into the facts.

• (1610)

I agree that in July or later, during the early autumn, for example, when there is a traditional refinery shutdown for maintenance, there may be some temporary increase, possibly in the magnitude of 5,000 or 10,000 cubic metres of shut-in oil. However, I would submit that it would be nothing of the order of magnitude that we have seen in the past, due to the various measures taken.

I want to draw to the attention of the hon. member opposite the fact that not only on April 1 were measures taken by the

government to ensure that the use of Canadian oil was promoted, but also in the update of the National Energy Program there were a number of additional measures taken to ensure that a major growth in shut-in oil does not recur. I draw to the hon. member's attention the fact that the government has committed itself to restricting crude oil imports to those volumes under current contract necessary to preserve continued access to offshore oil.

Perhaps more important, adjustments will be made to the petroleum import compensation program, adjustments fully in accord with the legislation now before us, to ensure that the program is more responsive to offshore oil prices paid by Canadian importers.

When the petroleum import compensation program was developed, it was against the background of increasing oil prices. Now the unusual situation has occurred—perhaps temporarily—of lower world prices. The method of calculation is accordingly being altered to take into account that new situation as well. In addition, we have put in place a program to purchase some additional volumes of western Canadian crude oil for storage. In special circumstances, financial support will be offered to assist the movement of western crude oil to eastern Canada via exchanges with United States refineries. All those programs, combined with efforts to ensure that the refineries review all their import contracts to reduce imports, will, in our view, help to ensure that shut-in oil of the magnitude we saw earlier this year will not recur.

The second matter I want to touch upon is that the member opposite drew our attention to the situation on the conventional oil lands in western Canada where there has been a decline in the amount of new exploration over the past few years. There has been a lot of discussion on that subject in this House. For example, we have had reference to the fact that there was, in the eyes of the oil drilling industry itself, a surplus of rigs before the National Energy Program was announced. The fact that there has been a natural gas surplus in Canada has also had an adverse impact on drilling activity. It is not my purpose today to repeat those factors which have contributed to the present situation.

However, when the hon. member opposite contrasts what he suggests is a gloomy situation in western Canada with a glowing, vibrant and dynamic industry in the United States, he is behind the times. I wish to quote *in extenso* from an article in the current issue of *Fortune* Magazine which reads as follows:

> The shock waves that have rippled through U.S. oil since January have been felt in every corner of the industry, among service and equipment companies, independent producers, and the integrated companies.
>
> The ninefold increases in oil prices since 1973 has masked inefficiencies and shielded the business from its own excesses.
>
> What happened is no secret: falling oil prices, dwindling demand, and higher costs encircled the majors' bottom line and squeezed hard. For the remainder of the year, most analysts project that net income of the nation's 17 largest oil companies will be down sharply, in some cases as much as 40 per cent.
>
> The downturn has jolted the entire chain of oil service and equipment companies, whose health derives solely from the spending patterns of oil and gas producers. The count of active seismic crews, which performs the first step in exploration by mapping geologic strata with reflected soundwaves, has been declining for seven straight months in the U.S. Drilling rigs are "stacked" or out of service, all over the oil patch.
>
> Despite the cries of suffering wildcatters and other oil men, the industry that emerges from the current travail should be one well able to serve the public interest by finding oil efficiently—good news for consumers.

That quotation is not from an article about the situation in the western Canadian oil patch. It is about the situation in the United States today. No one takes any pleasure in the drop in drilling activity in the United States any more than one does here in Canada. But the fact remains that the United States does not have a national energy program. These adverse circumstances in the U.S. petroleum industry which are described in the article are clearly the result of other reasons.

I suggest to the hon. member opposite and to the House generally that the drop-off in the United States oil exploration, which is partly the result of lower world oil prices, inflation and higher interest rates, have also contributed to the slowdown evident here in Canada.

One can debate the impact of the National Energy Program on exploration and development. I am willing to do that. However, the hon. member's stand would be more realistic and comprehensive if he were to take into account some broad, adverse aspects in the economy affecting the drilling situation in western Canada beyond those he cites which relate only to the National Energy Program.

In light of those adverse factors, the Government of Alberta and the Government of Canada have moved to provide the industry with a greater degree of revenue so that it can undertake more activity both in the conventional lands of western Canada and in the frontier areas in their search for new oil sources. I need not remind the hon. member opposite that the Alberta government has provided a substantial reduction in royalties. Second, the Government of Canada in the recent update of the National Energy Program announced some major reductions in taxes so as to increase the revenue of the petroleum industry.

I do not doubt that those provincial and federal measures, when combined with the fact that any new oil discovered, will receive the new oil reference price, the equivalent of world prices, and the availability of the petroleum incentive program, which in Alberta is financed by that province, will combine to stimulate a resurgence in drilling in the time ahead, both in Alberta and in Canada lands.

Finally, the hon. member opposite referred to the Canadianization aspects of the National Energy Program. I have never been clear in my mind whether his party has a consistent policy on that aspect of the National Energy Program. It seems to depend very much on where a speaker comes from as to whether he is fervent in his admiration for Canadianization or at best lukewarm. In that connection I found the comments of the member opposite surprising when he referred to Petro-Canada.

• (1620)

It seems to me that to describe Petro-Canada as nothing more than a downstream company, and I quote his words, and secondly as a glorified service station operator, is a bizarre description of Canada's national oil company. It is a company that has shown the way in seeking sources of oil in western Canada, in the Arctic and in the Atlantic. Before it, Panarctic played an active part, a company in which the Canadian government provided a major share of the financing, paving the way for many of the activities that Petro-Canada now engages in.

Those activities are well set out in the annual report of Petro-Canada for 1981. I would draw the hon. member's attention to the review therein of Petro-Canada's activities in the frontier, where it is a major player. Indeed, it has been a substantial catalyst in ensuring that exploration on the Nova Scotian shelf, the Grand Banks and the Labrador shelf should go forward. That those resources have been identified in the Atlantic offshore is in part ascribable to the activities of Petro-Canada. All of us should be very proud of the work of our national oil company in that regard.

In the Arctic, Petro-Canada has been an active member of the Arctic Islands exploration group, the Arctic pilot project, and has contributed substantially, both financially and in terms of technical skill, to ensuring that the most promising areas for new sources of petroleum, the frontier lands, are brought on stream at an early date.

In the west of Canada the exploration activity of Petro-Canada has been considerably extended in territorial scope by its acquisition of Petrofina. We have had ample evidence in the past couple of years, and especially last year, of the commitment of Petro-Canada to play an active role in the exploration and development of petroleum areas of western Canada.

When the member opposite talks of his view of Petro-Canada as a glorified service station operator, he does a disservice not only to our national oil company but indeed to the Canadianization program of the government as a whole. That Canadianization program is not in some way limited to the activities of Petro-Canada as he suggested. On the contrary, the principal way that Canadianization of our petroleum industry will go forward will be through the private sector and not through government ownership, as the evidence already shows in the period since the introduction of the National Energy Program.

The acquisition by Petro-Canada of Petrofina has indeed attracted a great deal of attention as a fleshing out of the activity of our national energy company. I would remind the hon. member that in fact the incentives for the Canadianization of our own oil industry have found more expression in the acquisition by private investors of foreign-controlled petroleum companies. Indeed, since October 1980 the acquisition by Petro-Canada of Petrofina was only the third largest of various acquisitions. Dome's acquisition of Hudson's Bay Oil and Gas, which was larger. So was the Canada Development Corporation's acquisition of Aquitaine.

In any total calculation, Mr. Speaker, of the amounts spent on the Canadianization of the oil industry, the private sector has led the way. It has recognized the opportunities that now exist for Canadian investors and indeed for all Canadians to participate more actively in our own petroleum industry.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, it is a remarkable opportunity to sit here and listen to the member for Etobicoke North (Mr. MacLaren), the former parliamentary secretary to the Minister of Energy, Mines and Resources (Mr. Lalonde). What he did today was stand up and admit in public that the National Energy Program was a mistake. He does it so cleverly. He says that we had a shut-in problem but "look at the marvelous thing we did to correct it". You cannot correct something unless you made the mistake in the first place. That is the admission of failure. We had shut-in oil because this government made a great big mistake.

Some hon. Members: Hear, hear!

Mr. Hawkes: Eight days ago in this chamber we had an update on the National Energy Program with a further $2 billion committed. That is $2,000 million. You cannot have an update, you cannot have that $2,000 million, unless you made the mistake in the first place. What he did today was stand up in this House and say "Yes, we made a mistake". That is what he did throughout his speech. Today we have had the clearest demonstration to this point that this Liberal government and the present Minister of Energy, Mines and Resources have run the oil industry just as well as they ran the post office in the last ten years.

Some hon. Members: Hear, hear!

Mr. Hawkes: That is what they told us in this House today. The minister stands up and says "I do not think the Conservative Party has a clear-cut policy on Canadianization". Well, Mr. Speaker, I am a Canadian and I do not own one piece of Petro-Canada. The only owner is the Minister of Energy, Mines and Resources. The only owner is Petro-Canada, not all Canadians.

Our policy in the Conservative Party is clear, our policy is consistent. We believe in all Canadians, those who put their money into pension plans, those who buy a piece of this industry and a piece of that industry. We believe in Canadians who can afford to own their own homes. We believe in Canadians who can start a small business. We believe in all Canadians, 24 million Canadians.

That party over there, and the NDP, the "Liberal Party West", believe in one Canadian, the Minister of Energy, Mines and Resources, or in 30 Canadians called the federal cabinet. When they look at this bill and we talk about a Canadian ownership charge and about Canadianization, what they mean, and every Canadian should understand it, is that the minister of Energy shall own everything, or the cabinet shall own everything.

That is not my view of Canada, Mr. Speaker. That is not the view of this party. This party believes in 24 million Canadians,

each of whom should own an increasing share of this country. That is what our policies were directed toward and that is what our policies will be directed toward, not ownership by the minister of Energy, not ownership by the Liberal cabinet, but ownership by all Canadians. The bells rang, Mr. Speaker, to restore some sanity to the Liberal Party and to this House of Commons.

The Alberta government cut back production a year ago to restore some sanity to our oil and gas picture. Every step of the way, since their election, this government insists on bull-headed, misguided, bad policies for this nation. They will not listen to gentle advice. They will not listen to logical advice. They have to be hit over the head with a club before they hear anything, Mr. Speaker. I stand here today debating this bill and this amendment because we hit them over the head with a club.

There are ten amendments, Mr. Speaker, that stand in my name on behalf of the Conservative Party of Canada. Each and every one is logically derived and would make sense for Canadians and consumers. They would increase jobs and would reduce the cost of living.

• (1630)

That is the sum total of those ten amendments, and let me deal with the one before us now. We have to read through all the legal language to find out that there is a tax of 4.5 cents a gallon. It does not sound like much, but when one fills up the gas tank in his car, it is a dollar. When we fill up our home heating oil tanks in the wintertime, the sum total of that 4.5 cents tax is $3 million a day. That 4.5 cents a gallon represents $3 million a day. Did the government have the courage to bring in a piece of legislation to say it would tax the people 4.5 cents a gallon until the government has collected enough money to pay for the buy-out of Petrofina and then it would stop that tax? No, it did not. No part of this legislation gives us any indication that when that purchase is completed the tax will stop.

The purpose of this amendment is to stop the tax once the buy-out is complete. If this amendment is adopted, the 4.5 cents a gallon tax would stop. But no, the Liberal Party wants to keep the tax in place forever. Four and a half cents a gallon is about 5 per cent of the cost of our home heating oil, about 5 per cent of the cost of the gasoline which goes into our cars and about 5 per cent of the cost of the gasoline which goes into tractors used in the production of food. This tax makes everything more expensive.

What is the government doing with this money? The first $1,460 million is to buy Petrofina. Canadians should think about that because what that means is that $1,460 million will be sent outside Canada, largely to the people who live in Belgium. People without jobs in Canada should stop and ask themselves whether their unemployment is partly because this government decided to send $1,460 million out of Canada for this one purpose alone. Do the people of Canada want the government to take 4.5 cents a gallon out of their pockets and send it out of the country? When the government does that, it drives down the value of our dollar. Today our dollar is worth just a little over 79 cents American. A few weeks ago it was worth about 83 cents American. When the value of the dollar falls four cents, practically everything we buy becomes more expensive. The cost of living goes up when this government sends dollars out of the country.

If we pay 4.5 cents tax on every gallon we buy, we might ask ourselves what we want the government to do with it. The 1.2 million Canadians who are unemployed today would like to see the government use that money to create jobs. Canadians who cannot afford their mortgages and are in danger of losing their homes would rather their government brought interest rates down a little so that they can keep their homes. Small-businessmen whose businesses are going bankrupt because of high interest rates would rather see the government take that 4.5 cents and reduce interest rates so they will not go bankrupt and all their employees will not lose their jobs. It is a matter of public choice. The Minister of Energy, Mines and Resources, supported by all the backbenchers opposite, has decided to send that money out of the country, and he has decided to keep collecting 4.5 cents after the need for it is gone.

How can members of this House go home to their ridings this weekend and say they stood in the House of Commons and voted to impose a 4.5 cents a gallon tax on gasoline forever so that only the Minister of Energy, Mines and Resources can decide how to spend it and so that he can send it out of the country? Instead of creating jobs in Canada, he has already decided to send money out of Canada to create jobs in Belgium. Where will he send money next? Will he create jobs in the United States of America? Will he create jobs in Mexico? Will he create jobs in Venezuela? The minister wants to take 4.5 cents per gallon out of my pocket to create jobs in other countries and not in this country where 1.2 million-plus Canadians are unemployed.

Members of Parliament have been sent to this place to help Canadians, and I urge them to vote for this amendment because, at the very least, it would stop this minister from collecting that $3 million a day and sending it out of Canada. If he does not have it, he cannot send it out. It would be wise in the current situation if we took that $3 million a day and spent it in Canada rather than in some other country. I wonder if there are 365 communities in Canada which could use $3 million each to help get projects started, to help get factories going, to reduce interest rates, to encourage businesses to develop and to create jobs. If the answer is yes, we have an opportunity today. All we have to do is vote for this amendment.

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): The question is on Motion No. 6. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Pursuant to Standing Order 75(11) the recorded division on the proposed motion stands deferred.

Mr. Jim Hawkes (Calgary West) moved:

Motion No. 7

That Bill C-103, to amend the Petroleum Administration Act and to enact provisions related thereto, be amended in Clause 39 by striking out lines 4 and 5 at page 29 and substituting the following therefor:

"tions from any non-Canadian person in order to increase Canadian ownership of".

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Hillsborough (Mr. McMillan)—Fisheries—Closure of fish plant at Georgetown, P.E.I. (b) Role of government; the hon. member for Central Nova (Mr. MacKay)—The Judiciary—Nature of character reference provided by Solicitor General; the hon. member for Edmonton North (Mr. Paproski)—Multiculturalism—speech made by Chairman of Race Relations Committee. (b) Minister's understanding of multiculturalism.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-103, to amend the Petroleum Administration Act and to enact provisions related thereto, as reported (with amendments) from the Standing Committee on Energy Legislation, and Motion No. 7 (Mr. Hawkes).

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, very simply, this amendment seeks to make the bill read in the manner in which the government indicates it intends the legislation to impact on the Canadian economy. The amendment merely says that if in fact there is to be a Canadian ownership charge for the purpose of increasing Canadian ownership—which we do not think is justified, reasonable or appropriate—then the moneys collected should be spent to purchase assets, shares, capital and so forth of non-Canadian-owned oil and gas companies. We simply would change the wording of the appropriate clause to have the legislation do what the government tells us it is intended to do.

Frankly, I do not believe the government will go along with this amendment because I do not believe the government when it says its purpose is Canadianization. I do not think that is any more honest than a number of things the government has been telling us.

The purpose of this whole program is nationalization and state ownership. Big brother is going to run things for us, and that is going to make us very comfortable, secure and self-sufficient! The economy is going to be run by these genuises in the Department of Energy, Mines and Resources who have made such a success of this country's energy industry so far that they have driven out $19 billion worth of capital, put thousands of people out of jobs and driven hundreds of companies to bankruptcy! That kind of performance will not deter the true ideologue and the trained donkeys who can be depended upon to support such behaviour. If state ownership is the object, I suppose that is what we will get because we cannot expect trained donkeys to learn from experience, but we continue to hope.

• (1640)

This amendment was put forward with a view to having the legislation reflect what the minister says it was intended to do. We will see whether he was telling us the truth or not when we see how the trained donkeys vote. I am quite confident that they will vote against it.

When speaking to motion No. 6 yesterday, the hon. member for Vancouver-Kingsway (Mr. Waddell) made a couple of statements that I should like to correct. He suggested that we should read what Jeff Simpson had to say about Norway's Statoil and the Norwegian oil fields. I suggest that he do a little more reading himself. He would find out that in the last

few months the Norwegian government has changed the situation considerably and Statoil is no longer the big brother of the Norwegian oil fields. The Norwegians have learned, as we should have learned by now, that Crown corporations in Norway do not work any better than they work in Canada. The hammerlock that Statoil had on the Norwegian oil fields was offered to us as a model to be followed in giving Petro-Canada the same kind of hammerlock on Canada lands, but the Norwegians are changing the situation. They have learned that Crown corporations are not the answer. If were to follow Norway's example we would rescind some of the powers we have given to Petro-Canada, not increase them as the hon. member suggested.

The hon. member also made reference to Britain but I think he should inform himself on that situation as well. He would find that the British national oil company, which was created by the Labour government as a kind of big brother operation to run the British North Sea oil fields, has had its powers curtailed. In Britain, as in Canada, it was discovered that Crown corporations do not work. They do not work in Britain, they do not work in Norway, they do not work in Poland, they do not work in the Soviet Union—they just do not work. I would hope that even the obtuse members to my left would eventually learn that lesson.

Secondly, Mr. Speaker, the hon. member for Vancouver-Kingsway suggested that the Progressive Conservative Party was not being true to its roots when he read from a 1974 policy document in which the party indicated it was in favour of at least 50 per cent ownership of resource industries, including oil and gas. He should have kept reading that document as well. He would have found that among the specific suggestions made by the Progressive Conservative Party for changes in Canadian law that would promote Canadian ownership was a change in the income tax law which at that time contained something called the principal business test for oil and gas investment. Basically, that meant that unless you were already engaged in the oil and gas industry you would not receive the same incentives as those already engaged in it received. The impact was that an American, a German, a Swiss or a British company could drill a well in Canada with pre-tax dollars but Canadians could not. That was the absurd situation that existed in 1974 and for a decade before that. Canadians were at a disadvantage compared to foreigners when it came to investment in Canada. The Progressive Conservative Party was outraged and said that if that were changed there would be a tremendous increase in investment by Canadians in the oil and gas industry.

The provision was changed in the budget of December, 1975. From 1976 onward, for the first time, Canadians were on a par with foreigners regarding investment in the Canadian oil and gas industry. In 1975 the oil industry was 92 per cent foreign owned, but four years later it was only 72 per cent foreign owned. So Canadian ownership increased spectacularly as the result of that simple change in the tax law which was part of our policy in 1974 and was adopted by the government and put into effect in 1976.

The effect of the National Energy Program was to slow down Canadianization, not increase it. The federal Petroleum Monitoring Agency is proof of that. Any member of the House who is interested in what happened should read the latest report which shows that, as a result of the National Energy Program, in the first six months of 1981 foreign-owned companies operating in Canada suffered a loss of 28 per cent of their income while Canadian-owned oil and gas companies lost 52 per cent of their income. The National Energy Program is discouraging to foreign owners in the Canadian oil and gas industry but it is devastating to Canadians. It is an affront to honesty, integrity and decency for Liberals to claim that the National Energy Program is good for Canadianization. That is not the case, Mr. Speaker.

The New Democratic Party and the Liberals talk about Canadianization of the industry but they neglect to examine the whole spectrum of the industry. Their idea of Canadianization is how many service stations have red maple leaves painted on them.

A decade ago the drilling industry, which is an important part of the oil and gas industry, was as much as 80 per cent foreign owned. The big companies that dominated the industry were foreign owned. In 1980 the industry was 95 per cent Canadian owned. It had become Canadianized without big brother, without Crown corporations and without any of this nonsense about Liberal concern.

Mr. Waddell: With a few super depletion allowances.

Mr. Andre: The hon. member speaks of super depletion. I am talking about the drilling industry. He does not even know what I am talking about.

Mr. Waddell: Who do you think pays for all that? You and I, baby.

• (1650)

Mr. Andre: The energy critic for the NDP, the hon. member for Vancouver-Kingsway, talks about the super depletion allowance. That does not apply to provincial lands, it applies only to federal lands in the high Arctic. It applies only to wells in excess of $5 million each. The drilling industry does not really participate in those wells; they are drilled basically by the companies concerned. There has been in the order of 60 or 70 in total drilled in the high Arctic, and there has been only a dozen or so eligible for super depletion.

Now, in comparison, I am talking about the 5,000 wells drilled in provincial lands by Canadian drilling companies which were devastated by the NEP. They are now in Colorado, Texas or Kansas. As usual, the hon. member has his facts totally wrong and he shows why the monicker of "Liberal Party West" is appropriate. Facts are not going to get in the way of a good issue!

Another aspect of the industry is that of service companies. They go in after a well is drilled and service it. A decade ago that industry was overwhelmingly foreign owned; today it is overwhelmingly Canadian owned. That industry has been

devastated by the NEP. Dozens of companies have been driven into bankruptcy, all of this for Canadianization. Anyone who says, Mr. Speaker, that the NEP has contributed to Canadianization is a fool or a liar; one or the other. Let us not carry on with this nonsense, whether in ignorance or through malicious intent, that somehow we are Canadianizing the oil and gas industry through the NEP. It is no such thing. As my colleagues and I have indicated, the Canadian ownership charge is nothing but a sneaky tax designed to nationalize and put big brother in control of more and more of the private sector. Given big brother's track record, that does not fill with confidence anyone who has any common sense.

If this Liberal government, Mr. Speaker, and the geniuses in the bowels of the bureaucracy who advise the government, are determined to carry on, they could at least have the integrity to do what they say and support this motion, which provides that if you intend to carry on with this stupid tax to Canadianize, at least use the money exclusively for the purchase of non-Canadian-owned shares. To collect this tax from the consumer and then turn around and use the money to purchase private assets from Canadians is not increasing Canadian ownership; it is increasing nationalization. If that is what they are after, then for goodness sake get a mandate from the people. Go to the people and put this program of nationalization, state ownership and socialism before them in an honest way. If the people of Canada decide that they want to emulate Poland, fine. But the way they are gong about it now is—

Mr. Kristiansen: The Tories voted for martial law in Canada, not us.

Mr. Andre: There is the pinko from the Okanagan—

Mr. Kristiansen: You and the Liberals imposed martial law in Canada, not the NDP.

Mr. Andre: He is just bitter because there is no legitimate communist party in Canada that he can be a member of.

Mr. Kristiansen: You and your pals in Warsaw want to ban the right to strike here, too.

Mr. Andre: The hon. member seems to be a little sensitive. I will soon finish my remarks, Mr. Speaker, and he can stand up and explain to the House why socialism is such a wonderful thing—and why big brother can do such a good job of running things. He can tell us what a marvellous utopia we are going to live in when the state owns the means of production, and how it will be so super for Canada when the NDP ideal of having the minister and his minions run everything in Canada is reached. I await with interest his address about what a marvellous country this is going to be when we achieve that utopian ideal of the state owning everything.

If the government is honest, Mr. Speaker, and the intention is Canadianization as opposed to nationalization, it will in fact support this amendment. But I do not expect the government to be any more honest this time than it has been so far.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like to take a couple of minutes to reply to the eloquent and low-key remarks of the hon. member for Calgary Centre (Mr. Andre). I thank him for his analysis of history and for his speech on dialectical materialism and the role of the state. I listened very carefully to him. He talked about Norway, and I cited Norway the other day. I did that simply to show that there was a role for a Crown corporation in the energy industry. I mentioned the U.K. for the same reason. It is true there are new governments in Norway and the U.K. The problem, as they saw it, was too much government involvement and they cut back somewhat; but they kept the government corporations going because they wanted to give direction to the industry.

Do you know whose idea it was, Mr. Speaker, to have the government of the United Kingdom involved in the oil industry? It was a great communist, a great left-winger, one who followed the Moscow line. His name was Sir Winston Churchill. Around the time of World War I he advocated that the government buy into the Anglo-Iranian Oil Company because he saw oil as a strategic commodity. So that great communist pinko freak, Sir Winston Churchill, was the one responsible and I hope my friend will mention that in his next speech.

I am distressed, Mr. Speaker, when the hon. member for Calgary Centre says, as he does quite clearly on the record, that Crown corporations do not work; not in the United Kingdom, in Poland or in the Soviet Union. He says they do not work anywhere. The same thing was said about co-ops 50 years ago. It distresses me because it is an attack on all Crown corporations, such as Air Canada and the CBC. As I pointed out yesterday, you can criticize them individually, and goodness knows the CBC sometimes deserves criticism as well as Air Canada and some others, but it seems to me you cannot criticize them generally. I think the hon. member, like some of his colleagues—not all—are becoming prisoners of ideology. They are getting so far out on the right wing that they are really putting their party in danger of being in the mainstream of Canadian politics.

He speaks of the government having a mandate from the people. My interpretation of the last election was that the people did not want Petro-Canada destroyed. That is why the government had so much trouble. They had three policies on Petro-Canada. I suggest to the hon. member that he look at his own majority. He knows more about that than I do, but even in Alberta I think there were some reductions in Conservative majorities. I do not think the people were happy with the program of dismantling Petro-Canada. In the House the minister said in the clearest language possible that Crown corporations do not work. He was advocating the dismantling of Petro-Canada. I warned the Conservatives of the ramifications of doing that.

• (1700)

In my province of British Columbia the Social Credit government, which is a conservative government, got very

ideological. It sold many energy and mining Crown corporations. It gave free shares to the public and it sold some shares. The government did this through the British Columbia Resource Investment Corporation. The shares in BCRIC were sold for $6. The shares rose to $8 or $9, but after that they slid to $3. BCRIC is responsible to no one. All those assets which were previously owned collectively by the people were sold off. The assets were sold to private interests; many were sold to people outside the province. Difficulties in management occurred and the company is doing poorly. Is that the way to handle resources?

I listened to the hon. member for Calgary West (Mr. Hawkes) speak. I believe the hon. member has a doctor of philosophy degree. He sounded as though he had not taken a grade nine course in political science and history when he suggested that everybody wanted to put the power into the hands of the minister and the cabinet. He wanted to put it into the hands of the representatives of 24 million people. Who does the minister and the cabinet represent? Has the hon. member ever heard of the parliamentary system of Canadian democracy? A grade nine student knows what that is.

There are difficulties with Crown corporations. If the hon. member from Calgary had been listening to some of the speeches made by members of the New Democratic Party instead of flailing at some dead taxes and dead issues, he might have talked about our ideas for trying to make Crown corporations accountable to people. That is the new thrust in this country. That is what we should be talking about. We should be talking about how to make Crown corporations accountable and how to decentralize power into the hands of the people. Some Conservatives and some New Democrats agree on that. We are trying to find ways of decentralizing power.

I do not think it helps to put all the power into the hands of a few directors of a corporation. It is not decentralizing power to put all power into the hands of a few politically appointed directors of Petro-Canada. We in the socialist context and they in the free enterprise context have to find ways of dealing with these things. We have never advocated production being run by state-owned companies—the total control of the means of production. That is communism. I had three communist candidates run against me in the last election. Obviously they thought we were not advocating that or they would not have run against me. As my colleague from the Kootenays said, which party was it whose members stood up when martial law was brought into Canada? Let us not hear about Poland and so on because it is not relevant to this debate.

One of the two members who spoke last called us the western wing of the Liberal Party. How many times since October have the Liberal Party and the Progressive Conservative Party voted together? The answer is 30 times. How many times have the New Democratic Party and the Liberal Party voted together? The answer to that question is 14 times. That does not sound like an alliance to me. It seems to me that the western wing of the Liberal Party is the Conservative Party if you go by those statistics.

Mr. Fulton: Ray Hnatyshyn is a secret liberal.

Some hon. Members: Oh, oh!

Mr. Waddell: We do not ask for much. We just ask for the hon. member for Saskatoon West (Mr. Hnatyshyn) to come out of the closet and declare his liberalism.

Mr. Cosgrove: We are not proud.

Mr. Waddell: Mr. Speaker, with reference to this particular amendment I agree somewhat with the hon. member for Calgary Centre that in a sense Canadianization is rather a phony process. The government has said through the minister of energy, the Minister of Finance (Mr. MacEachen) and through former ambassador Towe speaking in the United States that it is not going to carry on with public ownership for the present. The government is relying on private takeovers. But we are not going to have any more private takeovers because of high interest rates in this country. The companies that tried private takeovers, such as Dome, Turbo, Sulpetro and some other companies, got burned. They are now hanging out to dry and are in deep trouble.

Suppose the Government of Canada wants to use some of the moneys that will be in surplus to take over a Canadian company and it is necessary to do so. It seems to me this is a problem and is one of the reasons we cannot support this amendment. I will put an example on the record but I do not want to go on record as favouring it. The situation would have to be looked at very carefully. If Dome cannot get out of its present financial difficulties, the government could take over Dome's assets in the Beaufort Sea.

What about TransCanada PipeLines, which would give Dome some cash and allow the government to have a greater say in the marketing of natural gas, which marketing is in a mess in Alberta right now? If we did that, it would help the small companies. There are possibilities that money could be used to take certain companies under public ownership which may, in fact, be Canadian companies. But then we have the problem of what is a Canadian company. By how much should it be owned and by how much should it be controlled? That problem is not addressed in this motion. We will see groups of Canadian companies in the north that are not really Canadian companies. They will be shells that are American controlled.

The hon. member from Calgary wants to fight down on the beaches and to fight them everywhere, just to paraphrase Churchill. The hon. member forgets the terrible communist and left-winger who understood, which the hon. member from Calgary does not, that there has to be a guiding role by the government, whether federal or provincial, in the development of strategic commodities. That does not leave out small Canadian companies. Good luck to them. Some of these companies perform a lot better in drilling and other areas. I am afraid that my friends in the Conservative Party have become prisoners of Reagan ideology, which is not really part of the Conservative Party. It would be enough to make the former member for Prince Albert and certainly Sir Winston turn in their graves.

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I have just a few remarks to make on this amendment. Before I do that, I want to put something on the record for the edification of members who were not privy to the deliberations which took place in the Standing Committee on Energy Legislation.

• (1710)

As we all know, there was a House order determining the length of this particular debate; the legislation had to be sent to committee and then returned to the chamber within a specified time frame. Throughout the process hon. members of the official opposition, the New Democratic Party and the government had an opportunity to review in depth the substance of the various pieces of legislation which were before the committee. In doing so, we called upon a good number of experts. We heard representations from the business and academic communities. A number of individuals put forward their ideas on the pith and substance of the legislation. There were a number of suggestions on how the legislation could be improved. There was some serious debate as to what different clauses meant or indeed what their effect would be.

I, like the hon. member for Vancouver-Kingsway (Mr. Waddell), am somewhat concerned, and perhaps in some respects annoyed, by the tone of the official opposition. However, perhaps that tone will continue because it has been part and parcel of its ideology and has been intensified as a result of the last federal election in February, 1980. Unfortunately the official opposition has not recovered from that particular defeat. It is attempting to use any means—and I use that phrase quite liberally—at its disposal in an attempt to recreate the situation which took place in 1979.

Hon. members of the official opposition have made a great many comments against Petro-Canada. It should be noted that according to my latest calculations they have approximately three positions on that Crown corporation. That may have changed; there may be four by the time we conclude this debate, but basically they have three positions. I believe Petro-Canada is something which the people of Canada want. It is important in terms of developing and promoting a national energy policy.

Hon. members opposite made reference to the fact that Petro-Canada is not a good company and is not needed. They have given it a whole host of descriptions. I should like to indicate for their edification that as a member of government I believe wholeheartedly that the people employed by Petro-Canada are extremely competent, concerned and dedicated public servants who believe very strongly in the National Energy Program, that Canada needs a tool—which is what Petro-Canada is—for the National Energy Program. They believe very strongly in their mandate and deserve a great deal more than some of the ill-conceived and somewhat despicable comments which come from the official opposition. They are attempting to do their job, they are doing it well, and I think Canadians all over the country, whether they be in the province of Newfoundland or in the province of British Columbia, are mindful of and respect the individuals associated with Petro-Canada for their great efforts.

Some members of the New Democratic Party indicated that one way to improve upon the activities of Petro-Canada was to have an enlarged board of directors which included individuals with various backgrounds, such as fishermen, environmentalists, sociologists, psychologists and others. I believe the individuals associated with Petro-Canada at the level of its board of directors are indeed very confident and are providing direction to that particular oil company. One individual who comes to mind is the president of the Newfoundland fishermen's association. He is a union man and a professional who is making a very worth while contribution to the direction of Petro-Canada.

Members of the official opposition have made many comments concerning the Canadianization aspect of the legislation, particularly in this amendment. I do not find anything wrong with the Government of Canada owning a piece of the oil and gas industry. I do not find anything overly distasteful about it. When I hear members of the official opposition saying that it is not a good thing, that it is wrong, or that we should not be doing it, I am tempted to ask them whether they would dismantle the Nova Scotia Power Corporation. Are they willing to speak with the Premier of the province of Nova Scotia, who belongs to the Conservative Party of Canada, and tell him that that Crown corporation is not needed? Would they destroy Nova Scotia Resources Limited, another provincial Crown corporation? Perhaps the argument could be written or spoken in such a way that if you are a Crown corporation you are okay as long as you are provincial; but if you are federal, somehow that ideology is wrong or no good.

Is Air Canada wrong? Is Canada Post, for which hon. members opposite voted, wrong? Conceptually, no; therefore the concept of Petro-Canada is not wrong either. They may have some difficulties with a particular program of a Crown corporation, and of course they should have an opportunity in which to voice their concerns. That is what the chamber is all about.

The Canadianization program and the energy legislation which is before the House are attempting to meet the needs of both the public and private sectors. We stated very clearly in the National Energy Program that the Government of Canada wanted to acquire more public ownership. I do not think there is any doubt on either side of the House that that intention was a serious one. Our intention to have more Canadian ownership in the private sector is also an intention about which I do not think there is any doubt on either side of the House. We are providing very rich incentives for people to become involved and to participate in the oil and gas industry in Canada. The petroleum incentives program is one which comes to mind. We will debate it a little later.

The opposition, particularly the Conservative Party of Canada, has made reference to Canadianization, public ownership and so on, but it was the hon. member for York-Peel (Mr. Stevens) who stated quite clearly that it was the thrust of his party to move on the front of Canadianization.

There seems to be a dichotomy over there. That is not new to hon. members who sit in the chamber, as I do, day after day and find some members of the Conservative Party for this, some for that, and indeed those who are for both views.

Reference was made to the fact that somehow the legislation contained in Bill C-103 was anti-American. That is the line which was picked up by the official opposition. I do not believe for one moment that it is anti-American. I believe, as other members on this side of the House believe, that it is pro-Canada. I do not find anything distasteful about being pro-Canadian. I can understand certain members of the Conservative Party taking exception to that particular concept. Perhaps it is because the Conservatives have a vested interest or are involved in so many ways with the multinationals. They do want to see any Canadian participating in the extremely vital oil and gas sector of the Canadian economy.

• (1720)

However, when they make speeches throughout Canada and suggest that somehow the National Energy Program is anti-American, that is false. The National Energy Program is pro-Canadian and I think Canadians are extremely proud of that ideal. I therefore wish to reject that comment and the views expressed by the Conservative Party of Canada.

As well, hon. members opposite stand in their place to say that the National Energy Program is the cause of the oil and gas industry's present difficulties. I suppose the opposition would like to be able to insulate the oil and gas industry from the conditions which exist in the world economy. If you are a Tory that thinking is logical, but I am not a Tory. I would never subscribe to a philosophy such as that. The economies of other countries in the world, whether France, Germany, the United States or Britain, are in difficulty. The fact cannot be avoided that the oil and gas industry is involved in those economies which have high interest rates, high unemployment and high inflation. It also must bear some of the burden. It is not true to suggest that the oil industry has sustained all its difficulties due to one particular program, the National Energy Program.

I do not believe that the members of the Conservative Party wish to present a scenario without providing all the facts. It is very clear that those members are perhaps prisoners of their own philosophy, as they were aptly described by the member for Vancouver Kingsway. Although the Conservatives are very right wing, it is ridiculous to suggest that the Canadian government should invent policies which would insulate the Canadian oil and gas industry. However, in view of the present situation in the world economy, of which Canada is a part, the government has taken some very serious steps to provide much needed cash flow, such as the reduction of the PGRT, for example, and to create incentives and exemptions to aid the small producers in the oil and gas industry in Canada.

There has also been an update to what many Canadians realize is a successful National Energy Program. I do not believe there is a member on our side who would say that the National Energy Program is the panacea to all the ills of the energy world. That has never been suggested by anyone. Nevertheless, the fact must be taken into consideration that Canadians enjoy some of the lowest gasoline prices in the world, certainly lower than those in many other countries, including Italy, the United States and Great Britain. Gasoline in those countries is more expensive than here.

Members of the opposition will rise to say that is not true and make comparisons in various parts of Canada. In my own province of Nova Scotia the Conservative government introduced a 15-cent tax per gallon of gasoline in its budget. That is a provincial tax but, of course, the opposition would be content to persuade Canadians that it is the fault of the federal government. I believe it is very wrong to do that, and I hope they have the courage to say that the provincial governments are partially responsible as well for higher gasoline prices in some of those jurisdictions which I have mentioned.

While I would like to refer to a few further points in the National Energy Program, I will conclude by saying that the government will vote against this amendment. I urge all members on both sides of the House to vote against this amendment.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I will only take a few minutes. At the outset I will just say that anyone who brings up the subject of a 15-cent provincial tax, having told the voters that 18 cents is too much and now intending to stand up in the House later today to vote for an increase of 52 cents a gallon in two taxes alone, has a credibility problem that will not quit. Those members who fought an election over an 18-cent increase and who then propose a 52-cent increase are creating a credibility problem which they cannot overcome. It takes a great deal of gall to mention a 15-cent tax when we are dealing with a bill which has a 52-cent per gallon tax hidden in it.

Anyone who has common sense will know that the National Energy Program is a disaster. An update to this program was introduced last Monday evening when a $2 billion mistake was admitted. We indicated in the House that evening that the update was still a mistake. Since that time those who are knowledgeable in the oil and gas industry have judged that mistake. Oil stocks, which only fall when the climate is bad, have fallen 200 points. Of course, the reason for that decline is the update which was introduced by the Minister of Energy, Mines and Resources (Mr. Lalonde). The dollar has also fallen.

The Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. Dingwall) asks us to appreciate the employees of Petro-Canada. I have many voters who are employees of Petro-Canada and I value them, their work and what they are attempting to do. It is those same employees who tell us the shortcomings of Petro-Canada and what should be done for it to become a strong and vibrant company.

The parliamentary secretary has a lot of gall to stand in the House and say that Petro-Canada is a success story because it has assets of over $6.5 billion and a profit of $63 million after cooking the books. Those same financial statements contain

deferred charges that are greater than the bottom line profit. Hidden in those books are several billions of dollars of interest payments which the taxpayers pay and the company does not. If Petro-Canada were an ordinary corporation competing in the private sector, its losses would be staggering and its bankruptcy would be assured.

We have a clear indication of that credibility gap if the parliamentary secretary can stand in the House and say that bankruptcy is a success story for a large oil company operating in Canada. To say that 18 cents is too much and then to vote for 52 cents is a clear-cut example of incredibility; but to say that we have a Canadian oil company success story when, in reality, it loses hundreds of millions of dollars and did so last year, is to defy logic. None of the other similar-sized companies has a financial picture that would give us that indication. It is only one. For him to compare that one with the Power Corporation is also to defy logic.

• (1730)

In Canada today young people who want to get work in the electrical industry know that they will be working for a Crown corporation. The odds are 95 per cent plus, because that is the nature of the electrical industry in Canada, for historical reasons. But if these young people take training in a university to work in the oil and gas industry, they could work anywhere in the world. The difficulty with a Crown corporation in the field of oil and gas is, in reality, the difficulty of competing worldwide for staff people of quality.

An oil company is a gamble. There is never any certitude that when a well is drilled there will be oil at the bottom of the hole. It is a gamble. It is like picking a horse at a race track. What the Liberals would have us believe, with the support of the New Democratic Party, the "Liberal Party West", is that young people fresh out of university have better judgment in picking where to drill the wells than people with 30 or 40 years of experience.

Some hon. Members: Oh, oh!

Mr. Hawkes: In essence, that is what Petro-Canada is all about.

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

The Acting Speaker (Mr. Blaker): The hon. member for Mission-Port Moody rises on a point of order.

Mr. Rose: I wonder if the hon. member realizes that his party has voted with the Liberals 30 times compared to our 14. The Conservative Party is the western arm of the Liberal Party, sitting right there.

Mr. Hawkes: I am glad the hon. member brought that to my attention. The Liberal Party has the wisdom to vote with us against the nonsense proposed by the NDP.

Mr. Cosgrove: We are not proud.

Mr. Hawkes: I want people to imagine the following: that we take 10 per cent of the federal budget and gamble it in the oil and gas industry. If we were to take 10 per cent of the federal budget and put it on a horse race, would we ask some young people fresh out of college which horse to bet on, or would we instead try to find someone with years and years of experience working at a race track, training and conditioning horses? Whose judgment would we trust? Would we trust the Minister of Energy, Mines and Resources to pick a horse in a horse race? What experience does he have?

Mr. Fulton: At least he picked the right end!

Mr. Hawkes: What training does he have for proposing that tax? Yet we want to give billions and billions of dollars to that man to put on that horse race. I suggest to Your Honour that that is the flawed logic. If someone wants to bet on a horse race, he will gamble or pick a number at random and see if his luck is good, or he might get advice from people who are knowledgeable about horses and about that race, because one who follows the expert's advice has a better chance of winning.

Another example which comes to mind is this: would we want all the painting in Canada to be done by a Crown corporation? Would we stand up in this House and say that all painting businesses should be owned by the Government of Canada and that all of those who wanted to be painters should become employees of the Government of Canada? What nonsense! Crown corporations do not have the kind of record which suggests that the Government of Canada should be running a painting business. What we have in Canada is a system where many people own different painting businesses. There are many small entrepreneurs and if we are in the market to hire a painter, we have a choice. We may choose someone who charges a little less than someone else because he does just as good a job, but he has discovered a way to do it faster and therefore cheaper. But if the Government of Canada owned all the painting businesses, all the painters would be paid the same amount because the charges would be the same, and 50 per cent would go to administration and 50 per cent to the painter. It would cost us three or four times as much.

That is the logic of the Liberal government in relation to the Canadian ownership charge. It wants a tax which will continue forever so that it can buy out all the little guys and have one state-owned oil company which would charge what it darned well pleased, which would take half the money it earned and put it into administration or some other place and the consumers in this country would pay twice as much for half as much service.

If there is any integrity on the other side, the government must do one of two things. The heading of this section states "Canadian ownership charge". In committee we inserted the word "public" but the Liberal members voted against it. We proposed the word "public" so that it would become "Canadian public ownership charge", because the clauses which followed clearly indicated that the government could use the money to buy property and shares and hold those in the name

of the government. So a correct title for the way in which the clause is written would be "Canadian public ownership charge"; but the Liberal Party voted that down. It did not want the honesty of that.

Therefore, today we propose an amendment which would state that when the government collects that $3 million a day, it would have to spend it on increasing Canadian ownership and would not be able to go out into the marketplace and compete with other Canadian companies, to buy out assets of other Canadian companies. All we are asking is that this huge amount of $3 million a day be dedicated to the purchase of non-Canadian companies so that they can become Canadian. If hon. members opposite do not go for that, then it should be clear to every Canadian in every part of the country that the Liberal Party believes in government ownership and does not give a darn for Canadian ownership. Voting against this amendment would clearly say that. The government believes in government ownership and in the Minister of Energy, Mines and Resources owning, but the government does not believe in Canadian ownership. That is what a vote against this amendment would signify.

The Acting Speaker (Mr. Blaker): Is the House ready for the question.

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): The question is on Motion No. 7. All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

Mr. Andre: On division.

The Acting Speaker (Mr. Blaker): The motion is negatived on division.

Motion (Mr. Hawkes) negatived.

Mr. Jim Hawkes (Calgary West) moved:

Motion No. 8

That Bill C-103, An Act to amend the Petroleum Administration Act and to enact provisions related thereto, be amended in Clause 39 by striking out line 23 at page 29 and substituting the following therefor:

"the report has been prepared and that every report laid before Parliament under this section stands permanently referred to the House of Commons Standing Committee on Public Accounts".

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, this motion deals with another aspect of this Canadian ownership charge which should be put on the record because it is one more example of why one cannot trust this government and of how it does not keep its word and its promises. I do not know if any of the trained donkeys over there know it or not, but this Canadian ownership charge—

Mr. Bloomfield: Your ears are awfully long.

Mr. Andre: —does not go into the Consolidated Revenue Fund, it goes into a Canadian ownership account. The reason for that is very simple. It does not show up in the blue book, it is not part of the estimates, and it therefore does not show up as part of government spending. So the Liberals can stand there with straight faces and say; "Look at how we are controlling government expenditures. See?"

Through this tax, $1.5 billion is collected from Canadian consumers for actual government spending. It is being spent to buy Petrofina, but it never shows up in the accounts of Canada. That is in violation of the recommendations of the Lambert Commission, which the Liberal Party said it endorsed. It has either forgotten that commitment or it was not honest in the first instance. It is in violation of the recommendations of Auditors General over the last few years. It is in violation of promises made by Liberals about being honest and open with regard to government spending. Through this amendment we are attempting to bring a little integrity to that dishonest bunch of book manipulators.

• (1740)

We would like this report referred to the Public Accounts Committee, a non-partisan, all-party committee, so that it will have the capability of examining the account to ensure that the moneys were properly spent, that there was not an abuse or that the moneys were not used to reward members of the Liberal Party through purchasing of other shares, etc. That is all this amendment does. If the members of the Liberal Party are interested in honouring at least some of the minor promises they made in the past and living up to some of the policy statements they made with all solemnity and commitment, they will vote for this amendment.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, Motion No. 8 is a straightforward request for accountability of funds being collected by the government. One of the bases of parliamentary government that is generally accepted is that money collected by the government must be accounted for. Therfore, this kind of clause is necessary in order to have that kind of accountability.

I agree with the hon. member for Calgary Centre (Mr. Andre) that this money which is spent should be allocated through some kind of estimates which are legislated. That is not always done in these cases or in the case of many federal Crown corporations. Therefore, anything that can be done to increase accountability of money collected by the government should be supported.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I want to speak briefly about the wisdom of allowing the Public Accounts Committee to examine this kind of expenditure. I put on the record at public accounts a scenario that is relevant to the decision whether or not to vote for this amendment.

When you turn an aspect of the market over to a bureaucracy, you increase the possibility of mistake in the marketplace. I put on the record a series of decisions which have been made in relation to the petroleum compensation charge. One of those is a provision which was exploited by Petrofina.

It is my information that Petrofina increased its bottom line profit through the exploitation of government subsidies by something in the neighbourhood of 25 per cent. At a later point in time, the Minister of Energy, Mines and Resources (Mr. Lalonde) used the vehicle of Petro-Canada to purchase Petrofina. The consequence for the Canadian taxpayer was that one set of government subsidies inflated the selling price of a set of shares bought by the Canadian taxpayers through the energy minister. We have suggested in this House that the Canadian people paid about twice as much as they should have paid for the purchase of Petrofina. That is over $700 million too much which the taxpayers of this country had to pay. We inserted this amendment so that a body of Parliament, the Public Accounts Committee, would have the power and the authority to examine situations of that kind and recommend to Parliament and the government ways of avoiding $700 million mistakes in the future.

Regardless of ideology or party, Liberal and NDP members should see the wisdom of this Progressive Conservative amendment which simply says that a report which must be laid before Parliament should automatically be examined by one of the standing committees of Parliament. If we believe in the electoral process and in democracy and believe there is some point to Members of Parliament examining expenditures, then we must support this amendment.

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): Those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

Mr. Lewis: On division.

The Acting Speaker (Mr. Blaker): The motion is negatived on division.

Motion (Mr. Hawkes) negatived.

Mr. Ian Waddell (Vancouver-Kingsway) moved:

Motion No. 9

That Bill C-103, An Act to amend the Petroleum Administration Act and to enact provisions related thereto, be amended in Clause 39

(a) by striking out line 43 at page 29 and substituting the following therefor:

"signed by not less than ten members"

(b) by striking out lines 7 to 9 at page 30 and substituting the following therefor:

"than five hours and on the conclusion of such debate or at the expiration of the fifth such hour, the Speaker of the House".

He said: Mr. Speaker, originally this motion appeared in the name of the hon. member for Calgary West (Mr. Hawkes). I can understand the mistake because we are both similar in views and appearance.

This is a very simple motion. In this bill the government proposes to give itself the power to fix oil and gas prices unilaterally if necessary. Having done that, they feel they should allow the House of Commons a chance to debate it. It is called a negative resolution, which is an indirect way of doing things. This will be done, providing 30 members object to what the government is doing. Three hours will be allowed for debate. The draft bill talked about ten members and five hours' debate. In the interest of democracy and protecting smaller parties, not necessarily this party because we expect to have at least 140 members after the next election—

Some hon. Members: Oh, oh!

Mr. Waddell: In the last House we had 26 members. In this House we had 33 and now have 32. That means that we as a party would not be able to object to the bringing in of this extraordinary measure under the Petroleum Administration Act. Therefore we propose this simple amendment. I am sure the government can accept it. In fact, I thank the government for indicating by its attitude and by the smiles of members opposite that it can accept it. The amendment simply states ten members instead of 30 and five hours of debate instead of three. What is an additional two hours on energy matters? I am sure the government can agree to that. The argument for it is that it is more democratic. A government that is interested in democracy would not have any problem supporting it.

• (1750)

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, it is always interesting to listen to the member for Vancouver-Kingsway (Mr. Waddell). He is always eloquent in his presentation, Mr. Speaker, but when it comes to substance I have to differ very strongly. This particular amendment is repetitious; it is a repetition of the one placed before the standing committee on energy. At that time I believe I indicated to the hon. member that the government was not in a position to change again the previous draft of its Bill C-94. We had 50 members and now it is down to 30 members and we believe that is a sufficient number.

On the other hand, if the hon. member is so confident that after the next federal election he and his party will return to this chamber in great numbers, surely he cannot find any difficulty with the way the legislation reads at the present time.

Some hon. Members: Oh, oh!

Mr. Dingwall: However, Mr. Speaker, I know what he is thinking of. He is thinking about the hon. member for Calgary West (Mr. Hawkes) and the hon. member for Calgary Centre (Mr. Andre). He is afraid that that party after the next federal election will return to this chamber with fewer than 30 members. I know the hon. member and I know well enough that that is probably the reason he seeks to put that amendment in. Unfortunately, the government will not accept that amendment at this time.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I want to speak in support of this amendment. I do not know why the government is afraid to give ten members the right to call for a debate in the House of Commons if and when they decide to undertake some new nationalization program and buy some oil company and impose this tax. Why do they insist on 30 members and think that ten is too small a number? It makes no sense, unless they are of the view that it is an intolerable imposition in the House of Commons that we should bring forward a motion requiring the government to explain why it is spending taxpayers' money. If they had any consideration for what this House is supposed to be, even in the most modest way, namely a forum to debate and discuss, they would accept this motion.

One could almost make a very good case that one member should have that right, but certainly ten members is not an onerous or unreasonable number. I am surprised and disappointed that the government has taken the view they have.

I would take this opportunity to point out that Clause 39 as amended in committee is a vast improvement over what the government originally proposed. Those people over there in the bowels of the bureaucracy who draft legislation are constantly seeking ways in which they can neuter this House as much as possible, because we are nothing but an imposition upon them as they pursue their good works on behalf of the nation. They produced an original procedure which had the ludicrous effect, Mr. Speaker, of meaning that the government could propose to buy a new oil company, the House of Commons could say no in a motion, but they could still go ahead and do it if they had the approval of the Senate. So you had the ludicrous situation where the House of Commons, made up of elected members of Parliament, could in the majority say no and we could not stop the government from acting; they could still go ahead and spend taxpayers' money.

That is an absolute affront to any reasonble interpretation of democracy. I suggest that whoever dreamed up that little scheme should be fired immediately and removed from the bureaucracy, because he is a danger. Apart from that, this is a violation of the Canadian Constitution because it has the effect of letting the Senate, an appointed body of has-beens, authorize the government to spend taxpayers' money. That is simply not tolerable in a democracy and I think it is in violation of our Constitution. The appointed people in the other place have no right to spend taxpayers' money; yet the original proposal from the government would have had that effect.

After considerable debate in the House, considerable debate in committee, and much more pressure than should have been necessary from our side, the government did make an amendment. And I give credit to the member for Etobicoke North (Mr. MacLaren) for taking that recommendation to the bureaucrats and saying "Try again". Ultimately they did, and we are pleased to see that change come about.

It is unfortunate that he did not spend a little more time with that bureaucrat or that collection of bureaucrats and convince them that it would have been quite reasonable to have ten members as the necessary minimum for triggering this mechanism, that 30 members is simply an attempt by the government to make it as difficult as possible ever to exercise this one, slim, minor, modest little check on government power.

I consider it unfortunate, regrettable and anti-democratic that the government is apparently going to vote against this amendment.

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Pursuant to Standing Order 75(11), the recorded division on the proposed motion stands deferred.

The House will now consider Motion No. 10.

Mr. Jim Hawkes (Calgary West) moved:

Motion No. 10

That Bill C-103, an Act to amend the Petroleum Administration Act and to enact provisions related thereto, be amended by deleting Clause 40.

He said: Mr. Speaker, this section is really a retroactive section. Earlier this day the former parliamentary secretary to the Minister of Energy, Mines and Resources mentioned that there had been a cutback in Alberta oil, western Canadian oil. In order to increase importation, the government collected an extra tax for a period of six months.

The House should be aware of two or three points regarding that tax. First of all, it was at 7.5 cents a gallon. The first thing we discovered in committee was that in six short months the government had collected more than $140 million too much. Even if one accepts the logic that a special tax is necessary, the rate of that tax was 40 per cent too high.

• (1800)

The only conclusion a rational human being can draw from that is that the Minister of Energy, Mines and Resources (Mr. Lalonde) shamelessly used this chamber and his backbench members to make a political statement. He told Canadians it would cost them 7.5 cents a gallon more because of those cutbacks when in reality the extra amount, if there ever was one, would have been less than five cents a gallon. The Minister of Energy, Mines and Resources should be held accountable to this chamber for that tax.

Canadians may remember that in early September an agreement was reached and the cutbacks were stopped. A marvellous thing happened. That 7.5 cents a gallon tax did not disappear. The tax was there for a reason. The reason disappeared, but the tax of 7.5 cents a gallon stayed. What did the minister do? He simply increased another tax 7.5 cents a gallon the day this tax should have stopped.

Earlier today we warned Canadians that the 4.5 cents a gallon Canadian ownership charge is a tax, and last week and all day yesterday we warned Canadians that the 48 cents a gallon for the petroleum compensation fund is also a tax, which once they start this government intends to collect. We were telling the truth. The reality of that truth is here in Clause 40. The tax imposed is 40 per cent too high. It was for a specific purpose, but when the purpose stopped, the tax was simply transferred and it is still collected.

It was marvellous to listen to the testimony given in committee. We asked how the department calculated the need for this tax and were told that in Canada we require all refiners to estimate the amount of domestic crude they will use. When we were told that there would be so much cutback in the western provinces, we said to ourselves that we will have to import that much more and will have to pay extra for it. Production of Canadian crude was down, but imports did not increase because Canadians were learning to conserve. In effect, the Minister of Energy, Mines and Resources and his officials had imposed a tax on conservation.

That is what this tax is. That is what this charge is all about. It is an extra price imposed because Canadians listened and started to conserve. They started to drive smaller cars. They insulated their homes. They began to discontinue using oil products and are using natural gas. Canadians did what their government said they should do. They cut down on the need to import oil. As a reward, the Minister of Energy, Mines and Resources, supported by all his backbenchers, said: "We will tax you more. Do what we tell you is good, and we will tax you more". That is what Clause 40 is all about. It is a tax which never was necessary. It was an inflated 40 per cent, and when the political excuse disappeared the tax stayed.

Then about 63 days later the Minister of Energy, Mines and Resources blamed the oil companies for increasing prices. Is this a government in which Canadians are supposed to believe and have trust and confidence? It is a sham. This is a government with no shame. Its backbench has no shame. Hon. members opposite went out and told voters 18 cents was too much, but in this bill alone there is a 48 cents tax, a 4.5 cents tax and a 7.5 cents tax. Those are the taxes Canadians pay.

Then there is the export tax, which is the very first part of the bill. It was originally imposed on Canadians in 1974-75 because revenue was needed to pay for imports. In the last few years not one dime of it has been used to pay for imports. All that money goes into the federal treasury. We are taxed for a reason, and then when the reason disappears, the tax remains. That is the history of this government. That is the history of this Minister of Energy, Mines and Resources, and we have moved this amendment so that we will have the opportunity to point out with the greatest possible clarity that the tax was never necessary. It was imposed—at a rate 40 per cent too much—for a specific purpose, but when the purpose disappeared, the tax remained. Sixty-three days later the oil companies were blamed because prices went up.

If there is a Canadian tax revolt, it will be because of the behaviour of those who stand in this chamber and support this kind of principle and this kind of clause. It is onerous and deceitful, and we should make a statement in this chamber that as Members of Parliament elected by the people of Canada we do not support that kind of deceit in terms of the taxes which come out of our pockets.

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): The question is on Motion No. 10. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Pursuant to Standing Order 75(11) the recorded division on the motion stands deferred.

Mr. Jim Hawkes (Calgary West) moved:

Motion No. 11

That Bill C-103, An Act to amend the Petroleum Administration Act and to enact provisions related thereto, be amended in Clause 42 by striking out line 9 at page 35 and substituting the following therefor:

"with the regulations provided that the amounts of such payments shall not cause the price of imported petroleum to a processor, that is the price that is effectively reduced after compensation, to fall to a level below the price of a comparable quality or kind of domestic petroleum."

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, this amendment is an attempt to put some discipline into the ridiculous situation we have wherein we are subsidizing Mexican, Venezuelan and Arabian crude. Taxpayers are paying that subsidy to the point where foreign crude is cheaper than Canadian crude, the price of which is set by fiat. This is causing Canadian production to be shut in. It is causing cash flow problems for the exploration and production companies affected. It is causing business drop-offs for the oil service companies which would normally be servicing wells. It is causing a loss in royalties to the provincial governments affected. It is causing a loss of petroleum revenue taxes to the federal government. It is causing a loss to Canada in general of hundreds of millions of dollars.

A few years ago we in this country and in this House had a sense of outrage and indignation when the Canadian Egg Marketing Agency allowed some 28 million eggs to go rotten on the shelf. Members in this House and people generally were rightfully and justifiably angry and upset because an incompetent marketing board allowed that kind of waste. It was a waste of food and a waste of money.

That waste is insignificant compared with the waste which has been going on because of the way the petroleum import compensation program has been working. In the month of April 300,000 barrels of Canadian crude oil production were shut in daily. That meant we were importing the equivalent amount from Mexico, from Venezuela and from Saudi Arabia and subsidizing it to the tune of about $20 a barrel.

• (1810)

The taxpayers of Canada were paying $6 million per day in subsidies to Pemex, the Mexican oil company, and others, while 300,000 barrels per day of Canadian production was shut in. If that production had been in Quebec the roof would have lifted, Mr. Speaker. There would have been outrage, indignation and fury at that kind of treatment by the federal government. But the shut-in production was in western Canada, Saskatchewan and Alberta, so who cares? Some companies went bankrupt because they did not have any business, but who cares? It is not important. Who cares that the government is bungling the import compensation so badly? Nobody cares. It is taking place out there, so no one cares.

If the socialists needed an example of why the state should not be allowed to run anything they need look no further than this program. "Big Brother", the Liberal government with its high-priced officials, says in effect, "We have this brilliant scheme and we will administer it for the benefit of Canada." In the process the taxpayers of Canada pay $6 million per day in unnecessary taxes. That money ends up with Pemex, the Mexican petroleum company, and Petroleos de Venezuela, the Venezuelan state-owned company, or with a Saudi Arabian company. In the process, since we cannot afford $6 million per day, we have to borrow at 18, 19 or 20 per cent interest because there is a current account problem in the rest of the country. This contributes to our balance of payment problems. It is an incredibly stupid move, Mr. Speaker.

It is not as if the problem were a recent one. Last October the Minister of Energy, Mines and Resources was told about it but he did nothing until April when the action he took was not adequate. He said, "I will phone the refiners and ask them not to buy cheap oil on the spot market". That was his reaction to this insane situation that has existed at least since last October. If it were not so tragic it would be laughable.

One has to wonder what kind of gall it takes for the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. Dingwall) to claim that the National Energy Program is a success. Would it be a real success if, instead of $6 million per day in unnecessary taxes, we were paying $12 million and if, instead of 300,000 barrels per day of shut-in oil, it was 600,000 barrels per day of shut-in oil that was affected? I suppose all that would make it an outstanding success! The people responsible for operating the program in such an inept manner would resign if they had any decency, but that is not something we can expect from them.

We put forward this motion which, in effect, says that if you are going to operate an import compensation program, if you are going to subsidize Mexican oil—and heaven knows that is a stupid policy—but if that is what you insist upon doing, at least for goodness sake do not do it in a way that penalizes Canadian producers. That is a very reasonable request, and this is a reasonable motion. It asks that this program of subsidies to Mexico not be run in a way that will hurt Canadian producers.

It is ironic that most of the 300,000 barrels per day shut-in production comes from wholly Canadian-owned companies. It just turned out that the shut-in Canadian production came from fields dominated by Canadian companies. So, while the government is saying that the national energy policy will Canadianize the industry, it is subsidizing imports from Mexico, inflicting economic harm on the nation and, in particular, on Canadian-owned companies. Anyone with a shred of decency would blush, if not apologize, for supporting a government that would maintain and sustain that kind of absurd program.

While acknowledging that there is no likelihood that the trained donkeys will think any more independently about this motion than they have about others, nevertheless I plead with them to examine it, to examine their consciences, to live up to their responsibility as Members of Parliament, and support this reasonable amendment.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I thought that a member of the government might speak and indicate

support for this motion. I am disappointed that such is not the case.

Canadians should understand that what the government has put in place is a system that works roughly in the following way. If the government were to put a tax of, say, $1,000 on every vehicle sold in Canada, and then all imported vehicles were to receive a subsidy of $5,000 so that they would be cheaper than a comparable Canadian made car, then under those circumstances Canadians could not be blamed for buying imported cars. But of course more people in the Canadian automobile industry would lose their jobs.

That is what the government has been doing in the oil and gas industry. Imported oil is more expensive than Canadian oil. It is all taxed, then the money collected is given over to the imported oil. When that $18 per barrel is given to the company that imports Mexican oil, all of a sudden, instead of being $9 more expensive than the Canadian it becomes $9 cheaper. Can a refinery be blamed for buying imported rather than Canadian oil under those circumstances?

Could the buyer of an imported car be blamed if our government made it cheaper than a comparable Canadian manufactured car? What about a toaster? Collect a tax on all toasters, Canadian or imported, and then give the money to the people who import toasters. Imported toasters will then become cheaper than the ones made in Canada, and Canadians will lose their jobs. That is what the government has been doing in the energy industry.

• (1820)

It is a peculiar fact of life, Mr. Speaker, that the current Minister of Energy, Mines and Resources (Mr. Lalonde) himself directed PetroCan to buy 50,000 barrels per day of Mexican crude. That is the only purchase which the minister directed that company to make, and it is really strange that it is Mexican crude which benefits the most. It costs $9 more a barrel, but he set up a subsidy system which makes it $9 cheaper. If you went to the marketing area of the refinery in Quebec which uses that cheaper oil you would not find gasoline any cheaper. The subsidy makes it $9 a barrel cheaper, but the consumer does not find it any cheaper. The profits go into the pockets of the big oil companies. The minister takes tax dollars and turns around and subsidizes imported crude.

What we propose in this amendment, Mr. Speaker, does not go as far as I would like. I propose that we say to the minister he cannot use our tax dollars to make imported oil cheaper than domestic. You cannot take my taxes and reward the companies which import oil, and punish Canadian companies. You have to give Canadian companies an even break. That is all we are trying to do with this amendment.

Is there anyone with common sense who thinks it makes sense to put a tax on refrigerators, televisions, toasters or automobiles and then give it to the people who import those products so that they can sell at a price lower than the price of Canadian-made products? It defies common sense. Yet, somehow, members of this House continue to support a minister who is doing just that with imported oil. It defies logic. All those Canadians on fixed incomes, all those Canadians who are having trouble paying the high cost of food or transportation, should know that the Liberal Party wants to make all those things more expensive so that it can take the money and give it to Mexico, Venezuela, and Saudi Arabia.

If we do not buy Canadian first, Mr. Speaker, then there will be fewer jobs for Canadians. The figures from last month show that has already happened in western Canada. Unemployment rates are going up rapidly. The government should remember that those unemployed people out there cannot buy trucks which are made in central Canada, or tires or toasters, all those things that are made in central Canada. That is what the government is doing, Mr. Speaker.

We simply ask that this Chamber, through this amendment, indicate to the Minister of Energy that he cannot use our tax dollars to provide a subsidy for foreign oil in order to make it cheaper than Canadian oil. If he really cared, he would go one step further and say it should always be a few cents more expensive per barrel so that there would be an incentive to buy the oil produced in Canada before we buy oil from other countries. That makes economic sense, helps reduce the cost of living, and will create jobs in Canada. We need all those things desperately, and this amendment would help to achieve them.

The Acting Speaker (Mr. Blaker): The question is on Motion No. 11. Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Pursuant to Standing Order 75(11), the recorded division on the proposed motion stands deferred. The hon. member for Bruce-Grey (Mr. Gurbin) on a point of order.

Mr. Gurbin: Mr. Speaker, I rise on a point of order, with the unanimous consent of the House, to present an amendment to Bill C-103 as follows:

That Bill C-103, an act to amend the Petroleum Administration Act and to enact provisions related thereto be amended in clause 42 by

(a) striking out line 29 on page 34 and substituting the following therefor:

"petroleum or petroleum substitute;"

(b) adding immediately after line 34 on page 34 the following:

" "Petroleum Substitute" means any renewable energy source which displaces the use of petroleum"

(c) striking out line 3 on page 35 and substituting the following therefor:

"quality or kind of petroleum or petroleum substitute, the Minister"

(d) Striking out line 45 on page 35 and substituting the following therefor:

"petroleum or petroleum substitutes in respect of which compen-"

• (1830)

This amendment is offered in the face of increasing concern for energy security. There has always been a serious question of alternatives developing because of subsidized and depressed domestic petroleum prices. This amendment would allow the minister to equate the comparable petroleum energy replaced by alternatives and then give consumers who choose these alternatives the same level of compensation. As an example, a solar energy system—

The Acting Speaker (Mr. Blaker): Order, please. I gave the hon. member for Bruce-Grey (Mr. Gurbin) adequate time to put his motion to the House and to indicate the purpose of the motion. I thank the hon. member for Bruce-Grey for providing the Chair with a copy of the motion before he actually put it to the House. I have indicated separately to him that he may wish to argue the question as to whether or not the motion is in order. I simply want to bring the argument on the matter of whether the motion is in order to his attention, so that he can address himself to it as quickly as possible.

As the hon. member indicated, Clause 42 of the bill provides for compensation to be made payable by the Government of Canada to producers of petroleum. The purport of this motion would be to extend the compensation factor not only to the producers of petroleum but to producers of petroleum substitutes. The Chair obviously has to conclude that there is a difference between those two groups, namely, producers of petroleum, and producers of petroleum substitutes. In that event, there being a difference, the hon. member is putting to the House a motion which would provide that the Crown expend money in the manner in which he has described. I refer to Beauchesne's fifth edition, Citation 773(7), which reads:

An amendment is out of order if it imposes a charge upon the Public Treasury, if it extends the objects and purposes, or relaxes the conditions and qualifications as expressed in the Royal Recommendation.

I have to indicate to the House and to the hon. member that if there is, in the proposed motion of the hon. member for Bruce-Grey, a charge upon the public treasury, then the Chair would have to find his amendment out of order. Perhaps we could hear the hon. member for Bruce-Grey on the matter of whether or not the proposed motion is in order.

Mr. Gurbin: I would like to make three arguments why this motion is entirely in order. I can argue on the basis of a debatable point as well as on the substance of the real question which is now in the mind of the Speaker and which presents itself in this motion, that is, whether we are actually increasing expenditures which would require a Royal Recommendation.

I think the hon. member for Cape Breton-East Richmond (Mr. Dingwall) was talking a few moments ago about the Conservative Party and the victim it is of ideology. The question of ideology and how people get their minds around the whole question of energy is one of the difficulties which faces this House and faces the Speaker as he considers this question.

The Acting Speaker (Mr. Blaker): Order, please. Ideology is not the matter of the point of order. I appreciate the hon. member's intentions in attempting to explain further the purpose of the amendment. The difficulty the Chair has, at least on the face of the amendment, is that it appears to call for the expenditure of treasury funds. That is the only point that I raised with the hon. member. Ideology notwithstanding, if the hon. member could address himself to the question which is of concern to the Chair, namely, the issue of whether or not he is proposing the expenditure of public funds, he would assist the Chair in ruling whether or not the amendment is out of order.

Mr. Gurbin: Mr. Speaker, I respect the point which the Chair has made. I understand the question of expenditure. My point in raising ideology was not from a political, philosophical point of view. My point was with respect to the set mind that people have with energy, and the question of what energy really is. The fact is that we cannot define what energy is, and the fact that petroleum, as we are dealing with it here and now, is interrelated and interchangeable and cannot be separated from other types of energy resources and sources that we have in this country.

With respect to the question of expenditure, I would humbly suggest to the Chair that I would debate, long and hard, the question of whether this amendment as proposed would increase expenditure. With one brief example, if the Chair will allow me, I would suggest that the expenditure could actually be decreased by the definition and the redefinition that we apply with this amendment.

In Prince Edward Island where all oil imports—

The Acting Speaker (Mr. Blaker): Order, please. I want to give the hon. member a full opportunity to address himself to the issue that has been raised by the Chair. I will do it again.

Clause 42 calls for compensation to persons in respect of a type of petroleum. I have to assume that the expression "petroleum substitute" means something other than simply petroleum. If that logic is correct, compensation for a person in respect of a petroleum substitute constitutes a different type of expense for the Crown. If that argument is correct, then the proposed amendment is out of order. That is the point to which the hon. member should address himself.

The point is not on a global budget concept as to whether or not money might be saved by compensating the producers or persons in respect of petroleum substitutes. The question is whether or not the amendment proposed by the hon. member is a call upon the treasury by those persons in respect of a petroleum substitute. If it is, then unfortunately, the amendment has to be found out of order. That is the only point to which the hon. member has to address himself.

Mr. Gurbin: Mr. Speaker, the point I was trying to raise, albeit in a circumspect way perhaps for the Chair, is the fact that this amendment would likely decrease expenditures for the Crown. In that case it is not a call on the treasury and, indeed, the amendment should be allowed.

The decrease in expenditure would be in the decreased amount that would be required to compensate those people who were importing oil into this country for whatever use. That is the key point. I think it is debatable at the very least. I would suggest very strongly that it is accurate, and that is the basis on which I think this amendment could be considered so that the members of this House, particularly those who have taken the time and the effort to consider this question in some detail, such as the hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre), could have an opportunity to express themselves at the time of a vote. That is the key point, and that is why I think I deserve an opportunity to explain this motion briefly, if the Chair will allow me.

The Acting Speaker (Mr. Blaker): I want to focus the hon. member's attention on the particular point. I think this is the third or fourth time. I will hear other members on the same point if that is necessary. But the problem comes down to the fact that it is not a matter of a global budget and, therefore, that what one takes from one envelope one puts back through another envelope. The issue created by the hon. member's motion is that he intends certain people shall be compensated, namely, those using petroleum substitutes. If that is the hon. member's intention, that constitutes a call upon the treasury.

To suggest, for example, that the users of various other products might be compensated—because it is a very good idea or it is a very sensible way of going about things—is not an argument related to whether or not the amendment is in order. The problem is that when one creates a new class of people who are entitled to compensation, that is a call upon the treasury, and the Chair is obliged to find that out of order. I will hear the hon. member for Bruce-Grey for another moment. Apparently there are other hon. members who want to speak on the point and I will hear them as well.

Mr. Gurbin: Mr. Speaker, on the last point that you have made, the compensation fund is a fund separate from the Consolidated Revenue Fund. It is an established fund. It is not at the call of the government for any other use, as I understand the compensation charge. It is not a question of taking into an envelope an amount of money which, in a discretionary way, is being handed to another party outside that envelope.

What we are doing with this amendment is decreasing—I admit it is an arguable point—the amount of charge that would have to be paid to those people who would normally bring in oil to the country, and allowing that, in a lesser amount, to those people who do not require that oil.

• (1840)

Mr. Hawkes: Mr. Speaker, I rise on the same point of order. To understand the rhythm of this proposed amendment and how it sits, having been on the committee and having spent several weeks in detailed study of the bill, I think it might be helpful to look at the National Accounts of Canada. If we look at the National Accounts of Canada, we find that the petroleum compensation charge is netted out at zero for the current year and all projected years. It is an amount of money which does not show up in the National Accounts of Canada, as the hon. member for Bruce-Grey (Mr. Gurbin) indicated.

The second principle which I think we find throughout Bill C-103 is that there is no automatic compensation of any kind, for any thing, in any amount. Indeed, it is a bill which requires order in council approval for the setting of charges and for the setting of payments. Of particular interest might be the clause which deals with the definition of petroleum. The first part of the definition reads as follows:

> "petroleum" means any hydrocarbon or mixture of hydrocarbons other than gas—

But the second part of the definition is of particular interest and reads as follows:

> —and includes any product designated as a petroleum product by regulations made under Section 75.

That definition and other clauses in the bill empower not only the rights but the responsibilities of order in council, which is cabinet, to set regulations, to define and to determine through some kind of descriptive process what in fact qualifies.

My first point is that nowhere in the National Accounts of Canada or in the treasury are any of these amounts dealt with. In all the documents which came before the Standing Committee on Public Accounts not one dime of anything involved in this part of the legislation came to our attention because it was there as zero. Second, both the rights and responsibilities reside in cabinet, in order in council, to define through regulation what in fact is eligible. The impact of this amendment would simply be to remind cabinet that there might be something very useful here which it would want to consider within the powers given it by the legislation.

Cabinet could in fact take all the commodities, or some parts of the commodities which my hon. colleague has in mind, put them on the list, and therefore make them eligible. Perhaps this is a strange piece of legislation in that sense, but I think that citation in Beauchesne's does not deal with it adequately.

The Acting Speaker (Mr. Blaker): Since no other hon. members are seeking the floor to contribute to the point of order, I will first attempt to answer the points raised by the hon. member for Calgary West (Mr. Hawkes). The Chair is seized of the bill. I appreciate the explanation of the hon. member that in the National Public Accounts the costs are netted out at zero, as he indicated. The difficulty is that on a particular bill it is not possible for the Chair to go rampaging through the public accounts to consider whether one aspect of the accounts might net out in a different way than another aspect of the accounts. I am faced with the bill which is in front of me.

The hon. member for Bruce-Grey (Mr. Gurbin) created a new category of person. That category of person is referred to in connection with petroleum substitutes. I understand that some hon. members may feel that that is a rather narrow interpretation on the part of the Chair, but once a new category of person is created and a new category of thing, once the

word "compensation" enters between the person and the thing, and once it constitutes the use of public funds, then the Standing Orders are very clear that only a minister of the Crown may propose such a motion.

I am grateful to the hon. member for Bruce-Grey for giving the Chair notice prior to proposing his motion. The Chair had an opportunity to consult with the officers at the table in that regard. I do not want that hon. member or the hon. member for Calgary West to think that the conclusion was arrived at lightly. During the course of the last several minutes the matter was reviewed, and the Chair is satisfied that indeed the motion is out of order. I see the hon. member for Bruce-Grey is seeking the floor on another point of order. He ought to know that, once a ruling is made it is not debatable, but out of courtesy I will recognize him.

Mr. Gurbin: Mr. Speaker, the key point which I neglected to make before is that the definition of hydrocarbon is hydrogen and carbon. There is no question in my mind that, in the purest sense, the measure I have introduced can qualify, but when the Chair intervenes I would ask it to consider whether or not there is any acceptable phraseology which would provide the necessary limitations in order to comply with the spirit and the technical requirements of the bill.

The Acting Speaker (Mr. Blaker): I must indicate to the hon. member that the Chair is not really permitted to give advice to hon. members on how best to prepare or word a motion. In order to end the discussion as amicably as possible, I remind him that the hon. member for Calgary West indicated that this motion was a reminder to cabinet that there were other possibilities under the regulations for certain products to be considered for compensation. Once the hon. member for Calgary West made that comment, the Chair was satisfied that the reminder was made and that there were other options by which petroleum substitutes could be considered. Therefore, I reiterate my ruling. Now, is the House ready for the recorded divisions on several amendments?

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

The Acting Speaker (Mr. Blaker): Does the President of the Privy Council (Mr. Pinard) have some comment in this regard?

Mr. Pinard: Mr. Speaker, I had consultations with my colleagues. Before calling in the members, I have two motions to make. It seems that there will be unanimous consent on both of them.

The first one is that, notwithstanding any order of the House, any division on report stage of Motion No. 1 on Bill C-103 shall apply to report stage of Motions Nos. 2, 4, 5, 6, 8, 9, 10, 11 and 12, and that, if a division is required on the motion to concur in the said bill at report stage, this division shall be taken separately.

If Mr. Speaker could call this motion I am sure there will be unanimous consent, and then I have another motion to move.

The Acting Speaker (Mr. Blaker): Subject to correction by hon. members present, there may be some change in what the President of the Privy Council has proposed. My understanding is that Motion No. 8 was negatived on division. Therefore he may wish to withdraw his reference to Motion No. 8. Of course Motion No. 12 stands in the name of the hon. member for Bruce-Grey. I have just dealt with it at some length. Unless it is the intention of the House to raise that motion despite the ruling of the Chair, the President of the Privy Council might wish to delete it as well. Is the President of the Privy Council agreeable?

Mr. Pinard: Mr. Speaker, it is by inadvertence that representatives of the parties included these motion numbers. There is no doubt that we will agree to delete or withdraw Motions Nos. 8 and 12. Therefore I so move.

The Acting Speaker (Mr. Blaker): For the purposes of clarification, it is moved by the President of the Privy Council:

That notwithstanding any order of the House, any division on report stage of Motion No. 1 on Bill C-103 shall apply to report stage of Motions Nos. 2, 4, 5, 6, 9, 10 and 11, and if a division is required on the motion to concur in the said bill at report stage, this division shall be taken separately.

Is it the pleasure of the House to adopt the said motion?

Mr. Lewis: Mr. Speaker, we have had prior consultation on this matter with the government House leader, and our party is prepared to agree.

Mr. Waddell: Mr. Speaker, on behalf of the New Democratic Party, we too agree.

The Acting Speaker (Mr. Blaker): Therefore the motion is agreed to and so ordered.

Motion (Mr. Pinard) agreed to.

The Acting Speaker (Mr. Blaker): I understand that the President of the Privy Council indicated that he had a second motion.

• (1850)

Mr. Pinard: Mr. Speaker, there is an agreement among House leaders and representatives of the parties that members not be called before 8.15 p.m. later today and that, in the meantime, we shall begin debating the amendments at the report stage of Bill C-104. Following the recorded division after 8.15 o'clock, if you would ask if there is unanimous consent that we deal with the third reading stage of Bill C-103, pursuant to what I have just said, I think you would obtain it.

The Acting Speaker (Mr. Blaker): The House has heard the suggestion put forward by the hon. President of the Privy Council. Is there unanimous consent for that?

Mr. Lewis: Mr. Speaker, we also have had prior consultation on that, and we are prepared to agree on this side.

Mr. Waddell: Mr. Speaker, that is agreeable.

The Acting Speaker (Mr. Blaker): Accordingly, the divisions on Bill C-103 and the motions pertaining thereto stand over until 8.15, along with the other details as mentioned by the President of the Privy Council.

* * *

PETROLEUM INCENTIVES PROGRAM ACT

MEASURE RESPECTING INCENTIVES

The House proceeded to the consideration of Bill C-104, respecting Petroleum Incentives and Canadian Ownership and Control Determination and to amend the Foreign Investment Review Act, as reported (with amendments) from the Standing Committee on Energy Legislation.

The Acting Speaker (Mr. Blaker): The Chair has some notes relating to 13 motions at report stage of Bill C-104, an act respecting petroleum incentives and Canadian ownership and control determination and to amend the Foreign Investment Review Act. It is the intention of the Chair to group them as follows:

Motions Nos. 1, 2 and 3 will be debated and voted on separately.

Motion No. 4 causes grave concern to the Chair as to its procedural acceptability. The hon. member for Vancouver-Kingsway (Mr. Waddell) in his motion is attempting to establish one or more consultative councils, which would entail the outlaying of public funds. I realize that in subsection 9 of this motion it states that each member of a council shall serve on a voluntary basis. However, the hon. member will admit that in setting up such councils other costs will be involved, such as administrative costs. For the benefit of hon. members, I refer them to Beauchesne's fifth edition where Section 7 of Citation 773 is on this point, and I quote in part; as I did earlier for the hon. member for Bruce-Grey (Mr. Gurbin):

> An amendment is out of order if it imposes a charge upon the public treasury—

For this reason the motion is not receivable.

Motion No. 5 will be debated and voted on separately. Motions Nos. 6 and 13 could be debated together and voted on separately. Motion No. 7 should be debated and voted on separately. Motions Nos. 8, 9 and 10 will be debated together and voted on as follows: (a) Motion No. 8 by itself; (b) as Motion No. 9 is consequential on No. 10, a vote on No. 10 will also dispose of No. 9.

Finally, Motions Nos. 11 and 12 could be debated together and voted on separately.

Mr. Pinard: Mr. Speaker, I rise on a point of order. I am told that consultations have taken place in relation to three additional amendments from the government to Bill C-104 and that there will be unanimous consent for them to be considered as if notice had been given 48 hours ago. I will table those three amendments forthwith.

The Acting Speaker (Mr. Blaker): Is there unanimous consent to the proposal of the President of the Privy Council?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): Agreed.

Mr. Waddell: Mr. Speaker, I rise on a point of order. I think now may be the time to make a brief submission respecting your ruling on Motion No. 4. May I do that?

The Acting Speaker (Mr. Blaker): I would ordinarily be inclined to suggest to the hon. member that he do so when we come to that motion. However, it may be more convenient for the House if the hon. member seeks to make his point of order in that regard immediately. It is on the matter of the Chair's ruling. I do not think I need to seek unanimous consent. Unless the House indicates to me that there is some problem, I will recognize the hon. member for Vancouver-Kingsway with respect to motion No. 4 and the argument he wishes to make.

Mr. Waddell: Perhaps I could make a short submission to indicate that this is in order. You could reserve your decision, or your review of it, until we get to motion No. 4.

Let me just say that I gather that the reason for the ruling is that the amendment purports to spend money. The proposed councils do not spend money. In my submission, they do not increase the financial burden on the Crown by a cent. I submit that all they do is constitute a council that does not commit the Crown to anything. It does not commit the Crown to providing financial expenses, space, offices or anything such as that. The reason for that is the representatives on the council are people who are paid by other organizations and through other funds.

Even if Your Honour were to determine that the Crown would have to pay money, there are a number of precedent amendments which direct an officer of the Crown to perform certain tasks. Even though his salary must be paid and he must be provided work space, Parliament, in giving him direction, has not passed a financial item. I am told this has been so ruled in the past.

When the government proposed to abolish appeals to the Tariff Appeals Board in 1961, a Senate amendment proposed a procedure guaranteeing expeditious hearings in order to meet both government and opposition concerns. The amendment was never challenged as to its spending money because it would continue appeals and create work which would not need to be done if appeals were abolished.

Further, the provisions of proposed Section 10, A(8) entitling councillors to be paid, does not spend money. I will just have to check on that. In the original draft of the amendment it did mention spending money, and I purposely eliminated that from the amendment submitted.

In effect, I submit that there is nothing in these regional consultative councils which require the Crown to spend any money. The minister is asked to establish the councils. The Dene people are specifically mentioned, but of course their people are funded by the native group in the Northwest

Territories. The objectives are discussed. Their meetings are to be determined by the council. Basically, they are to review the Petroleum Incentives Program. They can establish committees.

I now see I was mistaken, because there is a section that deals with payments. I thought that was excluded.

I will have to rely on my second half of the argument. There are, in fact, precedents for the fact that even though you set up a procedure or board you do not necessarily have to rule that it will require expenditures by the Crown. Perhaps Your Honour could look at it and advise whether that is still the ruling of the Chair when we come to that motion.

The Acting Speaker (Mr. Blaker): As a courtesy to the hon. member for Vancouver Kingsway I will do as he suggests, which is to take his proposed amendment under brief consideration. Obviously, from the Speaker's ruling which I read earlier, the research has been done and it would appear that the creation of such councils has not yet been considered to be possible without any cost whatsoever. Since the hon. member has made an appeal to that effect, perhaps the Chair can take this into consideration until such time as the House reaches that point.

I will call the amendments standing in the name of the hon. Minister of Energy, Mines and Resources (Mr. Lalonde).

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources) moved:

That Bill C-104, An Act respecting petroleum incentives and Canadian ownership and control determination and to amend the Foreign Investment Review Act, be amended in Clause 2 of the English version by striking out lines 35 and 36 at page 2 and substituting the following therefor:

"(*a*) crude petroleum regardless of density produced at a wellhead in liquid".

• (1900)

[*English*]

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I appreciate the opportunity to take part in this debate. I just want to give a brief explanation of this particular amendment. This amendment makes the English version consistent with the French version. "Density" is the terminology used in the metric system. Therefore, I do not believe hon. members opposite would find difficulty in supporting this particular government amendment. However, I would like to expand on some of my feelings about this particular piece of legislation, for this particular act is a fundamental building block in the National Energy Program, the goals of which are energy security, opportunities for Canadians to share in the development of their energy resources, and the establishment of a fair energy system for all Canadians.

Through this proposed legislation we will be able to establish a stronger presence of Canadian owned and Canadian controlled firms in our oil and gas industry. Not only will such Canadianization provide energy security for the country, but it will also enhance the opportunities for Canadians to benefit, to participate in the oil and gas industry. Moreover, Canadian ownership and control of the oil and gas sector will ensure that, in the long term, the benefits of industrial expansion are distributed more fairly amongst Canadians. Once this legislation is in place, approximately $2 billion in incentives will be available to the industry for exploration and development expenses incurred between January 1, 1981, through to the end of this fiscal year.

Bill C-104 is the bill which will provide $2 billion in incentives to the oil and gas industry, a bill which was purposely delayed by the Conservative Party of Canada. The Conservatives stood in this chamber and made reference to assistance for the oil and gas industry. The Government of Canada announced in its National Energy Program a specific item to assist, and it is here, in Bill C-104, but what did the Tories do? They walked off the job for two weeks, allowed the bells to ring, took their big salaries, and ran away from the House of Commons. But they had the nerve to say, through their literature and on television and in articles in the newspapers, that they were concerned and wanted to assist the oil and gas industry.

Mr. Smith: Hypocrisy.

Mr. Dingwall: It is hypocrisy at its best. And who is it from? It is from the Conservative Party of Canada under the leadership of the Right Hon. Joseph Clark.

These incentives will encourage foreign-controlled companies willing to work with Canadians to develop Canada's oil and gas potential. Foreign-controlled and owned companies continue to be welcome to explore for oil and gas in Canada, despite the rhetoric that one hears from the Conservative Party of Canada. The prospective returns for such companies are competitive, if not superior, to similar investments in other western oil producing nations. Nevertheless, the degree of foreign control and ownership in this strategic sector of our resource economy must be reduced. The path the government has chosen is to stimulate Canadian private investment through a scheme of incentives for Canadianization. These incentives are to be given to Canadians participating in oil and gas exploration and development, in order to achieve a 50 per cent ownership of the oil and gas industry by 1990 and energy security for all Canadians. The legislative mechanism for the achievement of such goals is the bill before us today, Bill C-104.

There are three distinct parts to this bill, the first containing provisions for exploration and development incentives to be granted to Canadians in varying amounts according to their Canadian control status and degree of beneficial Canadian ownership. The provisions under which Canadian control and Canadian ownership will be determined are found under Part II. The aim of these provisions is to ensure that the incentives benefit Canadian-owned and controlled companies and that Canadian participation in exploration and development is encouraged.

Part III of the bill amends in a technical way two provisions of the Foreign Investment Review Act. The definitions of a non-eligible person and corporation are amended to reflect

policy that has been applied by the Foreign Investment Review Agency since the enactment of the FIRA Act in 1974.

Part I, entitled "The Petroleum Incentives Program Act", provides cash incentives to applicants who incur eligible exploration and development expenditures. Generally, the percentage of an incentive will depend on some or all of the following factors: first, the Canadian ownership rate of the applicant; second, the control status of the applicant, and, third, the type and location of the expenditure.

The bill provides for two incentives. The Crown share incentive amounts to 25 per cent of any eligible exploration expenditure incurred on Canada Lands. Entitlement to this incentive does not depend on the Canadian ownership rate or the control status of the applicant. The Crown share incentive will encourage and assist the exploration effort in Canada Lands, while contributing towards a share of such expenditures commensurate with the government's retained interest in the Canada Lands.

There are three higher levels of incentives, again representing a percentage of the eligible exploration or development expenditures or eligible asset costs incurred by an applicant.

Entitlement to this incentive is dependent on the applicant being Canadian controlled and having a minimum Canadian ownership rate of 50 per cent. The incentive levels as a percentage of eligible expenditures increase as the Canadian ownership rate of the applicant increases.

The rules for determining ownership and control status are found in Part II of the bill, entitled "The Canadian Ownership and Control Determination Act". A Canadian ownership rate is based upon beneficial ownership. This ownership determination may require looking through nominees to establish where the real beneficial ownership resides. As well, such measurement takes into consideration an investment in a chain of ownership. Beneficial ownership includes rights to equity in the future and to other forms of participation besides that of traditional equity. The control status determinations are made on the basis of control-in-fact. The Foreign Investment Review Act definitions and presumptions of control-in-fact will be used for such determinations.

Bill C-104 has been before the Standing Committee on Energy Legislation. A number of witnesses appeared before the committee to make submissions on the bill, including representatives from the Canadian Petroleum Association, the Independent Petroleum Association of Canada, the Canadian Bar Association, the Consumers' Association of Canada, and the Canadian Institute of Chartered Accountants. Individual companies appearing with submissions were Dome Petroleum Limited, Norcen Energy Resources Limited, Home Oil Company Limited, Gulf Canada Limited, Texaco Canada Resources Limited, and McLeod Young Weir Limited.

In committee witnesses addressed several issues. One issue raised by many of the submissions and the members of the committee was that there was no mechanism established within the bill by which an appeal could be made regarding an incentive or ownership decision. I am pleased to announce to the House on behalf of the Government of Canada that we have considered these representations and that the bill will be amended so that the determination of a Canadian ownership rate under Clause 39(2), a redetermination of Canadian ownership rate under Clause 44(1), and a finding by the minister that an arrangement is artificial under Clause 30 and 53(1), are all now specifically subject to review by the Federal Court of Appeal.

• (1910)

This amendment will make the COR determination and redetermination as well as the PIP and COR artificial transactions divisions subject to review under Section 28 of the Federal Court Act. This amendment is a result of responsible government. We have a committee. Representations were made at the committee level by Members of Parliament, the industry and the academic community to improve this bill. The Government of Canada is attempting to do that. That is what that amendment is about.

Several other amendments were introduced in committee stage. While most of these amendments were technical, one amendment to Part II of the bill is worth noting specifically. This amendment would allow applicants who have begun to determine their Canadian ownership rate and control status on the basis of the draft forms and regulations, published on March 10, 1982, to rely on the provisions in those drafts for their COR.

Several other issues were addressed in committee. One such issue was that the provisions of the bill are complex. In the case of PIP, a key consideration has been the recognition that the benefits conferred by PIP on Canadians could, in a variety of ways, be transferred to non-Canadians. This has led to the adoption of rules to reduce such transfers to a minimum. However, while these rules introduce a complicating factor to the PIP system, they still allow for the self-assessing process to be applied and should be readily understood by those familiar with the terms and conditions commonly found in the wide range of industry agreements in use.

As for the Canadian ownership and control determination act, it is intended to measure real beneficial ownership. Sometimes this can be a relatively simple process, but for other cases it is more difficult. The COR system of rules for the measurement of Canadian ownership is designed to be applied as uniformly as possible to individuals, private and public corporations and partnerships, and many other investment vehicles such as trusts and insurance companies. The equity structure of each one of these types of entities is extremely varied and, of course, the COR rules must parallel them to be effective. It is in this sense that the rules are necessarily detailed.

The degree of ministerial discretion and the fact that many of the measurement and incentive rules are prescribed by regulation was another issue raised in committee. Because financial structures and oil and gas transactions are sensitive to change, it is considered desirable to retain a certain degree of flexibility in order for the government to be able to respond

to new and unforeseen situations. However, while these provisions are intended to ensure that the PIP and COR programs are responsive to industry needs and changing circumstances, I want to stress that the flexibility inherent to these programs is not intended to detract from, but rather to reinforce, the long-term nature of the PIP and COR programs. Indeed, the flexibility provided is by way of fine tuning to ensure that relief is provided in circumstances where the rules could otherwise lead to an arbitrary or an unintentionally hard result for PIP and COR applicants.

Another issue raised in committee was the fear that confidential industry information would be disclosed through these new programs. The confidentiality provisions in the statute permit disclosure of information to appropriate officials and departments for purposes of administration of the act, as well as to the Petroleum Monitoring Agency and the Department of Finance for purposes of monitoring the oil and gas industry and development of fiscal policies.

In addition, the statutory disclosure provisions recognize that the public interest in the administration of justice outweighs the public interest in the statutory protection of confidentiality in two circumstances. The first of these is any kind of legal proceedings, civil or criminal, arising out of the administration of the act in which evidence is to be taken under oath. The second of these is criminal proceedings of any kind. The ability to disclose in the latter circumstance reflects the position that when the important issue of criminal guilt, and perhaps the liberty of the subject is at stake, all relevant evidence might be available to ensure a proper resolution.

The officials have been instructed to keep in close touch with the industry to review the provisions of this bill for any changes that may be required. Any such changes will be considered within the context of the integrity of the program. The continuation of this dialogue is an extension of the effort that began with the inception of the program.

The specifics of the petroleum incentives program and the Canadian ownership rate and control status system were first set out in papers for public discussion in late 1980. These were further elaborated and refined in light of subsequent public comments in the spring of 1981. Public comments and reactions to both papers were reflected in the draft bill tabled in this House last June. The regulations for these programs have reflected this interaction with industry.

In addition, a series of workshops on both the PIP and the Canadian ownership and control determination programs took place earlier this year. Approximately 1,500 people attended these sessions in six different centres across the country.

Those attending came from both large and small companies active in the oil and gas sector as well as from the legal and accounting communities and from such financial institutions as banks, trust companies and investment dealers. Indeed, the key role to be played by the latter group has prompted separate follow-up sessions with them. Throughout the course of these and similar contacts, the exchange of information has contributed to both a better understanding and, we think, a more workable program.

In light of the extensive dialogue with industry and the support of the Canadian people across the country for the objectives of these programs, the Canadianization goal of the National Energy Program would appear to be a necessary component of a viable solution to this country's energy problems. Increased Canadian ownership and enhanced exploration activity will enable us to achieve our energy security and ownership goals and will also ensure that the benefits of industrial expansion are distributed more fairly across this country.

I am pleased to recommend this bill to the House as it will be instrumental in enabling us to resolve many of this country's energy problems. It will help this country become self-sufficient in energy by the end of the decade. It will help Canadians achieve control of the petroleum industry.

It is critical that these programs be put in place as soon as possible. There is an urgent need for the incentives by many Canadian oil and gas companies which believed in the National Energy Program and made investment decisions on the basis of the imminent availability of subsidies under the Petroleum Incentives Program. The Petroleum Incentives Program and the Canadian Ownership and Control Program will both play a vital role in securing our energy future.

As I said at the outset, if industry has one concern or, indeed, one complaint, it ought to direct it four-square to the Conservative Party of Canada. Never before have we seen such hypocrisy from a Canadian political party. For two weeks they goofed off. They left Parliament Hill. They had the bells ringing while important legislation like this Bill C-104 was delayed. This Bill C-104 has been delayed by their tactics. They referred to bankruptcies and to hard times in the oil and gas industry, but they did absolutely nothing about it when they had an opportunity. I hope they will have the courage to stand and say to the oil and gas industry and to the people of Canada that they made a mistake. They are used to making mistakes, whether it is in positions on Petro-Canada or something else. We have heard it all and we will hear it again, if they continue to make mistakes and blunders.

• (1920)

They have an energy policy to which they alluded today. It is in bits and pieces. One point is to dismantle Petro-Canada, to cut the prices of oil and gas. That is their policy. They say, "Never mind the agreement of the producing provinces." They never had what we refer to in my community as the guts, the intestinal fortitude, to take those policies before a policy convention of the Conservative Party of Canada and have them voted on in terms of resolutions. Not one resolution emanated from that policy conference.

Mr. Smith: They were too scared.

Mr. Dingwall: We know they are scared. They are scared that this energy legislation will do something for the oil and gas industry. Their intent is to see that industry go down the tube. I say to the Conservative Party: "Shame, shame, the

industry will make you accountable in the next general election."

Some hon. Members: Hear, hear!

Mr. Jim Hawkes (Calgary West): Mr. Speaker, it was interesting to hear that we "want the industry to go down the tubes". Would the parliamentary secretary go to Hamilton and see whether they are making tubes any more, or making pipe any more? Two years of this minister and they are not making any pipe, they are not making steel. That is Liberal policy.

In a court of law, in a criminal trial, one of the principles that all of us hold dear is that we cannot self-incriminate, we have the right to avoid self-incrimination. This Chamber is a marvellous place because so often members plead guilty and do not even know they have just done so. The parliamentary secretary stood and said that for two weeks the Conservative Party rang the bells and goofed off. Well, Mr. Speaker, the fact is that we spent those two weeks talking to the Canadian people about the reason why the bells were ringing. The people listened and they knew we were telling the truth.

Some hon. Members: Hear, hear!

Mr. Hawkes: They supported us then and they support us today. The parliamentary secretary starts there and he finishes there, saying that we were "goofing off while the bells rang." In the middle, Mr. Speaker, comes his guilty plea. He puts it out there for all of us, with pride. Mr. Speaker, do you remember him saying to you and to all the members of this Chamber: "We have changed the legislation; when we listened to the witnesses, we learned; we have put before you tonight 12 amendments, we had a whole lot more in committee."

The bells rang, Mr. Speaker, because the Liberal government was not going to let the bill go to committee, the bells rang because the Liberal government was not going to hear witnesses. Now they stand in this Chamber and admit to the nation that they have 12 amendments tonight and had a whole bunch more in committee. That, Mr. Speaker, is because witnesses were heard, because the government learned. It is a rotten bill, but it is better, and it is only better because the bells rang for two weeks.

Mr. Taylor: Right on.

Mr. Hawkes: I love to stand in this Chamber and point out that the parliamentary secretary has been admitting that those bells rang for a reason. The reason was so that knowledgeable Canadians could be heard, that legislation could be changed, and that it might be made a little bit better. He stood up there and he told us that all those things happened, that Canadians were heard, and that he is proud because the bill is going to be better. And the proof is in the order paper today: 12 amendments that we debate this evening and perhaps tomorrow, and then we go to vote on them. None of those amendments, Mr. Speaker, would have been available for Members of Parliament to vote on if the Minister of Energy, Mines and Resources (Mr. Lalonde), the House leader and the backbenchers of the Liberal Party had had their way and had rammed this bill through, without witnesses.

What are they so proud of? Do you know what we have here in this package of bills and in this one in particular? In the package we have all kinds of ways of taking money out of the pockets of the consumers and out of the corporations which employ people, the corporations that buy steel and trucks and so on. We take it all away from them and then we get to Bill C-104 and we give it back, not all of it but part of it.

Mr. Speaker, do we give it back to those who have earned it, who have the knowledge to use it rightly? Do we do that in this piece of legislation? No, we do not, Mr. Speaker, we give it back to whomever the minister of energy decides shall get it, whether they know anything, whether they earned it, whether they are going to use it wisely, whether it will add one drop of oil. No, those are not the criteria, Mr. Speaker. The criterion is that the minister of energy shall decide who gets it. Is that wise for Canadian consumers?

Just stop to think about it for a minute. In the city of Ottawa today we have a lot of grocery stores. Some of them do a good job, bringing into their stores the things that people want. They charge a reasonable amount so that they can keep their good employees, and they stay in business. Others do not do so well. They buy the wrong groceries, they put them on the wrong shelves, they do not display them well, people do not buy, and they go out of business. What does that system produce? It produces for us all a system of pretty good grocery stores, because if the manager is bad, he is going to fail; if the store is well run, it will succeed.

Do we apply that logic to the oil industry? No, we do not. We say, "If you are successful, if you find a lot of oil, we will take most of it away from you in the form of taxes." Then we add: "Are we going to give it back to you, because we know that you can do a good job of finding us more oil? No, we are not, we are going to give it back to whomever the minister of energy decides to give it back to." Do they have to have any experience in the oil and gas industry? No. Do they have to have ever drilled a well? No. That is not why they get some of this money back. Could you drill wherever you want, wherever your mind and your experience tells you you are going to find oil? The answer is no. You drill where the government tells you to drill. And you will get money for doing it if he decides you should get it. It has no relationship to experience, it has no relationship to where oil is likely to be.

We have seen some evidence of this. Where is he telling us in this legislation that most of the money is going to go? I will tell you. It will go to wherever it will cost the most. He is going to encourage everyone out there to drill in the most costly places, so that gasoline and oil to heat your house and drive your car will cost the largest amount possible. He will finance it by raising taxes. And somehow he has forgotten that for less cost you can produce gas and oil for people at a lower price. That was the system we had in this country until two years ago, but now the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. Dingwall) stands in the House and brags that his government is going to take money

away from successful people and give it to an unknown bunch, but only if they drill in the most expensive places possible. If they find any natural gas or oil, it will cost consumers the maximum amount. It will cost them as much as possible. The government is doing everything it can in this legislation to raise the prices which must be paid to heat homes and drive cars. The parliamentary secretary has the gall to stand in this chamber and brag about that.

• (1930)

Let us think about what it would be like if the government took a little less and left all those companies—there were thousands—to make the individual decisions they had been making. Those companies were asking, "Should we drill here or should we drill over there?" Those companies made those decisions after 10 years, 20 years, 30 years or 40 years of experience, and they used their own money. They decided where they were most likely to find oil and gas, and the parliamentary secretary wants to replace that system with a system whereby a bureaucracy will decide where they should drill.

We were told in the committee that it will take 400 more civil servants to give money back. Who will pay for that? The senior citizens of Canada who are heating their homes will pay for those 400 more civil servants. The minister admitted that, and if his past projections are any indication of the future, that 400 will become 800 or 1,200, and their sole job in life will be to give money back. If we have to have 400, 800 or 1,200 to give it back, I suppose hidden behind are another 400 who had to take it away in the first place. Then, of course, we forget about the 1,200 or 2,400 who work in all the companies and who have to do the book work to decide how much is to be taken away. Then there is another group in each company which has to decide how much is coming back.

What have we done? If we have all those people employed in companies deciding how much is taken away and another group deciding how much is coming back, and if we have government employees who have to work to take it away and another group who have to work to give it back, what will happen to oil and gas prices? None of those people were necessary two years ago, but we are making them necessary. The people who will have to pay will be those people on fixed incomes, on pensions and on unemployment insurance. They are the people who will have to pay for this mess. We have done this to our system; now we tell companies where to drill, not because there is any oil there and not because it is the most likely place to find it but simply because the government wants the drilling to occur in some places rather than in others.

If a person has a summer cottage or a farm and he wants to drill to get some fresh water, will he just drill any old place, or will he seek a little help to find the best place to drill? It is expensive to drill a hole only to find out there is no water. That person will want to drill where he is likely to find water. The same is true in the case of oil. It is very expensive to drill a hole if no oil is found. A company will want to drill in the most likely place.

This legislation deserves the unanimous condemnation of all members of this House because it is based on the principle that big brother knows best where to drill. It is based on the principle that big brother has already decided that where companies will drill will be the most expensive places. Big brother has decided that the cost of gas and oil three years, four years and five years down the road will be incredibly high because big brother is forcing the industry to drill in those expensive places.

The parliamentary secretary stood in the House and said that the program is working because Canadian ownership is increasing. I would like to ask the parliamentary secretary whether he owns his own home. Does he own his own home, or does a mortgage company own his home? There is quite a difference between owning a home which is paid for and having a mortgaged home. Interest rates have doubled. People who thought they owned their homes suddenly found they did not own their homes when interest rates doubled, and they are going to lose their homes. The National Energy Program has encouraged Canadian companies to go out and borrow a lot of money to buy other companies. I will give one example. Dome is the biggest of Canadian-owned companies. A couple of years ago about half the money Dome was taking in was used to pay interest on money borrowed, but the other half was used for drilling, expansion, pipeline construction and development. As of about three weeks ago 90 per cent of the money which accrued to Dome was used to pay interest. Since that period two or three weeks ago interest rates have gone up, and the value of the Canadian dollar has gone down. The Canadian dollar closed today at 79.25 cents U.S. My suspicion is that that Canadian company does not have enough money coming in every day to pay for the money it borrowed. If it does not have enough money coming in every day to pay for the money it borrowed, it is bankrupt.

If the company goes bankrupt, who owns it? At first blush one might think it is a Canadian bank because Dome borrowed from a Canadian bank. However, we find that the Canadian bank borrowed from a foreign bank, and the real owner of Dome Petroleum is not Canadian. The ownership certificate says Canadian, but in reality when Dome borrows that much money, it is the people who lent Dome the money who own Dome, and those people are not Canadian. The parliamentary secretary would have us believe this program has produced more Canadian ownership. It has not. It has produced more Canadian borrowing.

Let us examine what borrowing does. If half the money Dome had was being used to build pipelines or drill wells in Canada, that half was being taxed. It was producing income. People were employed, and they paid income taxes. Cars were bought, and taxes were paid. However, when all the money Dome gets is used to pay interest and the ultimate borrower is a foreign bank, all the money consumers pay for oil and gas bought from Dome leaves the country and is not taxed because it is a business expense. No jobs are created, and no federal revenue is generated.

That is what the Minister of Energy, Mines and Resources has done to this country. Billions and billions of dollars have left the country in this way. The truth is that in the marketplace stocks are down, down, down because they are worthless. The truth is that the value of the Canadian dollar is down, down, down because it is becoming worthless. The truth is that one and a quarter million Canadians are unemployed today because there are no jobs. There is no money to drill wells, to buy cars, to buy trucks, to buy steel or to buy pipe because hon. members opposite blindly follow the Minister of Energy, Mines and Resources. The minister is wrong. He has pride and pizzazz, but he is stupid. What he has done to this nation is a tragedy. Never in the history of this nation has there been a member of the cabinet who has done so much damage to the fabric of our country in such a short period of time. The Minister of Energy, Mines and Resources is an absolute catastrophe. To vote for this legislation, in whole or in part, is to aid and abet a crime. It is a crime which approaches treason for what it has done to this country and what it will do in the future.

• (1940)

A few days ago the Minister of Consumer and Corporate Affairs (Mr. Ouellet) appeared at the Standing Committee on National Health and Welfare. The topic was urea formaldehyde foam insulation, which the government had said was suitable for homes. It gave grants for its installation but later said that it was not healthy. Now people cannot sell their homes. For some the hope of retirement has been wiped out and others have lost their health. What was really disturbing was that when a group of those home owners came to ask the government for help the minister complained, saying the government had given them $60,000 to organize and therefore they had no right to criticize the government. So for $60,000 apparently we give up the freedom of speech!

That is what grants do, Mr. Speaker, they make people afraid to speak up. If the Minister of Energy, Mines and Resources (Mr. Lalonde) is going to hand out grants to people in the oil industry, will they have the courage to tell Canadians what is right and what is wrong? Freedom of speech is for sale, apparently. That is one of the cardinal principles of this minister and of many ministers on the front bench—that they can buy silence.

Bill C-104 which we are discussing tonight gives money to oil companies and in this way the government hopes for increased silence from the industry. There is a threat in this. Once you take the paycheque from the government you had better not criticize, because it can quietly cut you off. The most recent example of this was the civil servant, Neil Fraser, who worked in the tax department. He wanted to speak publicly about the dangers he saw in Canadian society, but he drew a paycheque from the government so it fired him.

The government now wants the whole oil industry to take a paycheque in the belief that once it is on the payroll, it will not be so critical. I have lived all my life around people in the industry, Mr. Speaker, although I have never worked in it. They are a rugged bunch of individualists, well trained and with a lot of pride. They would be just as happy if this legislation were scrapped. But the minister and the parliamentary secretary do not understand that. People in the industry understand the danger to their freedom of speech and freedom of action which is inherent in the legislation. It tells people where to drill and when to drill. If they have any knowledge or experience they know that this legislation is one of the rotten elements in the whole package that will help drag everyone in the nation into increased dependency on foreign oil, a devalued dollar, higher inflation and increased unemployment. They feel as strongly about it in a negative sense as I do and I urge all members of the chamber to vote against it.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, the hon. member who just spoke said he lived all his life around the industry. As I listened to him I thought that I lived all my life during the course of his speech, which went from urea formaldehyde to civil servants and finally back to the oil industry.

We are supposed to be speaking to the first amendment, but it looks as if we are speaking to the whole bill. I want to say to the parliamentary secretary that I would like to look more closely at his speech tomorrow in *Hansard* because he announced some changes that may be significant. I should like to deal with them when we get to the clauses in question. The parliamentary secretary spoke about Conservative hypocrisy in this case. Talk about the pot calling the kettle black when you consider that the government was forced to listen to Parliament and divide the bill! That is the problem the government has with the people—the people do not think that it is listening. This is not a democracy but an autocracy, a government run by the Prime Minister (Mr. Trudeau) and very few others.

It was good for the government to be forced to divide the bill. I am not sure that it lost much in the long run as the bills will be through the House within a couple of days. In any case, the government did have to eat crow. That is why we supported the division of the bill. It reminds me of the line in Macbeth about the bell— " . . . it is a knell that summons thee to heaven or to hell". We are not sure whether the government will go to heaven or the other place yet. We will have to wait and see.

I want to say something about the remarks of the hon. member for Calgary West (Mr. Hawkes). Talk about hypocrisy! The hon. member for Calgary Centre (Mr. Andre) wrote to the minister telling him to divide the bill and he might do better with the PIP grants because the industry wanted them. But tonight that party claims it is bleeding for the old age pensioners who will have to pay for all this. That is too much, Mr. Speaker, after they have spoken for about 12 hours putting forward the line of the industry almost exclusively. A brief presented by the Consumers' Association of Canada had this to say:

> Bill C-104 and the philosophy behind it perpetuate the failed energy policies of the past—namely that future oil security can be brought through higher prices and subsidies for oil companies.

Last week the minister announced that $8.9 billion would be spent in PIP grants. That is a lot of money. It means that 80

cents of every dollar invested in exploration in Canada lands in the north and in the offshore will be borne by the taxpayers of Canada, and there will be another 13 cents in the dollar if it is a Canadian company paying taxes. That is 93 cents on every dollar, Mr. Speaker. It is no wonder that consumers feel they have a stake in this. The brief continues:

> What should be kept in mind is that for every $1.00 increase in the wellhead price of oil and an equivalent rise in the price of natural gas, the consumer will pay industry and government $18,000,000,000 in higher prices for existing reserves of oil and gas, because the established volume of hydrocarbon reserves the industry says now remain in the conventional producing areas total the equivalent of 18 billion barrels of oil. With price hikes in excess of $35.00 per barrel in prospect by 1986, in this zero sum game the financial burden on the consuming sector of the economy will likely become unbearable, amounting, as it will, to hundreds of billions of hard-earned dollars in extra payments to the petroleum industry and to governments. The stakes are immense. That is why we see full page newspaper advertisements and multimillion dollar television campaigns sponsored by the petroleum industry.

I say to the consumers of Canada—do not be fooled; you are being hosed. You will have to pay $8.9 billion in petroleum grants and pay more at the pumps. You are dealing with two parties who want to give this money away. This money comes out of the pockets of consumers, Mr. Speaker, and goes into the pocket of the government and the pockets of the oil companies. If companies want to explore, I have no objection; but why do we have to give them $8.9 billion in grants? We are going to introduce amendments to this bill in which we tried to give the consumers in Canada a break, and give native people a chance to participate in the administration of these grants. We try to make sure that the required Canadian content is real and substantial. Those are the kind of amendments we propose, and I reserve my right to speak on the amendments of the parliamentary secretary.

• (1950)

[*Translation*]

This bill will give the big oil companies a lot of money, eight billion, in fact almost nine billion dollars, to be taken out of the consumer's pockets and put into those of the oil companies. This is incredible, at a time when families are having trouble paying their oil, gas and hydro bills. This legislation is far too generous to the big oil companies.

[*English*]

Therefore we will be making some amendments to the bill.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, the COR program and PIP grants, which are the substance of Bill C-104, are going to last maybe two years and then collapse. The reason for that was exemplified in the remarks of the hon. member for Vancouver-Kingsway (Mr. Waddell). He clearly gave one of the reasons these programs will not survive. When the Minister of Energy, Mines and Resources (Mr. Lalonde) turned loose those little beavers in his department to work on this thing, these people with brilliant academic credentials and no knowledge whatsoever of the oil industry, they produced this little gem as a way of Canadianizing. They were going to get at the cash flows of the big companies throught the PGRT and the NGGLT, these massive taxes, and recycle the money to Canadian-owned companies by way of PIP grants.

It was a great academic theory, the only problem is that the world is populated by more than just the hon. member for Vancouver-Kingsway. The hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre) raised the same questions in committee. These huge taxes have suddenly become the property of the government, and the grants are gifts from the people to the oil industry. They forget about the other part of the question and they say "What is going on? How can you give these billions of dollars to the oil industry when hospitals are closing and universities need money?" It is that kind of simple-minded reasoning which will dominate. The hon. member for Vancouver-Kingsway quoted from the *Toronto Star* and reporters from that paper are going to repeat it ad nauseam. You can bet that anyone in this House with a cause will say "just a minute, you cannot say you do not have any money because you are giving these billions of dollars to the oil industry".

An hon. Member: Right.

Mr. Andre: You see, the hon. member for Spadina (Mr. Heap) forgets the other part of the equation. As socialists, of course, they believe first and foremost that all earned income belongs to the government. Anything left in the hands of the person who earned it represents a gift from the government to that person. Unfortunately that simple-minded approach is going to be adopted and accepted by others who will forget about the other part of the equation.

A second reason this program will die is that it is incredibly complex. The academics sat down and said we will have a grant system based on the degree of Canadian ownership. The more Canadian owned you are, the bigger the grant, and in that way we will be promoting Canadian ownership. That sounds marvellous on the back of an envelope but, as one of our representatives to the committee pointed out, consider a major trust company or insurance company. The majority owners are Scottish, and they in turn manage a pension fund whose major beneficiaries are Canadian, who in turn own stock in the company. Is the company Canadian? Is it British? Who knows? How do you trace the ownership? Well, the only way to keep track of it is to write regulations, so the beavers have been at work writing regulations. They have something like 60 pages of regulations and you have to be a Philadelphia lawyer to understand them. Mr. Speaker, when a member of a large firm of chartered accountants says that he and his partners have been examining the regulations and applications forms for some months—they are in Calgary and expect some of their customers will be interested—and they do not yet feel confident of their ability properly to advise clients on filling out these forms, what hope is there for the small Canadian-owned company which does not have on its staff the lawyers and accountants necessary?

The government has been holding seminars around the country on these programs and I have talked to several people who have attended them. I have yet to find a single person who came out of there and said anything but, "I haven't a clue

about how we are going to be able to operate that thing". Remember, it is not just the person applying for the grant who has to be concerned about it. The business world is complex, shares are held in the hands of individuals, banks, stockbrokers, and trust and insurance companies. There is a myriad of ways in which capital stock is held, and there is a myriad of instruments. A lot of companies will have common stock "A", "B", "C", preferred "A", "B", and so on. Stocks can be preferred or deferred in this way and that way. Some have dividends, some do not. There are all kinds of different instruments, Mr. Speaker, held in all kinds of different ways. To find out what percentage of your shares are owned and controlled by Canadians represents an incredibly complex activity. Application forms have to be sent to trust companies and stockbrokers saying, "You have a bunch of our stock in your name that you are holding for another beneficiary. Can you tell us whether that beneficiary is Canadian?" The broker answers by saying, "The beneficiary for this stock is 107652 corporation limited." The address shown is usually a post office box or a lawyer's office. The next thing you have to do is to go to the registered headquarters of 107652 limited to find out who owns that company. You may find the shareholders of that company are 10769 corporation limited, and so on.

• (2000)

Mr. Waddell: It is amazing how complicated business is.

Mr. Andre: The hon. member for Vancouver-Kingsway says it is amazing how complicated business is. That is not what is amazing. What is amazing is how simple-minded some people can be about programs which they design on the back of envelopes.

This program does not have a hope of surviving that complexity. It is not in existence yet, but already there are in the order of some 400 civil servants trying to deal with it. Witnesses who have appeared before the committee have told us that the cost of administering this program within their companies will be in the order of a half a million dollars a year extra in non-productive, wasted administrative effort. That is for the companies with a vested interest. The banks have no vested interest in this program but they are going to have to deal with it. What is the incentive for them to deal with it? As a company, how are you going to get a bank, a trust company or a stockbroker to supply you with the information to fill out the forms? You will have to pay them somehow for that task. Who knows what those costs will be? What we do know is that the costs will be high. But we do know it is a totally wasted expenditure. It will not bring about one extra barrel of oil nor will it bring about one extra cubic foot of gas. It is a totally non-productive expenditure which will contribute to the continuing deterioration of productivity in this country.

It is a source of incredible frustration for me how little the government pays attention to its own policies. We have heard past Liberal governments say, this one did too—it is usually presidents of the treasury board who make the statements that they are committed to deregulation—that they are committed to reducing the paperwork burden and to cutting red tape. We are told the Liberal government recognizes that red tape and bureaucracy lead to excessive bureaucratic influence through regulations, etc., and this leads to a deterioration in productivity. That is the Liberal government's policy. It has been stated repeatedly. Indeed, the Minister of State for Small Businesses and Tourism (Mr. Lapointe) set up an office called the Office for the Reduction of Paperwork Burden. What a fancy title. On the other hand, another government department, in this case the Department of Energy, Mines and Resources, has guys sitting down designing the most incredible bureaucratic complex paperwork burden program that you can imagine. They are doing it without even a genuflection to what is supposed to be government policy.

This program will generate a lot of temporary jobs—because the program is going to collapse—for lawyers, accountants and paper shufflers. But none of this will contribute a barrel of oil or a cubic foot of gas. None of it will make us energy self-sufficient, but it will be good for the paper makers and for filing cabinet makers. There will be a ton of application forms and paper floating around from people who are trying to get information. It is the most complex program imaginable. How did it come about? A writer for Maclean's magazine was right. It was a minister who said, "Look, I have been a minister for a number of years and I have accomplished nothing. We are going to accomplish something now. Go out and design a program that will Canadianize the gas and oil industry." The minister turned loose all those bright young fellows with their Ph.D. degrees. They sat down in splendid isolation from the real world and they came up with this program.

One wonders how long it takes to learn something. In the energy pricing agreement of September, 1981, the Minister of Energy, Mines and Resources said that the government was going to bring us export permits for Canadian-owned companies. In other words, the Canadian-owned companies would get first preference on the export of natural gas. What a marvellous theory. This was a marvellous theory to help Canadian companies. But a junior land man in the oil industry, fresh out of high school, could have told the minister and any one of his minions that was impossible. There is not a man alive or a team of lawyers alive who could tell you the nationality of a cubic foot of gas in less than about six months of continuous effort. It just is not possible. It is just so shockingly naive and stupid that you despair. You despair at that kind of naivete and stupidity that there is this continuing confidence that the government can do things right. The government cannot do it right. It has never been able to and it will not be able to do so in the future. This whole thing is going to collapse.

I understand the parliamentary secretary in his remarks muttered something about the ringing of the bells having been wasteful or something. I have gone over the history, but apparently there are modern attempts to distort history. But let us make things quite clear as to what happened with respect to the Energy Security Act and with regard to this program.

Last fall I approached the then parliamentary secretary to the minister of energy, mines and resources and said "Look, the junior oil companies are hurting badly and they need a shot in the arm. The only thing you have is this PIP and COR programs. Take that out of the energy security act and we will give it reasonably expeditious treatment, even though it is a dumb program and we don't like it, but if that is the way you are going to go, at least go that way. About 15 months ago I know of at least one company that approached the government and said "When is PIP going to come into force? We need it for our exploration program." The company was told that it would be out in May 1981. On the strength of that commitment by the government, it borrowed money, undertook an exploration program and, of course, was severely strapped.

• (2010)

The then parliamentary secretary said that he thought it was a reasonable suggestion and that he would talk to the minister. The minister returned and said that he would split it if we agreed to pass quickly the rest of the bill in one lump. I found that absurd. I had made an offer which I thought would be of assistance to the government, and the minister said that he would let us be of help if we would take the rest of the bill in one lump. It was similar to offering to sweep a neighbour's sidewalk, and he says, "Fine, you can sweep my sidewalk and my driveway as well". Obviously I said no.

Then I wrote a letter to the minister in December making the offer again. He wrote back in January and gave me a flat no. Then we know what happened in terms of the point of order I raised asking that the bill be declared inadmissible. Madam Speaker ruled that the bill could not be split, although I did not ask her to do that. Nonetheless, we were at the end of our tether and had no choice but to ring the bells until the bill was split.

What has happened as a result of the bill being split? We have had the opportunity to have committee hearings and to hear witnesses. I do not know how many witnesses there were, but it was in the order of 25 or 30 who would otherwise not have had an opportunity to present their views, had the energy security act gone through as was intended initially by the government. On Bill C-104 alone there were something like 15 amendments as a result of committee work. This would not have happened if we had not stuck to our guns and demanded that that atrocious piece of legislation be split before it was brought into the House of Commons.

As a result of sticking to our guns, Canadians had an opportunity to examine these bills closer, and on Bill C-104 there were some 15 changes, which means that some 15 mistakes would have gone through had the government had its way and brought in that one massive piece of legislation. We have not counted the total number of amendments to all bills, but a bunch of them were brought about as a result of our efforts to force the government to treat the House with a reasonable amount of respect.

When hon. members of the New Democratic Party say that we did a terrible thing by ringing the bells and forcing the government to break up the legislation, and when hon. members of the Liberal Party say that it was terrible for us to do these things, I say nonsense. It is one of the best things we have done in the last year, because it forced the bill to be broken up in a way that it could be handled by a committee of the House and because it resulted in amendments or improvements to the bill, albeit it is still a piece of trash.

Mr. Deputy Speaker: It being 8.15 o'clock, pursuant to order made earlier this day, the House will now proceed to the taking of the deferred division on the motions at the report stage of Bill C-103.

* * *

PETROLEUM ADMINISTRATION ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-103, to amend the Petroleum Administration Act and to enact provisions related thereto, as reported (with amendments) from the Standing Committee on Energy Legislation.

Mr. Deputy Speaker: Pursuant to order made earlier today, the division on Motion No. 1 also applies to Motions Nos. 2, 4, 5, 6, 9, 10 and 11.

Call in the members.

The House divided on Motion No. 1 (Mr. Hawkes) which was negatived on the following division:

(Division No. 187)

YEAS

Messrs.

Althouse	Fennell	Lewis
Andre	Forrestall	Lewycky
Anguish	Fretz	MacDonald (Miss)
Baker (Nepean-Carleton)	Friesen	Manly
Beatty	Fulton	Mayer
Benjamin	Gass	Mazankowski
Blackburn	Gilchrist	McCain
Blenkarn	Gurbin	McDermid
Bosley	Gustafson	McLean
Bradley	Halliday	McMillan
Broadbent	Hamilton (Swift Current-Maple Creek)	Miller
Carney (Miss)	Hargrave	Mitchell (Mrs.)
Clark (Yellowhead)	Hawkes	Murphy
Clarke (Vancouver Quadra)	Heap	Murta
Cook	Hees	Neil
Cooper	Hnatyshyn	Nickerson
Crosbie (St. John's West)	Hovdebo	Nowlan
Crosby (Halifax West)	Howie	Oberle
Crouse	Huntington	Ogle
Dantzer	Jarvis	Orlikow
Darling	Jelinek	Paproski
Deans	Keeper	Parker
de Jong	Kempling	Patterson
Dick	Kilgour	Reid (St. Catharines)
Ellis	King	Riis
Epp	Kristiansen	Robinson (Burnaby)
	Kushner	Rose
	Lambert	
	La Salle	

Petroleum Administration Act

Messrs.

Sargeant
Schellenberger
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Waddell
Wilson
Wise
Young—99.

NAYS

Messrs.

Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
Demers
Deniger
Dingwall
Dion
Dionne (Chicoutimi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Gauthier
Gendron
Gingras
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Leduc
Lefebvre
Lumley
MacBain
MacEachen
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Nicholson (Miss)
Olivier
Pelletier
Penner
Peterson
Pinard
Portelance
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tessier
Tobin
Tousignant
Turner
Veillette
Watson
Weatherhead
Yanakis—121.

Madam Speaker: I declare Motion No. 1 lost.

The House divided on Motion No. 2 (Mr. Hawkes) which was negatived on the following division:

(*Division No. 188*)

YEAS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blenkarn
Bosley
Bradley
Broadbent
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Ellis
Epp
Fennell
Forrestall
Fretz
Friesen
Fulton
Gass
Gilchrist
Gurbin
Gustafson
Halliday
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Jarvis
Jelinek
Keeper
Kempling
Kilgour
King
Kristiansen
Kushner
Lambert
La Salle
Lewis
Lewycky
MacDonald (Miss)
Manly
Mayer
Mazankowski
McCain
McDermid
McLean
McMillan
Miller
Mitchell (Mrs.)
Murphy
Murta
Neil
Nickerson
Nowlan
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Rose
Sargeant
Schellenberger
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Waddell
Wilson
Wise
Young—99.

NAYS

Messrs.

Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
Demers
Deniger
Dingwall
Dion
Dionne (Chicoutimi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Gauthier
Gendron
Gingras
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Leduc
Lefebvre
Lumley
MacBain
MacEachen
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Nicholson (Miss)
Olivier
Pelletier
Penner
Peterson
Pinard
Portelance
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tessier
Tobin
Tousignant
Turner
Veillette
Watson
Weatherhead
Yanakis—121.

Madam Speaker: I declare Motion No. 2 negatived.

The House divided on Motion No. 4 (Mr. Hawkes) which was negatived on the following division:

(*Division No. 189*)

YEAS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blenkarn
Bosley
Bradley
Broadbent
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Ellis
Epp
Fennell
Forrestall
Fretz
Friesen
Fulton
Gass
Gilchrist
Gurbin
Gustafson
Halliday
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Jarvis
Jelinek
Keeper
Kempling
Kilgour
King
Kristiansen
Kushner
Lambert
La Salle
Lewis
Lewycky
MacDonald (Miss)
Manly
Mayer
Mazankowski
McCain
McDermid
McLean
McMillan
Miller
Mitchell (Mrs.)
Murphy
Murta
Neil
Nickerson
Nowlan
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Rose
Sargeant
Schellenberger
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Waddell
Wilson
Wise
Young—99.

NAYS

Messrs.

Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
Demers
Deniger
Dingwall
Dion
Dionne (Chicoutimi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Gauthier
Gendron
Gingras
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Leduc
Lefebvre
Lumley
MacBain
MacEachen
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Nicholson (Miss)
Olivier
Pelletier
Penner
Peterson
Pinard
Portelance
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tessier
Tobin
Tousignant
Turner
Veillette
Watson
Weatherhead
Yanakis—121.

Madam Speaker: I declare Motion No. 4 negatived.

The House divided on Motion No. 5 (Mr. Hawkes) which was negatived on the following division:

(*Division No. 190*)

YEAS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blenkarn
Bosley
Bradley
Broadbent
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Ellis
Epp
Fennell
Forrestall
Fretz
Friesen
Fulton
Gass
Gilchrist
Gurbin
Gustafson
Halliday
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Jarvis
Jelinek
Keeper
Kempling
Kilgour
King
Kristiansen
Kushner
Lambert
La Salle
Lewis
Lewycky
MacDonald (Miss)
Manly
Mayer
Mazankowski
McCain
McDermid
McLean
McMillan
Miller
Mitchell (Mrs.)
Murphy
Murta
Neil
Nickerson
Nowlan
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Rose
Sargeant
Schellenberger
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Waddell
Wilson
Wise
Young—99.

NAYS

Messrs.

Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
Demers
Deniger
Dingwall
Dion
Dionne (Chicoutimi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Gauthier
Gendron
Gingras
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Landers
Lang
Laniel

Petroleum Administration Act

Messrs.

Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Leduc
Lefebvre
Lumley
MacBain
MacEachen
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Nicholson (Miss)
Olivier
Pelletier
Penner
Peterson
Pinard
Portelance
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tessier
Tobin
Tousignant
Turner
Veillette
Watson
Weatherhead
Yanakis—121.

Madam Speaker: I declare Motion No. 5 negatived.

The House divided on Motion No. 6 (Mr. Hawkes) which was negatived on the following division:

(*Division No. 191*)

YEAS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blenkarn
Bosley
Bradley
Broadbent
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Ellis
Epp
Fennell
Forrestall
Fretz
Friesen
Fulton
Gass
Gilchrist
Gurbin
Gustafson
Halliday
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Jarvis
Jelinek
Keeper
Kempling
Kilgour
King
Kristiansen
Kushner
Lambert
La Salle
Lewis
Lewycky
MacDonald (Miss)
Manly
Mayer
Mazankowski
McCain
McDermid
McLean
McMillan
Miller
Mitchell (Mrs.)
Murphy
Murta
Neil
Nickerson
Nowlan
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Rose
Sargeant
Schellenberger
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Waddell
Wilson
Wise
Young—99.

NAYS

Messrs.

Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
Demers
Deniger
Dingwall
Dion
Dionne (Chicoutimi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Gauthier
Gendron
Gingras
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Leduc
Lefebvre
Lumley
MacBain
MacEachen
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Nicholson (Miss)
Olivier
Pelletier
Penner
Peterson
Pinard
Portelance
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tessier
Tobin
Tousignant
Turner
Veillette
Watson
Weatherhead
Yanakis—121.

Madam Speaker: I declare Motion No. 6 negatived.

The House divided on Motion No. 9 (Mr. Waddell) which was negatived on the following division:

(*Division No. 192*)

YEAS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blenkarn
Bosley
Bradley
Broadbent
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Ellis
Epp
Fennell
Forrestall
Fretz
Friesen
Fulton
Gass
Gilchrist
Gurbin
Gustafson
Halliday
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Jarvis
Jelinek
Keeper
Kempling
Kilgour
King
Kristiansen
Kushner
Lambert
La Salle
Lewis
Lewycky
MacDonald (Miss)
Manly
Mayer
Mazankowski
McCain
McDermid
McLean
McMillan
Miller
Mitchell (Mrs.)
Murphy
Murta
Neil
Nickerson
Nowlan
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Rose
Sargeant
Schellenberger
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Waddell
Wilson
Wise
Young—99.

NAYS

Messrs.

Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Berger

Messrs.

Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Campbell
(Miss)
(South West Nova)
Campbell
(LaSalle)
Campbell
(Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
Demers
Deniger
Dingwall
Dion
Dionne
(Chicoutimi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Gauthier
Gendron
Gingras
Gourde
(Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
Leduc
Lefebvre
Lumley
MacBain
MacEachen
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Nicholson
(Miss)
Olivier
Pelletier
Penner
Peterson
Pinard
Portelance
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tessier
Tobin
Tousignant
Turner
Veillette
Watson
Weatherhead
Yanakis—121.

Madam Speaker: I declare Motion No. 9 negatived.

The House divided on Motion No. 10 (Mr. Hawkes) which was negatived on the following division:

(*Division No. 193*)

YEAS

Messrs.

Althouse
Andre
Anguish
Baker
(Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blenkarn
Bosley
Bradley
Broadbent
Carney (Miss)
Clark
(Yellowhead)
Clarke
(Vancouver Quadra)
Cook
Cooper
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Ellis
Epp
Fennell
Forrestall
Fretz
Friesen
Fulton
Gass
Gilchrist
Gurbin
Gustafson
Halliday
Hamilton
(Swift Current-Maple
Creek)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Jarvis
Jelinek
Keeper
Kempling
Kilgour
King
Kristiansen
Kushner
Lambert
La Salle
Lewis
Lewycky
MacDonald
(Miss)
Manly
Mayer
Mazankowski
McCain
McDermid
McLean
McMillan
Miller
Mitchell
(Mrs.)
Murphy
Murta
Neil
Nickerson
Nowlan
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Reid
(St. Catharines)
Riis
Robinson
(Burnaby)
Rose
Sargeant
Schellenberger
Scott
(Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Waddell
Wilson
Wise
Young—99.

NAYS

Messrs.

Appolloni
(Mrs.)
Axworthy
Bachand
Baker
(Gander-Twillingate)
Beauchamp-Niquet
(Mrs.)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Campbell
(Miss)
(South West Nova)
Campbell
(LaSalle)
Campbell
(Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
Demers
Deniger
Dingwall
Dion
Dionne
(Chicoutimi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Gauthier
Gendron
Gingras
Gourde
(Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
Leduc
Lefebvre
Lumley
MacBain
MacEachen
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Nicholson
(Miss)
Olivier
Pelletier
Penner
Peterson
Pinard
Portelance
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tessier
Tobin
Tousignant
Turner
Veillette
Watson
Weatherhead
Yanakis—121.

Madam Speaker: I declare Motion No. 10 negatived.

The House divided on Motion No. 11 (Mr. Hawkes) which was negatived on the following division:

(*Division No. 194*)

YEAS

Messrs.

Althouse
Andre
Anguish
Baker
(Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blenkarn
Bosley
Bradley
Broadbent
Carney (Miss)
Clark
(Yellowhead)
Clarke
(Vancouver Quadra)
Cook
Cooper
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Ellis
Epp
Fennell
Forrestall
Fretz
Friesen
Fulton

Messrs.

Gass
Gilchrist
Gurbin
Gustafson
Halliday
Hamilton
(Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Jarvis
Jelinek
Keeper
Kempling
Kilgour
King
Kristiansen
Kushner
Lambert
La Salle
Lewis
Lewycky
MacDonald
(Miss)
Manly
Mayer
Mazankowski
McCain
McDermid
McLean
McMillan
Miller
Mitchell
(Mrs.)
Murphy
Murta
Neil
Nickerson
Nowlan
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Reid
(St. Catharines)
Riis
Robinson
(Burnaby)
Rose
Sargeant
Schellenberger
Scott
(Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Waddell
Wilson
Wise
Young—99.

NAYS

Messrs.

Appolloni
(Mrs.)
Axworthy
Bachand
Baker
(Gander-Twillingate)
Beauchamp-Niquet
(Mrs.)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Campbell
(Miss)
(South West Nova)
Campbell
(LaSalle)
Campbell
(Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
Demers
Deniger
Dingwall
Dion
Dionne
(Chicoutimi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Gauthier
Gendron
Gingras
Gourde
(Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
Leduc
Lefebvre
Lumley
MacBain
MacEachen
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Nicholson
(Miss)
Olivier
Pelletier
Penner
Peterson
Pinard
Portelance
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tessier
Tobin
Tousignant
Turner
Veillette
Watson
Weatherhead
Yanakis—121.

Madam Speaker: I declare Motion No. 11 negatived.

[*Translation*]

Mr. Lalonde moved that the bill as amended be concurred in.

Madam Speaker: Is it the pleasure of the House to adopt this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion, the yeas have it. I declare the motion carried.

Some hon. Members: On division.

Madam Speaker: Motion carried on division.

Motion agreed to.

[*English*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources) moved that the bill be read the third time and do pass.

Hon. John C. Crosbie (St. John's West): Madam Speaker—

Some hon. Members: Oh, oh!

Mr. Crosbie: Mr. Speaker—I do not care which you are—this bill illustrates the utter treachery of the government which temporarily is in office in Ottawa.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. The hon. member for St. John's West (Mr. Crosbie) has the floor.

Mr. Crosbie: Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Crosbie: —I appreciate your attempts to still the braying of the asses in the government ranks. They appear now to be somewhat still.

This bill is the bill which incorporates and puts into legislation the nefarious treachery of the government opposite with respect to oil and energy prices in this country. This is the bill that permits the government to raise the prices of oil and gas in this country, as the government has done 16 times since February of 1980.

Some hon. Members: Shame.

Mr. Crosbie: Twelve of those increases have been increases in federal taxes on oil and gas and all the products made from a barrel of oil. The increases total not 18 cents, not 20 cents,

not 24 cents, not 9 cents, not 38 cents, not 40 cents, not 42 cents, but 62 cents a gallon. The government has raised the prices and taxes paid by the people of Canada by that much not only on gasoline and diesel fuel but also on heating oil and every product made from crude oil. But, Madam Speaker—Mr. Speaker; sometimes I get confused—

Mr. Cousineau: Sometimes?

Mr. Crosbie: —about who is the chair. I will not deal tonight with the sins of this government in the field of energy pricing. I will deal with its attempt to wreck the confederation of our country and to oppress the people of Newfoundland and Labrador with its attitude toward the question of offshore mineral resources. I intend to deal with the conduct of the Minister of Justice (Mr. Chrétien)—who has so disgraced himself as the head of the system of justice of this country in this House in the last several weeks—in this connection. I will show how the minister attempted to misrepresent certain facts to the people in this House. I do not want to be interrupted, so I will not say whether it was intentional or not intentional. I will also expand on how the minister attempted to mislead the House of Commons Standing Committee on Justice and Legal Affairs with reference to the precedents in this matter and how the government leader in the Senate attempted to mislead the Senators in the other House. Those innocents are not used to being misled, but the leader of the government in the Senate did the same thing.

If I can have a little silence from hon. gentlemen opposite, if the wind will stop blowing through their heads and out their mouths—they have a lot of empty spaces in their craniums—and if they will listen, I will show them how the province of Newfoundland and Labrador, the province of Nova Scotia, the province of Prince Edward Island, the province of New Brunswick, the province of British Columbia and all provinces which have shores and shelves lying off their shores have been betrayed by this government.

I want first to deal with my own province, Newfoundland. If Newfoundland and Labrador had not entered confederation on March 31, 1949, there would be no question as to who owns the oil and gas which has now been discovered on the continental shelf off Newfoundland, the Hibernia field. It would clearly belong to Newfoundland under international law. There would be no question about who had control over the continental shelf and the 200-mile economic zone with respect to fisheries, because 66.66 per cent of the whole east coast, the continental shelf area, was brought into confederation by the Province of Newfoundland. That is the province that for 400 years had to struggle to exist and that today is still not economically self-sufficient. It brought all those resources when it joined confederation.

• (2110)

There is not one word in the terms of union between Newfoundland and Canada that says the Province of Newfoundland should surrender its resources onshore or offshore to the Government of Canada. That was 1949 and not too much was known about the offshore resources in those days. A lot more is known today.

For 23 years after confederation there was a Liberal government in Newfoundland; a government that did not care whether Newfoundland ever became self-sufficient. It was satisfied just to be the trained seal in Newfoundland and then, if the Newfoundlanders voted the Liberal way they could come to Ottawa and the government would reward them with the largesse collected from all the people of Canada. That is if we were subservient and dipped our hats to them and were properly polite and swallowed our pride, they would see that we did not starve. That was the attitude of that provincial government in Newfoundland led by the first premier, Mr. Smallwood. It did not care about the offshore. It did now know about the offshore until 1960.

If that Liberal government had thought it had any title to the offshore, it could have been dangerous. It delivered all the rights to the offshore to Mr. John C. Doyle who, as we have seen in recent months, is being investigated by the Restrictive Trade Practices Commission. He was given the rights to huge areas of the offshore by his friend Mr. Smallwood. The rest of the offshore was given to Mr. John Shaheen, late of the Come By Chance oil refinery who is now in some difficulty in the United States. In other words, two adventurers, two plunderers, two buccaneers, two close associates of the then premier of Newfoundland were given the rights to most of the offshore.

In 1972 a new government took office in Newfoundland under Premier Frank Moores, of which I am proud to have been a member. It appointed a young, intelligent, idealistic Newfoundland lawyer to head the Department of Mines and Energy in the person of Leo Barry, now a member of the Newfoundland House of Assembly. Within 12 months he had the situation under control and had cancelled all the permits given to Shaheen and Doyle and the political plunderers associated with the Liberal Party of Newfoundland.

The position taken by that first Liberal government of Newfoundland which agreed with the Government of Canada that it would be delighted to have 50 per cent of the revenues from the offshore, if there were any, went out the window. The new, Conservative government of Newfoundland decided that the resources were to be developed for the people of Newfoundland and that it would put forward a case for the Province of Newfoundland and let the chips fall where they may. If Newfoundland had any future, it could only come from the wealth that would be generated in the oil and gas it felt sure was off the coast of Newfoundland and Labrador.

We immediately repudiated the negotiations that had gone on between the Atlantic provinces and Newfoundland and the Liberal governments of Canada. We said that we were not going to surrender our one chance for economic self-sufficiency. Never. For 400 years tens of thousands of Newfoundlanders had to leave their homes and go abroad to work. They used to go to Boston, New York, all through the United States and all over the world. Now they are going all through Canada looking for work. We said that we aim for the time when the

man or woman born in Newfoundland will be able to stay and work in Newfoundland if they want to—and their children and their children's children. This is their only hope.

From 1972 forward that was the theme, the raison d'être of the Newfoundland government—that and the development of the hydro resources in Labrador. We have been thwarted in the development of those hydro resources in Labrador but I will not go into that tonight. For reasons known to people who have been associated with the Liberal Party of Quebec and successive governments in Quebec, we have not been able to develop our hydro resources in Labrador.

When Mr. Smallwood was premier, in one of the most unseeing and saddest contracts ever entered into by a sovereign state, he gave away the hydro's resources of the Upper Churchill Falls to the Province of Quebec for 65 years. The conditions of that contract mean that the company that operates the Upper Churchill would be bankrupt in another five or six years in any event because it will not be able to keep up with the inflation which set in in the last ten or 15 years. But I will set that aside for tonight, Mr. Speaker, as I want to concentrate on the offshore minerals problem.

The government prepared its case. Let me explain to the House that the case will not depend on the question of legal ownership. If any court in the land makes a pronouncement on who technically, legally owns those resources, that is not going to settle the issue. If the Supreme Court of Canada, because it wants to follow the decision it made with respect to British Columbia around 1967 and decides that it does not want to trouble the waters and cannot afford not to be uniform one coast with another—if it decides on technical and legal grounds that the Government of Canada owns the resources, it should not be thought that this will settle the issue. The only thing that will settle the issue is a political arrangement that is satisfactory to the people who brought those resources into confederation. Nothing else, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Crosbie: The federal bully boys, the Minister of Justice and the Minister of Energy, Mines and Resources (Mr. Lalonde) do not need to worry. The Supreme Court of Canada is not going to save their bacon. The only thing that can do that is an agreement that is satisfactory and in the spirit of confederation—an agreement that meets the test of a federal state. The test is that in a federal state of Canada, in our confederation, resources are owned and controlled by the provinces.

Some hon. Members: Hear, hear!

Mr. Crosbie: The federal government has huge powers. We know that and we saw them exercised—

Some hon. Members: Oh, oh!

Mr. Crosbie: Gentlemen, just listen. Relax and learn. The federal government has gigantic powers. It could fight Alberta to a standstill. It has powers of direct and indirect taxation; it has the powers of interprovincial trade; it has the powers of international trade—it has all kinds of muscle. We know that it would be a standoff and that the federal government could win, no matter who owns the resources. Nevertheless, it is very important for a province that it own the resources because then it can control the rate of development.

I will tell you something, Mr. Speaker. In Newfoundland we are never going to be a milch cow, milked dry because the federal government wants all our oil and gas in the next 20 years. Because it failed with the tar sands, it failed with Alsands, it failed with Cold Lake, it failed in the Beaufort Sea, it is not coming down to Newfoundland to haul out our oil and gas and minerals to make up for failures elsewhere!

Some hon. Members: Hear, hear!

Mr. Crosbie: Those resources have to be developed first for the good of the people who live in the surrounding area and who for 400 years have had to leave their homeland to get work. First, it has to mean something for them. First, it has to mean that the oil and gas industry is established in Newfoundland. First, it has to mean that our people are trained for the jobs, and the development must not be too fevered. It must not wreck urban development in Newfoundland. It must not wreck the services that had to be provided in Newfoundland for the development of the oil and gas. That is the first requirement. We are not going to allow it to be hauled out in the next ten or 15 years because the Minister of Energy, Mines and Resources has been bankrupt in his policy and now desperately wants to find oil and gas in Newfoundland and Labrador.

That brings us up to the time that the Progressive Conservative government came into power in June 1979. Until then the Liberal Government of Canada had refused to consider any kind of decent, meaningful agreement with the province. It said it owned the resources, was going to control them but this party and its leader who is sitting here tonight, the right hon. member for Yellowhead (Mr. Clark), adopted a policy—

Some hon. Members: Oh, oh!

• (2120)

Mr. Crosbie: I do not know what is so funny about that, gentlemen. They are not laughing over on these front benches when the Right Hon. Leader of the Opposition asks them a question or two. They cringe.

Some hon. Members: Hear, hear!

Mr. Crosbie: We saw today, Mr. Speaker, the spectacle of the Minister of Finance, feckless, fearsome, frivolous, not knowing where to turn, frigid, frozen and frumpy, coming back from Versailles. It is a wonder he did not meet in the railway car over there in Versailles so he could surrender to Ronnie Reagan in decent obscurity. He could not answer a question; he was completely inconsistent. On one hand he is going to enlarge the deficit, he is going to be expansionary. On the other hand he reads the communique as though he were

the author. He had nothing more to do with it than the president of Lithuania, Latvia or Switzerland. They are going to regulate the deficits tightly and keep them down. Did you ever see a man so inconsistent, so desperate, so pleading, looking so bewildered? All the vim and vigour has gone out of the cunning little trimmer. Now that he is faced with the responsibility, he does not know where to turn. He is going from one end of the griddle to the other and he has nowhere to turn.

To come back to where I was on the offshore, our party, led by the right hon. member for Yellowhead, adopted this policy; our party does not care who owns, in a technical sense, the offshore resources. We care not a whit. If the court says the Government of Canada owns them, we will say fine, that is great and we will get on with solving the problem, because, as the then Prime Minister (Mr. Trudeau) wrote the Premiers of Canada in September, 1979, we take the position that it is in the spirit of confederation and of a federal state that the provinces should have the ownership and management of those resources in any event, just as Saskatchewan has the resources under its soil, just as Alberta, and Ontario do, so should Newfoundland, Nova Scotia and British Columbia have the resources under their soil and under the saltwater off their shores. That is our position, and when we return to power we do not care what that group of bully-boys opposite do with a Supreme Court of Canada decision, if there is one in their favour. We are going to say to Newfoundland, Nova Scotia, P.E.I., New Burnswick, British Columbia and Manitoba, and the others who have an offshore: gentlemen, we are proposing legislation and constitutional changes which will put you in the same position in which Canada put Alberta, Saskatchewan and Manitoba during the 1920s. Canada owned the oil and gas and other resources under the soil of those provinces for technical and legal reasons, because it was part of Prince Rupert's Land or the Hudson's Bay Company or whatever. The federal government of the day owned those resources, but it saw that in a federation all provinces had to be treated the same and therefore it saw that the title was transferred to those three provinces. We are going to do the exact same thing with Newfoundland, Labrador, Nova Scotia, Prince Edward Island and New Brunswick. Even though we have to pull New Brunswick kicking and screaming to the table to accept it, we are still going to do it. British Columbia, Manitoba and Quebec, they will all be recognized as owners of the resources that lie off their shore because we think that is the federal system in Canada and we are not there to take advantage. We do not say, Mr. Speaker, that we believe in overcoming regional disparity and then, when a province has a chance to stand on its own two feet, make sure that its feet are taken out from underneath it and it does not even have the resources to do it.

Some hon. Members: Hear, hear!

Mr. Crosbie: The hallmark of this government is hypocrisy from end to end. From their foreign policy to their domestic policy, say one thing and do the opposite. Say to Newfoundland: yes, you are the second poorest province in Canada. I think the only one a little bit poorer than us is Prince Edward Island. They are not much under us, and we are fighting to be at the bottom. I remember, when Stuart Smith went around Ontario saying that Ontario was number ten, the deep spirit of resentment we felt in Newfoundland. Ontario was even going to claim to be number ten now. Well, the people of Ontario showed what they thought about old number ten, and he is now up in the Science Council of Canada, number $100,000 a year.

An hon. Member: You want $100,000 a year?

Mr. Crosbie: I don't want any $100,000 a year from any Science Council of Canada, brother. All I want is a decent cabinet minister's salary and the chance to get this country back on the track again.

Some hon. Members: Hear, hear!

Mr. Crosbie: Mr. Speaker, we believe that no matter what happens in the next couple of years, we make the solemn commitment to Newfoundland and the other offshore provinces that no matter what the blackguards in this government do, no matter what the power grabbers do, no matter what the people who have declared war on the poorest of the Canadian provinces do, no matter what the Prime Minister, who says co-operative federalism is at an end, does, the man who wants to wage war in Canada but outside of Canada loves everyone, he is the soul of love for the governments of Russia and Poland, a man whose heart opens for all the east bloc countries, it does not matter what he does. It is only his fellow Canadians he gives the mailed fist to, as we discovered in Canada. We say to them: do your worst because we are going to reverse it. If you have a chance to do it, we are going to see that this confederation stands and that all of its parts have a fair deal.

Some hon. Members: Hear, hear!

Mr. Crosbie: That is because we have a leader who understands how this country operates. Oh, he is not a great theoretician like the Prime Minister (Mr. Trudeau) who wrote all those fine essays years ago, all those very fine academic exercises which showed us how he was going to lead us to the East European socialist economy which he is now carrying on. No, our leader understands that this is a federation and a community of communities. Of course, all the intellectuals in the media—and God knows we have a lot of them, particularly the national columnists—do not think much of that community of communities idea. They have some other great theory that what is good for central Canada is good for Canada. That is their theory. What is good for General Bullmoose is good for the country. What is good for Windsor is good for the country. Why, the minister in charge of overcoming regional disparity is from Windsor. As I said here in the House the other day, it is the equivalent of the Red Cross appointing Dracula as the blood transfusion supervisor. All he is interested in doing is stopping the Japanese cars coming into Vancouver by putting the customs men on them. That is the answer of our minister

responsible for international trade. Here is a country more dependent on international trade than any other, Mr. Speaker. Thirty-three per cent of our GNP comes from international trade. Seventy per cent of our exports go to the U.S. and roughly 70 per cent of our imports come from there. They are big muscle men; they do not care about that. Why, they are going to tell Uncle Sam what to do with his deficit. They do not know what to do with their own but they are going to tell Brother Reagan what he should do with his, which is much lower than ours proportionately. Why, they are going to tell the Japanese what to do with their cars when we already have a trade surplus with Japan of over $1 billion a year. These big bold buckoes are going to tell the Japanese to take their cars and stick them up their customs sheds.

What is to happen to us if the Japanese then say they are not going to take our minerals and our lumber? What is going to happen to us if down on the west coast of the United States next week all those lumber people who have been protesting suddenly start telling the American customs people to start examining every little knot in every little board coming from British Columbia and the rest of Canada into the United States? What about that? What will we hear from the government then? We will hear nothing because they are little knots, little remnants, and a little selfish block which comes from the central part of Canada and can think of nothing but the needs and requirements of the central part of Canada. But to go on with my tale—and I understand, Mr. Speaker, please correct me if I am wrong, but I have a lot to go through, and I believe I have unlimited time—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Crosbie: My record is 18 hours in the Newfoundland House of assembly, but I think I have more material here tonight. To go on with my tale, Mr. Speaker, that was the position of our government which our Prime Minister outlined in writing to the Premiers in September, 1979. It would have been put into effect but of course, as everyone knows, we were stopped by the combined forces of the NDP on my left and the Liberal government facing us across the aisle. They defeated us, they stopped us. As I like to say in my speeches, it was seven months. We had time enough to conceive but not to deliver. The Canadian people are the ones suffering because we were stopped at the conception stage and could not deliver. Listen to the bleating, the blurting and the braying from the little red rump on my left. They do not like to be associated with the Liberals because now they see them as disastrous losers. If they are going down, they will take the NDP with them. They will both go because we are the only viable alternative.

• (2130)

Some hon. Members: Hear, hear!

Mr. Crosbie: To come back to the offshore, Mr. Speaker, we were defeated and, all right, we accept that. We are doing our best as an opposition today. We are doing well as an opposition. But we are going to do far better for the people of Canada when we are the government. We will bring this country from the depths of despair in which it now lurks and lingers. We will bring Canada back up again. We will give Canadians confidence. We will get the gross national product growing again. We will have more to distribute to the people. We will welcome the investor. We will welcome the foreign investor and we will welcome the domestic investor. We will put it all together and we will get this country moving again. That is what we are going to do.

Some hon. Members: Hear, hear!

Mr. Crosbie: The little soothsayers to my left, the half dozen who will be left to whittle away with their frivolous froth, and their leader who is like a galloping Uriah Heep who goes across this country rubbing his hands, who is so concerned about the unemployed. He is so concerned about inflation. He is so concerned about productivity and he is so concerned about the diminution in real wages. But why is he so concerned about these things? He is the gentleman who put the government in power, the government that has provided all of this for the Canadian people. He is going across the country pretending—

Mr. Riis: What have you got against the voters?

Mr. Crosbie: Just listen to them, Mr. Speaker. I have nothing against the voters. I love them because in the next election they will wreak their vengeance on all of you.

Some hon. Members: Hear, hear!

Mr. Kristiansen: What about a vote on the Newfie corridor?

Mr. Crosbie: Listen to the noise. I hear the hon. member say he wants to vote on the Newfie corridor.

Some hon. Members: Oh, oh!

Mr. Crosbie: The Newfies would give him some corridor. He would go through faster than 100,000 volts if he comes to Newfoundland.

Let us come back to the offshore. In 1980 there was a disaster for Canada. We lost the election. A majority of the Canadian people did not realize it then, but believe you me, Mr. Speaker, they realize it now. They know how they have been codded and how they have been betrayed. They know how they have been doomed to despair by the Liberals. They know now that Liberal times are hard times. They have learned that. What happened with the offshore question after 1980? Eventually the Prime Minister got around to it. First, he took on Alberta and Saskatchewan. He took on the country with his famous constitutional crusade. He was going to change the whole Constitution of Canada without the consent of the provinces. But our leader here fought him to a standstill with the other eight provinces.

Some hon. Members: Hear, hear!

Mr. Crosbie: The Prime Minister battled for a year on the Constitution. He did not worry about the economy. He is not worrying about it now. He is visiting Spain to welcome Spain into NATO. Imagine, this is the Prime Minister who practically took Canada out of NATO, who has no use at all for our armed services, who does not care a fig for our defences, who wants us defenceless, who is now visiting Spain welcoming that country into NATO. That is some welcome. It is like the spider saying to the fly, "Come into my web and visit me" having our Prime Minister welcoming Spain into NATO.

Mr. Kristiansen: He is like an ex-Liberal becoming a Tory.

Mr. Crosbie: Listen to the bleating of that, Mr. Speaker. He said an ex-Liberal becoming a Tory. I am an ex-Liberal and I was never more pleased than when I became a Tory.

Some hon. Members: Hear, hear!

Mr. Crosbie: Let me tell the hon. gentleman that I would never make the mistake of becoming a New Democratic Party member, believe me. Never would I do that. No, Sir. I was born again in 1971 and I am never going back.

Some hon. Members: Oh, oh!

Mr. Crosbie: That brings me to 1981, Mr. Speaker. The Prime Minister of this country went to Newfoundland on a very quick visit. He never lasts longer than five or six hours in Newfoundland. I do not know what the reason is for that.

An hon. Member: I wonder why.

Mr. Crosbie: The hon. Liberal gentlemen opposite are very mannerly. They are listening. But constantly I have this bleating and braying on my left. I want to tell the listening audience that when it hears a loud ignorant shout, a bellowing, a bawling, a shouting, a howling and a screeching, it is coming from the New Democratic Party to my left. Do not blame Liberals who are here tonight. The ignorance is coming from my left. Just remember that and mark it down. Members of the NDP do not want to hear anyone else speak. They only want to hear themselves speak. Those are the people who are so protective of the judiciary. Why? Because they want to protect Mr. Justice Berger. One wonders why. What has Mr. Justice Berger got in common with the New Democratic Party?

Mr. Waddell: Come on now, cut the cheek.

Some hon. Members: Oh, oh!

Mr. Crosbie: I am not going to mention why they are so solicitous of Mr. Justice Berger.

Mr. Deputy Speaker: I fail to see the relationship between the current discussion and the bill before us.

Some hon. Members: Oh, oh!

Mr. Crosbie: I am a constituent of yours, Mr. Speaker. Remember that when you admonish me.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Crosbie: Nevertheless, I always find your advice sound and I will follow it.

Some hon. Members: Oh, oh!

Mr. Crosbie: Let me get back to the offshore. In 1981 the Prime Minister of Canada came to Newfoundland. He spoke at a Liberal fund-raising dinner. Why else would he come to Newfoundland? There is only one reason why he goes to most provinces and that is when they are having the occasional fund-raising dinners. At fund-raising dinners they get a lot of people who would like to be judges, a lot of people who would like to be chairman of the CN, a lot of people who would like to be directors of Air Canada, a lot of people who would like to be citizenship court judges; a lot of people who would like to be garbage collectors in the House of Commons and all of those little positions that have to be filled. On this occasion the Prime Minister came to Newfoundland and as usual those who want to sit there with their hands out waiting for something to drop into them from the great Liberal gods were there. It was a motley crowd, the remnants of Liberals in Newfoundland. About 125 of them were there, most of them just released from somewhere.

Some hon. Members: Oh, oh!

Mr. Crosbie: The Prime Minister made a statement about the offshore. He said he wanted to negotiate a fair settlement with the province of Newfoundland. He did not want this thing going on. I will now quote from a letter sent to Mr. Stephen Neary of the Newfoundland House of Assembly. Mr. Neary is now the opposition leader for the Liberal Party of Newfoundland. He wrote to the Prime Minister on March 26, 1981. The Prime Minister replied on July 6, 1981. The Prime Minister had to check out his credentials. He had not heard of this fellow Neary before. It just so happened that Mr. Neary has twins. They were born around the time of the Liberal leadership convention that elected Mr. Trudeau as the Leader of the Liberal Party of Canada. He called one of them Pierre and the other one Justin. I am not going to say whether or not he has regretted it ever since. Several weeks ago in the House of Assembly he said that he would not trust the Minister of Energy, Mines and Resources of Canada as far as he could throw him. That is the high regard in which the hon. Minister of Energy, Mines and Resources is held in Newfoundland. He is anathema even to the Liberal Party of Newfoundland. They are slavish devotees of the federal government of Canada and the Liberal Party, but even they have taken so much that they are now saying they would not trust the Minister of Energy, Mines and Resources, their Liberal colleague here in Ottawa, as far as they could throw him.

They do not trust the Minister of Justice as far as they could lift him because he came to Newfoundland two weeks ago to announce the betrayal of the whole negotiation process. That gentleman was so short of manners that he had his lunch with

the defeated Liberal leader of Newfoundland to tell him about what he was going to propose and announce that day at two thirty before he met or told the Government of Newfoundland why he was in Newfoundland. That is the calibre of this Minister of Justice, the fount of the justice system in Canada. That is the kind of tactic we can expect from that gentleman and the others in the front rank of this House. They do not even invite members of their own districts down when they are having some function in the district. Well, we do not care about that. We will win our seats. We do not need to be there for paltry functions when pallid, Liberal hierarchs from Ottawa are down there opening their little parks, opening their little stamp collections, or whatever they are down there for. We do not need that because we will chase them right off our island and right off our territory of Newfoundland and Labrador when the next election comes. Anyway, this is the calibre with which we are dealing.

• (2140)

They had dinner with the defeated leader of the opposition who came out of the dinner and announced at 2.15, before the minister made his great announcement at 2.30, that the Liberal Party of Newfoundland in no way, shape or form would support the chicanery of referring to the Supreme Court of Canada a matter already under adjudication in the Supreme Court of Newfoundland. Never will we forgive the insult to our courts and to our judicial system in which the Minister of Justice and this government has indulged; never, never.

I was kidding about Mr. Justice Berger. I will never forgive him for his cheap and contemptible comments about Mr. Justice Berger or the whole process that that honourable gentleman has been fooling around with.

Let me get back to this. On March 26, 1981, Mr. Neary wrote the Prime Minister a letter about the offshore. On July 6, 1981, the Prime Minister replied:

> Briefly, this offer was as follows:
>
> (i) The question of jurisdiction and ownership should be set aside.

It was the Prime Minister of Canada who said that. He has been pretending for the last month that it was the Government of Newfoundland which was insisting on that, and that the Government of Canada never agreed to set aside the question of ownership. He continued:

> (ii) Coastal provinces should derive maximum benefits from offshore resources. Accordingly, a system of administrative arrangements involving both the federal government and each coastal province was proposed.
>
> (iii) A coastal province should receive the same kinds of revenues as are derived by provinces from onshore resources until it becomes a "have" province. After that point, it would have to share an increasing portion of these revenues with the rest of Canadians.

That was the basis upon which he said they were prepared to negotiate. Well, members of the Government of Newfoundland agreed to negotiate on that basis. They said that they wanted the question of ownership and control set aside while the negotiations went ahead, and that if a successful agreement was reached, they wanted it set aside for the life of the agreement. That in effect was what the Prime Minister had said in his communications in 1981. They said that they wanted and agreed to a joint system of management and control of the offshore, but that they would not agree that the Government of Canada should have absolute control over the offshore.

I will skip ahead a little to deal with this document here. The framework for agreement was presented by members of the Government of Newfoundland on November 12, 1981. They were seriously negotiating when they presented that document to the federal government. There were meetings and negotiations, and then on January 25, 1982, Newfoundland presented a proposal for settlement at Montreal to the federal negotiator which set out, in my opinion, a very fair arrangement for the offshore. Do you know, Mr. Speaker, that they have not had a reply from the Government of Canada with respect to that proposal? Never have they had a reply from the deceivers, the deceitful, the twisters and the bullies on the other side of this House. They have never received a reply to that proposal. I will give the substance of that proposal in a few minutes.

There was a case in the Federal Court of Canada taken by the SIU, represented by a Montreal lawyer who also represents many Liberal cabinet ministers in the Government of Canada, Mr. Nuss. They wanted to get certified on offshore vessels and offshore rigs off Newfoundland. They went to the Newfoundland Labour Relations Board. They had problems. They did not like the decision which the Newfoundland Labour Relations Board gave. They then argued that it was federal jurisdiction. They applied to the Canada Labour Relations Board. They turned them down and said that it was not within their jurisdiction. They started to appeal through the federal courts. By the way, it was a case against Crosbie Offshore Limited, controlled and owned by my brother. Unfortunately I have no interest in it. I am just a poor, penniless politician.

Some hon. Members: Oh, oh!

Mr. Crosbie: I am just a poor boy from Newfoundland trying to make his way. I have no interest in that firm, but it was the other side involved in that particular case.

Mr. Smith: We will hold a tag day for you, John.

Mr. Crosbie: That is very good of you. In your district I could probably even make $10 or $12.

The federal Government of Canada intervened in that case, as it was entitled to do, because the SIU raised the constitutional issue of who owned the offshore resources. The provincial government intervened, and other governments across Canada had the right. The Newfoundland government argued that the constitutional issue should not be discussed or argued in this case because the immediate issues were other than constitutional. It did not need to be considered to decide that particular dispute. But the federal government, stabbing Newfoundland in the back and betraying the agreement they had entered into about the question of legal ownership, went to the Federal Court of Canada and argued to the learned judges that the constitutional question should be considered and dealt

with. That is what they did in January or February 1982. They argued, they betrayed Newfoundland. They did not go there and argue against it being dealt with; they argued that it should be dealt with. Mr. Smith of the Department of Justice argued the constitutional position and put in all of their arguments there. The Newfoundland government refused to go any further in the case.

On March 5, the Federal Court of Canada decided the SIU case and said it did not need to consider or decide the constitutional issue. But on February 12 the Newfoundland government decided to refer the whole question of ownership of the offshore to the Newfoundland Supreme Court of Appeal on a reference, as it had the power to do with its own highest court in Newfoundland. It decided to do that because it was not going to have the constitutional issue decided by a federal court, without the highest court of Newfoundland having a chance first to deal with the matter and give its opinion. That was the very reason. They were forced to make their reference to the Supreme Court of Newfoundland on February 12 because of the federal government's attempt to introduce and to have this issue decided for the first time by a federal court. That is why that reference was made and negotiations were broken off.

An election was held. Let me remind the House that on April 6 of this year the people of Newfoundland, in a most overwhelming manner in a single-issue election, decimated the Liberal Party in Newfoundland. Over 61 per cent voted for the Progressive Conservative Party. I was there and campaigned for eight days. I can tell the House that there was one issue and one issue only—colonialism. Will Newfoundland ever be put in a position to get on its own feet, or will the Liberal Party of Canada keep it down forever so that our hands have to be put out, looking for alms from central Canada and from the central Government of Canada? That was the single issue of that election. The people of Newfoundland decided that issue then, that they are going for the future. They are not going for the present day hand-out. They are going to fight it all the way. They are never going to risk what they have and should have in offshore resources with which they came into confederation. That was the political issue which was settled on April 6. That government will be there when this government is long gone, gone in a dim memory, gone so that the people of Canada will forget them very quickly. They are going to want to forget them quickly because never has a government deserved to be more quickly forgotten than this bunch of feeble-hearted people. They have led us into economic disaster and made a bad situation worse, as we have seen for the last two and a half years in this House. That is the reference to February 12.

On March 5 a telex was sent to the Newfoundland minister of justice from the federal Minister of Justice. I have a copy of that telex right here. He telexed the Minister of Justice of Newfoundland to ask him if he would agree to have a reference on the issues in dispute on the offshore made to the Supreme Court of Canada. That is what he did.

• (2150)

Incidentally, I am getting a little ahead of my narrative because on March 2, an agreement was entered into with Nova Scotia. The federal government entered into an agreement with Nova Scotia on offshore oil and gas. I have it here, it is March 2, 1982. Nova Scotia is well within its rights to accept what it wants from Canada. It is not in the same position as Newfoundland. It did not join confederation in 1949. It has not got a Hibernia or a Hebron and they do not have a two-billion barrel oil field that we know is out there. Nova Scotia has its own background and it entered into an agreement that gives the federal Government of Canada control over the offshore. There is no question about that. There is provision for a decision-making board which is made up of three members who are appointed by the Canadian government and two members appointed by Nova Scotia. The chairman of the board is the administrator of the Canada Oil and Gas Lands Administration and is federally appointed.

The minister can override any of the decisions made by that board. Imagine allowing this Minister of Energy, Mines and Resources to override the decisions of its board controlling the offshore. That is a fate worse than death.

In addition, COGLA would administer the offshore oil and gas activities. As well, the wellhead price of offshore oil and gas will be set by the federal government after consultation with the Government of Nova Scotia. The Nova Scotia government is only to be consulted. The federal government sets the price and everything else.

Of course, this agreement states that if any other province gets any better deal, then Nova Scotia is allowed to put aside the agreement and have that better deal as well. So, Nova Scotia is riding along on the back of the government of Newfoundland who will fight the battle to the end. That is up to them but they agreed to it on March 2.

Do you know what the Minister of Energy, Mines and Resources did? The great conciliator and negotiator, the great statesman, the man who Canada has to thank for wrecking the oil and gas industry, which was one of Canada's most vibrant and prosperous industries up to two and a half years ago when he came to power, proposed that Newfoundland accept the same kind of agreement. But, he said, if Newfoundland did not accept a similar agreement and tried to assert its valid legal claim through the courts, we would not get as favourable a deal as Nova Scotia did, if the federal government won. He thinks he will terrorize and bully Newfoundlanders because our income is the smallest in Canada per capita; because we are at the mercy of fortune; because we have the highest unemployment in Canada; because we are remote from central Canada; because we are not powerful in the national scene. The minister thought he could bully the people of Newfoundland and that they would quake and the government would shiver when he says to them, "You sign a deal now similar to Nova Scotia or, if you give us trouble and go to the courts, we will not give you as favourable a deal if we win."

Has Canada ever seen such statesman-like behaviour by a minister of the federal Crown? Is it any wonder that negotiations are in a shambles and at an end? Can anyone put up or tolerate behaviour like that in a democratic society? I will tell you who is not tolerating it. We Newfoundlanders are not tolerating it. We will not be bullied by the Minister of Energy, Mines and Resources. We will not be bullied by the Prime Minister. We will not be bullied by the whole government. We do not give a continental damn for any of you. We do not care for your threats.

When the Peckford administration won the Newfoundland election on April 6, what did the bully-boy come up with then? There was a tirade of abuse from the bully-boy. Why, you would think he had the guillotine in his backyard for what he was going to do to the Newfoundland government if it got the idea that, just because there was a foolish election which gave it an overwhelming 61 per cent of the vote, it would matter to the Minister of Energy, Mines and Resources, it had another think coming. That is what he told us, Newfoundlanders, that conciliator, statesman and follower of Sir Wilfrid Laurier.

I will tell you, Mr. Speaker, that he has another think coming. He had better be moved from that portfolio if there is to be any settlement of this issue.

Let me move on to March 5. On that date the Minister of Justice sent a telex. I have it here, if you will be patient for a moment. If you are not patient with me for a moment I must ask you to be patient with me for a couple of moments, and if you are not patient for a couple of moments I will ask you to be patient for a couple of minutes more.

This is a telex which was sent back by Mr. Ottenheimer to the Minister of Justice. The Minister of Justice had telexed Mr. Ottenheimer, the Attorney General of Newfoundland, requesting agreement that the offshore matter be referred directly to the Supreme Court of Canada without being considered by the Newfoundland court of appeal. The correct date of that telex is March 4.

The Minister of Justice of Newfoundland wired back rejecting any such suggestion absolutely. I will not read the whole telegram but he made a number of statements counteracting the falsehoods contained in the telex of the Minister of Justice. He indicated in his telex that if there is any urgency, it can be addressed by resuming negotiations on the basis that they were originally commenced under. He indicated that they are still ready to go ahead to negotiate. He went on to state:

> The Government of Newfoundland is of the firm conviction that the people of Newfoundland and Labrador have the right to a decision by the highest court in the province on a matter so vital to the future of this province.
>
> Furthermore, the Government is of the opinion that the Supreme Court of Canada should have the benefit of the judgement of the appeal division of the Supreme Court of Newfoundland before it renders its decision.

In other words, the province of Newfoundland, when asked for its consent on a matter which it referred to its highest court, said categorically no, that we want the decision first. The people of Newfoundland want the decision first from their own highest court and then let the Supreme Court of Canada proceed. That was the reply on March 5. The government of this land then took unprecedented action and ignored the wishes of the province to refer this matter—which is life and death for that province—to its highest court and referred it to the Supreme Court of Canada on Wednesday, May 19. It tried a scurvy trick by saying, "We are only referring the land that is around the Hibernia well." Even there, the government was dishonest. The Prime Minister's statement was dishonest. The Minister of Justice was dishonest. The Prime Minister told a falsehood and the Minister of Justice told a falsehood. He said that they were only referring the area of the Hibernia oil field to the Supreme Court of Canada. That is not true. I believe they referred 825 acres. The government referred the area of the Hibernia oil field, the Hebron oil field, half the area of the Terra Nova oil field and half the area of two other oil fields. That is what they referred to the Supreme Court of Canada. It cannot even be honest and truthful in the release it made about referring that matter to the Supreme Court of Canada. It is just a cheap, scurvy trick, in any event, to try to convince people that the two issues are not the same.

I have not much time left tonight, Mr. Speaker, but I will have lots of time tomorrow and the day after and the day after that as I warm up to my topic.

The government then gave 12 cases of precedents to the Senate and misled the Senate. It then gave 12 cases of precedents to the House of Commons Standing Committee on Justice and Legal Affairs but not one of them is a case where the provincial government of a province had referred a matter to its highest court and where the federal government had then come in to move it to a higher court without provincial consent and with its total opposition. Never has this happened before in the history of Canada. Never has the judiciary in this country been put in such an invidious position and been so politically damaged by any action of any government. It is the Minister of Justice who I hold responsible because he neither knows nor cares how a judiciary should operate or how a political system should operate. He is nothing but a braggart and a bully-boy and he will get his comeuppance. May I call it ten o'clock, Mr. Speaker, because I have much more to say.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

• (2200)

[*English*]

FISHERIES—CLOSURE OF FISH PLANT AT GEORGETOWN, P.E.I. (B) ROLE OF GOVERNMENT

Mr. Tom McMillan (Hillsborough): Mr. Speaker, H. B. Nickerson and Sons Limited have not reopened their Georgetown Seafoods Plant on Prince Edward Island for the current season, effectively eliminating over 500 jobs in the province at

one fell swoop. On Wednesday, June 2, in the House of Commons, I directed a question to the Minister of Fisheries and Oceans (Mr. LeBlanc) about a proposal put by the Prince Edward Island government to the federal government to reopen the plant. The P.E.I. proposal would require the federal government, the Minister of Fisheries and Oceans in particular, to allow a fish quota for the plant large enough to make it profitable to operate.

In the past, Georgetown Seafoods has been plagued by insufficient quantities of high quality fish for processing, as well as by high operating costs at a time of poor markets. The Minister of Fisheries and Oceans, in response to my question to him in the House of Commons, rejected the P.E.I. government's proposal. He did so on the grounds that an assured fish quota for the Georgetown Seafoods Plant would "have implied a dislocation in fish supplies to another area in the maritime provinces". The minister's concern was that the Georgetown plant should not be reopened at the expense of transferring fish licences from Nickerson and Sons Limited to a new owner or a new operator—especially if such a transfer would undermine the fishery elsewhere in the region, for example, in Cape Breton.

In my supplementary question I suggested to the minister that, if he was not prepared to accept the P.E.I. proposal to open the Georgetown Seafoods Plant, it was incumbent upon him to suggest an acceptable alternative plan because he had a vital role to play in reopening the facility and in assuring its long-term success. Again, the minister was concerned about, "taking licences away very arbitrarily from an area to put them into another area of the maritime provinces".

But the minister's concern is grossly misplaced. The fact is that any assured fish quota for the Georgetown Seafoods Plant—even if it involved a transfer of licences from Nickersons to another operator, and that may not be the case—would not seriously jeopardize fish supplies anywhere else. The Atlantic fishery is on its knees. Fish processing plants are closing all over the place. There is, consequently, an oversupply of fish for processing purposes. Why, then, would the minister be alarmed about the prospect of a few fish licences exchanging hands, particularly when Nickersons would be the ones giving them up? That company is fast getting out of the fish processing business. It is a matter of public record. Everyone knows that the company has taken steps to dispose not only of the Georgetown Seafoods Plant itself, but also of a number of licences that go with the plant. Even if that were not the case, and it is, what is sacrosanct about the existing disbursement of fish landing rights when fewer and fewer people are left in the industry to exercise those rights?

The P.E.I. government has devised an eminently reasonable strategy to rekindle the flame of prosperity at Georgetown. But the Minister of Fisheries and Oceans has thrown water on it even before the match is lit, all in the name of some high principle which has no practical foundation whatsoever. The basic problem is that the minister approaches the issue of Georgetown Seafoods on a totally negative footing. Instead of saying, "Here is a plant, it must be opened and how do we do it?", the minister says, in effect, "We cannot do this and we cannot do that. My hands are tied." The minister's hands are not tied. He has the wherewithal to enable the Georgetown plant to open its doors again. There is no evidence that the Government of Nova Scotia—the very province whose interests the minister claims he is protecting in all of this—opposes the P.E.I. government's proposal to reopen the Georgetown plant. Surely that province would object if the Nova Scotia fishery were threatened in some way by the P.E.I. government's proposal. One can only assume that either the minister is unaware of the facts or is using the question of licences as a cop-out not to do anything.

• (2205)

Much more than the continued survival of a fish plant is at stake. The jobs and livelihood of some 500 people are hanging in the balance. Last year, income tax T-4 slips were issued by the plant to some 570 employees. The truth is that the entire Island economy will be affected by what happens or fails to happen in this matter.

Last week it was shown that P.E.I. experienced the largest percentage increase in unemployment from one month to another since the federal government began keeping unemployment records. That is the largest increase on record. Statistics Canada figures revealed that 15.5 per cent of the work force in the province of Prince Edward Island was unemployed in May compared to 12.5 per cent in April. The job picture would be improved substantially if Georgetown Seafoods were to get on its feet again.

I plead with the minister to play his part in saving the jobs of these fine people. Their future depends largely on his willingness to act. His failure to do so would constitute a most serious dereliction of duty.

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Mr. Speaker, I welcome the new-found interest of the hon. member for Hillsborough (Mr. McMillan) in the fishing industry and particularly his interest in the reopening of Georgetown Seafoods. I am glad the hon. member shares the very deep concern and interest that I have been taking in this matter over the past weeks and months as the representative of the peole of that area.

In so doing, however, I must express the hope that he is not acting out of any ill-conceived motivations. I hope that he is not attempting to make cheap political points on the backs of the unemployed people in the riding I represent. I hope that he is not acting in a mischievous manner on this issue because the future of the processing plant in Georgetown is at stake, and we have been working very actively and with a very deep concern and interest to ensure that it reopens this season, and with hope for its continued operation in the future.

In any event, I welcome the interest of the hon. member from Hillsborough in this matter. I only regret the timing of his interest. I wish, for example, that he had been able to demonstrate his interest and support for the reopening of the plant last December when the company placed a proposal

before the provincial government to keep the plant open. I only wish that he displayed the same concerns with his provincial colleagues that he is portraying this evening. I further wish he had made those same kinds of representations to the provincial cabinet in late March and early April when that cabinet rejected the proposal which, if accepted, would have meant that the plant would be in operation today.

Now that the provincial government has approached the federal government seeking its assistance and intervention, and now that the federal government is actively exploring solutions for the future of this plant and for the industry throughout the region, I would like to caution the hon. member to ensure that his current involvement in the matter does not jeopardize those very sensitive negotiations that are going on.

We have been and are actively working to find a solution to reopen the plant, to put people back to work and to open up the market for these fishermen. Several alternatives are being carefully examined and so this evening I enjoin the hon. member to put aside whatever motivations may have prompted the question this evening and to work closely with us, with the federal government and with the provincial government, to see that the plant is reopened and its employees returned to work.

I therefore want to assure the hon. member that as a member of the federal government and as the representative of the people directly involved, everything possible is being done to reach an early solution. I welcome his interest and invite his continued involvement.

PUBLIC WORKS—REQUEST THAT CONSTRUCTION OF WASHINGTON EMBASSY BE POSTPONED

Mr. Jack Shields (Athabasca): Mr. Speaker, in early May it was revealed that a long-time friend of the Prime Minister (Mr. Trudeau) was awarded the contract to design and oversee the construction of the Canadian embassy in Washington, D.C. Canadians are getting so used to political gifts to Liberal friends, that this political and government graft basically goes unnoticed. But it absolutely sickens me, Mr. Speaker, to see this happen at any time, but particularly my flesh seems to crawl when I see this happen at a time when the economy is in the state it is in.

• (2210)

I asked the Prime Minister on May 25 a very simple question:

> Is the government or the Prime Minister considering postponing the design and construction of the embassy building in Washington because of the economic hard times facing Canada, with unemployment at an all time high, farmers going bankrupt, and small businessmen going bankrupt and, if not, why not?

The Prime Minister in his usual cavalier manner said "No, they were not changing their position." In fact, he chastised me because I had asked the same question, or basically the same question, on May 14.

It is a well known fact, Mr. Speaker, that in this country when people do not have the funds to spend they do not spend them. That is the kind of thing that we are hearing daily from the Minister of Finance (Mr. MacEachen), saying, if you do not have it, then you do not spend it.

Businessmen right across the country who do not have the money to expand are not expanding and are not building the new buildings that are required to operate at so-called efficiency, because they do not have the funds to do it.

I would ask you, Mr. Speaker, to consider for a moment the $38 million, approximately, that is to be spent, according to the Prime Minister, on the construction of an embassy in Washington, when the embassy staff at the present time are occupying perfectly adequate rented quarters, and could easily operate out of those quarters for the next five years, with absolutely no detriment to their jobs. Yet we in Canada, at this time, because the government, because the Prime Minister says so, Mr. Speaker, and will not look at the deficit and the deficit financing, are perfectly prepared to go to Washington, D.C. and spend somewhere around $38 million. When the architect Erickson gets on the job, that $38 million will increase to $100 million.

Leaving that aside, we go down to Washington and spend this money, money that the Canadian government does not have and will probably have to borrow on the foreign market in American funds at a high interest rate, putting more burden on the taxpayers of Canada—to create jobs in the United States, in Washington, D.C. Mr. Speaker, there is something basically, fundamentally, absolutely wrong, particularly when the Prime Minister, in his very cavalier way, says, and I would like to read you his answer from *Hansard* at page 17430:

> —the work of the embassy staff is done in Washington, I believe, in a series of buildings—

"I believe"—in other words, he does not even know. He went on to say:

> In view of the fact that the United States remains our most important economic and political power, it would seem to me that it is self-evident that a building housing all the embassy personnel which will make their work efficient and effective should proceed. I believe the amount involved is some $38 million, or a figure in that area. That is an imporant building, Madam Speaker, and as the hon. member knows, the Government of Canada is building more expensive buildings in various cities across Canada which are needed to ensure the federal government is able to discharge its services in various parts of the country.

I can tell you, Mr. Speaker, they are sure not spending that kind of money to upgrade the facilities in my riding. They are not spending that kind of money to build an air terminal at Fort McMurray, that is now operating, for a city of 30,000 people, having to use construction trailers as a terminal building. They are not spending it in those areas, Mr. Speaker.

They are not spending that money on post offices, they are not spending it in a little place like Calling Lake, that requires something like $5,000 to upgrade its facility, so that the people do not have to wear overshoes and parkas in the wintertime when delivering the mail, when the postmistress goes to deliver the mail to the people coming in that area.

It is absolutely and totally ludicrous, Mr. Speaker, that this government would think at this time to go into massive capital expenditure in a foreign country, in any foreign country, when

the rental facilities are quite adequate to carry them over a period of five years until the taxpayers in this country can afford to spend the money. Mr. Speaker, I rest my case.

• (2215)

Mr. Ron Irwin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker—

Mr. Kempling: Now we will hear the bullshit.

Mr. Irwin: Put that on the record.

Right now the United States is probably our most—it is our most—important trading customer. We do $45 billion worth of trade with the United States. The United States does that amount of trade with us. We are operating in Washington out of three buildings. Two we own, and one is rented. It is not as if this decision were made last year or the year before. We started making this decision in 1974. There are now 285 employees in Washington, and that number will increase to 320, but even in 1974 we were overcrowded, and that is when we seriously considered building a new building.

In 1978 the government purchased a new site on Pennsylvania Avenue, and in 1981 we started an in-depth evaluation of the architects. Three hundred firms were invited, and there were 11 finalists. Arthur Erickson, a well-known Canadian architect operating out of Toronto and Vancouver, was awarded the contract, and we hope to go to tender as soon as possible.

Mr. Shields: Over four others.

Mr. Irwin: It is easy to say that it is not necessary, but I suggest Canada has a certain image in the world. It may be my hon. friend's impression that we should operate as a second-class country. That is not the feeling of my party. We are one of the seven great economic countries in the world—the second largest—and we have a certain prestige around the world, and I do not think we should proceed by a third class, fourth class or fifth class method as the hon. member for Athabasca (Mr. Shields) suggests.

Mr. Kempling: That is what I said, bullshit.

MULTICULTURALISM—SPEECH MADE BY CHAIRMAN OF RACE RELATIONS COMMITTEE. (B) MINISTER'S UNDERSTANDING OF MULTICULTURALISM

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, on May 19, as reported at page 17589 of *Hansard*, I put a question in the House concerning remarks made by Israel Ludwig, the government-appointed chairman of the race relations committee of the Canadian Consultative Council on Multiculturalism. I have no doubt that Mr. Ludwig's remarks were sponsored by the Minister of State for Multiculturalism (Mr. Fleming) and they echo what the minister himself has said. Pretending to criticize racism, these gentlemen attacked the basic freedoms and traditions of our society and demonstrated once again the government's intention to impose its will by restricting freedom.

I do not think it was any accident that the minister in his evasive reply to my question made a cheap, derogatory remark which was extremely offensive to the ethnic communities in this country. It was particularly insulting to those people in the area I am proud to represent. It showed once again the lip service which this government pays to multiculturalism and its contempt for the variety of cultures other than English and French which make up this country.

Racism is brutal, inhuman and does not belong in a democracy. When we look at the record of this government, no one who has been around here since the present Prime Minister (Mr. Trudeau) came on the scene should be surprised by this war against freedom. This government has pursued absolute power at the expense of democracy, Parliament, the press, free employment, business, labour, broadcasting and freedom of information. Through the gruesome Kent commission on newspapers, it is expanding the control of the media which it now exercises through the CRTC.

Dictatorship, by any other name, stinks in the nostrils of freedom-loving people. It always starts with the control of information. We should not forget the examples of Hitler's Germany, Franco's Spain, the Communist bloc—particularly Poland—and, yes, Argentina. It is all too easy to say it cannot happen here but, if we think just for a moment, we will know it is happening.

The manipulation of the press by the Minister of State for Multiculturalism should be seen together with his attempts to increase the censorship powers of the CRTC. They should be put together with the latest dirty trick of the Solicitor General (Mr. Kaplan) in the long line of Liberal ministerial attempts to influence justice, which are blessed and rewarded by the Prime Minister. We can add the deliberate avoidance of Parliament and the growing dominance of senior bureaucrats who are political appointees of the Prime Minister. And let us not forget the Prime Minister's carefully staged press conferences and the torrent of controlled information from government information departments. Above all, remember that this government spends hundreds of millions of taxpayers' dollars to cheat democracy by deceitful advertising.

• (2220)

Canadians elect Parliament in a democratic election, but apart from election day there is little democracy left. We have a democracy one day in every four or five years. The people's voice is heard once in every four or five years, and if the Prime Minister has his way, even that will disappear. Right now he ignores Parliament and boasts about it. Right now we have government by decree. One after another the orders in council pour out, dodging debate in this House and escaping the notice of the people. Cabinet ministers do not bother to tell Parliament about their sneaky schemes. The Minister of State for Multiculturalism did not tell Parliament what he and his bureaucrats are going to do to our newspapers. He told an audience at the University of Western Ontario. The Minister of Finance (Mr. MacEachen) did not tell MPs what the government is going to do with the taxpayers' money they

invested in CDC. The subterranean Senator Austin spilled it to the press.

There is no freedom of expression here unless you are a Liberal lackey. The government rammed the metric system down the throats of Canadians; not through Parliament but through a metric commission, a bunch of bureaucrats ordering Canadians what to do under threat of penalties and spending millions of taxpayers' dollars to brainwash Canadians. Metric was not introduced as it was in the United States or Britain or other democracies where people have a say in the affairs of their country. This government does not believe that Canadians can think for themselves, or be allowed to read what they want, or listen to what they please, or do whatever they like. Canadians are not asked by this government, they are told. Neil Fraser, a civil servant, had the guts to speak out against dictatorship, and he was fired. Like him, throughout history men who have tried to light the torch of freedom have been deprived of their civil rights, deprived of their jobs, put in prison, have suffered torture and oppression.

It cannot happen in Canada, you say, but it is happening right now. Ask Neil Fraser. Ask the judge who received the Solicitor General's letter. Ask the newspapermen and broadcasters, and ask those people who cannot get jobs because they do not speak a preferred language.

The Kent commission was appointed by the Prime Minister. Its chairman was a Liberal hack and former Liberal bureaucrat devoted to government intervention. One of the two other commissioners was a career bureaucrat who believes utterly in the CRTC. What a cynical response to concern about the press. Nobody should have been surprised that the commission came up with what the government wanted—more intervention, more government control. We have heard the Minister of State for Multiculturalism rejoicing in the possibility of limitations on press freedom. The Prime Minister has always wanted to muzzle the press.

Newspapermen are rightly furious when newspapers disappear, but the Kent Commission and the government have done absolutely nothing to improve newspapers or increase the number of newspapers.

No newspaperman worth the name should allow regulation of any kind, and the newspaper owners should have refused point blank to talk to the government. Their duty is clear, and if they exercise that duty they deserve their privileged position.

The people of Canada should be on their guard against interference with their newspapers. Whatever the evils of private ownership and the operation of free enterprise, they are far less dangerous than government interference. A completely free press is an essential ingredient of a free society and an essential check on government.

Today, with an arrogant government led by power-crazed men, we need a free press. We need freedom. I hope MPs on all sides of the House will place freedom before party, and join together to stop the abuse of Parliament and the government's sinister attack on democracy.

Mr. Carlo Rossi (Parliamentary Secretary to Minister of State (Multiculturalism)): Mr. Speaker, first of all I should like to ask the hon. member for Edmonton North (Mr. Paproski) what he meant when he said that the Minister of State for Multiculturalism (Mr. Fleming) insulted him on May 19.

Mr. Deputy Speaker: The normal procedure does not include questions back and forth. This could only be done with unanimous consent.

Mr. Paproski: He cannot do that in the late show.

Mr. Rossi: The Minister of State for Multiculturalism stated at the time of Mr. Ludwig's speech, and has since said in the House, that he will not fire an advisory council member for expressing opinions.

On specifics, the minister has made clear that he disagrees with several of Mr. Ludwig's ideas. Although some of Mr. Ludwig's proposals have been misconstrued, the minister indicated at the National Symposium on Race Relations in Vancouver, and in the House since, that the government would disagree with any proposal to eliminate Christmas and Easter as Statutory holidays.

The minister is concerned that members know that Mr. Ludwig's comments were made in the context of a number of prominent Canadians from different segments of Canadian society exchanging views on race relations and the law. Police, civil libertarians, visible minority leaders, human rights commissioners and the other thoughtful participants, all agreed that the symposium was a useful exchange of ideas on ways to foster racial tolerance in Canada. If the hon. member for Edmonton North felt insulted, I believe the offending remark may have been a reference to pirogis. Anyone who thinks the minister of multiculturalism's good natured remark about pirogis was racist, obviously does not know the minister very well. Since the minister enjoys and views pirogis as part of Canada's multicultural wealth, he spoke without any wish to demean. Those who shouted racism must have felt there is

something derogatory about pirogis. They then may in fact be reflecting racist and negative views. If that is the case, Mr. Speaker, the minister invites those with such unfair and short-sighted views to obtain from his office a popular recipe for this delightful Canadian dish, and I am prepared to table this recipe now if the House is in agreement.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow afternoon at two o'clock.

At 10.27 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, June 9, 1982

The House met at 2.00 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

HOUSING

DEMAND FOR ACTION TO STIMULATE CONSTRUCTION INDUSTRY—MOTION UNDER S.O. 43

Mr. Doug Lewis (Simcoe North): Madam Speaker, in February ten Liberal Members of Parliament from Montreal and two cabinet ministers demanded that the federal government take action to create jobs. They urged the government to stimulate the housing construction industry and create jobs for workers under the age of 25. No action has been taken by the Liberal government. Therefore I move, seconded by the hon. member for Mississauga South (Mr. Blenkarn):

That the Liberal government take immediate action to stimulate the housing construction industry and create jobs for workers under the age of 25, in accordance with the request of 12 MPs from the Montreal area.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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NUCLEAR ENERGY

SUGGESTED FREEZE ON DEALINGS WITH ARGENTINA—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, yesterday in Vienna, Carlos Madero, the head of the Argentinian nuclear program, told the International Atomic Energy Agency that Argentina reserves the right to develop nuclear weapons. This admission makes a total mockery of Canada's bilateral Candu agreements with the junta, and underlines the hypocrisy of entering into nuclear sales agreements with military dictatorships which refuse to sign the U.N. non-proliferation treaty. Therefore I move, seconded by the hon. member for Beaches (Mr. Young):

That the government add some bite to its incessant barking about world peace and disarmament by announcing a Canadian freeze on all nuclear dealings with Argentina at the Special U.N. Session on Disarmament, and that this House offer its sincere congratulations and gratitude to the east coast longshoremen who have refused to load uranium destined for Argentina.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE ECONOMY

ACTION SOUGHT TO LOWER INTEREST RATES—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): Madam Speaker, a group of eight Liberal Members of Parliament under the direction of the hon. member for Kitchener (Mr. Lang) have urged the Liberal government to lower interest rates. That group believes that Governor Bouey is only partly correct when he says you cannot lower interest rates. Since no meaningful action has been taken by the Liberal government to lower interest rates, I move, seconded by the hon. member for Cambridge (Mr. Speyer):

That the Liberal government take immediate action to lower interest rates in accordance with the demands of eight Liberal MPs under the direction of the hon. member for Kitchener.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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FINANCE

CALL FOR ABOLITION OF CAPITAL GAINS TAX ON EQUITY INVESTMENT—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, equity investment pessimism is pervasive in Canada. Canadians are investing their money outside Canada and in high-interest-bearing bonds and certificates. This has substantively curtailed the ability to generate equity capital in Canada and has jeopardized the survival of small business in Canada because of the high cost of debt capital. A new budget is necessary to create confidence in the Canadian economy, and it must contain incentives for equity investment. Therefore I move, seconded by the hon. member for Bow River (Mr. Taylor):

That any new budget abolish capital gains taxation on all equity investment in Canadian registered companies.

S.O. 43

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

DEMAND THAT NOVEMBER BUDGET BE WITHDRAWN—MOTION UNDER S.O. 43

Mr. Len Gustafson (Assiniboia): Madam Speaker, the Minister of Agriculture (Mr. Whelan) has indicated that the content of the budget indicates that the Minister of Finance (Mr. MacEachen) was unaware of the effect the budget might have. Subsequent events have proven the Minister of Agriculture to be correct. But no action has been taken by the Liberal government. Therefore I move, seconded by the hon. member for Red Deer (Mr. Towers):

That the Minister of Finance withdraw his November 12 budget in its entirety, immediately.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE ECONOMY

CALL FOR REVITALIZING ACTION—MOTION UNDER S.O. 43

Mr. John Bosley (Don Valley West): Madam Speaker, on April 27, 15 Liberal MPs, including the Solicitor General (Mr. Kaplan), suggested that "radically alternative ways of revitalizing the economy and offsetting current hardships should be considered." To date no such action has been taken by the Liberal government. Therefore I move, seconded by the hon. member for Vancouver Centre (Miss Carney):

• (1410)

That the Liberal government recognize the quality of the advice, if not the source, and take immediate action to revitalize the economy and offset current hardships.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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MEMBERS OF PARLIAMENT

STATEMENT MADE BY MEMBER FOR OTTAWA CENTRE—MOTION UNDER S.O. 43

Mr. Ron Stewart (Simcoe South): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. The hon. member for Ottawa Centre recently describing himself as a "voice in the wilderness" stated:

There is a very, very great risk that if we do not clean up our act, when the recovery period comes we are not going to be able to participate.

He also stated:

He was not the only member of the Liberal caucus to voice concern over the government's handling of the growing economic issues.

No action has been taken by the Liberal government across the way. Therefore I move, seconded by the hon. member for Nepean-Carleton (Mr. Baker):

That the Liberal government take action on the economy in accordance with the wishes of the members of the Conservative caucus and the hon. member opposite. This would assuage the conscience of the hon. member for Ottawa Centre and allow him to sleep better at night along with 24 million other Canadians who want action from his colleagues as well.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE ECONOMY

CO-OPERATIVE INITIATIVES TAKEN BY INSTITUTIONS IN WEST KOOTENAY, B.C.—MOTION UNDER S.O. 43

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Specific local initiatives between North American auto dealers, Local 480 of the United Steelworkers of America, and the Kootenay Savings Credit Union—industry, labour and financial institutions—are encouraging business and creating service and resource jobs by lowering interest rates 4 per cent, offering targeted sales incentives, and promoting sales and jobs in the Kootenays and elsewhere across Canada. Therefore I move, seconded by the hon. member for Kootenay East-Revelstoke (Mr. Parker):

That this House recognize the value of these constructive and co-operative initiatives being pursued by local labour, management, and financial institutions within the West Kootenay—to lower interest rates, market Canadian products, spur consumer demand, and create jobs in Canada in the manufacturing, construction, forestry, mining and smelting industries; and that we further urge the government to listen and learn, work to establish trust—not industrial conflict—lower selected interest rates, and immediately launch a new strategy to get Canada back to work.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

FINANCE

CALL FOR WITHDRAWAL OF NOVEMBER BUDGET—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. The hon. member for Sarnia-Lambton (Mr. Cullen), a former minister in the government, stated publicly before he resigned as chairman of the Standing Committee on Finance, Trade and Economic Affairs, that the Minister of Finance (Mr. MacEachen) got bad advice with respect to the budget. The Minister of Finance has refused to withdraw the budget. Therefore I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That the Liberal government immediately withdraw the November 12, 1981, budget in its entirety.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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AGRICULTURE

EFFECT OF BUDGET ON FARMERS—MOTION UNDER S.O. 43

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. The hon. member for Lambton-Middlesex (Mr. Ferguson) has stated that the capital gains aspect of the budget should be a priority for change. That comment was based upon the thinking of the hon. member's rural constituency. The Liberal government has made no change to alleviate the problems of farmers. Therefore I move, seconded by the hon. member for Peace River (Mr. Cooper):

That the Liberal government take immediate action to alleviate the problems created for farmers by the November 12, 1981, budget.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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EMPLOYMENT

CALL FOR JOB CREATION ACTION—MOTION UNDER S.O. 43

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, I rise to move a motion under the provisions of

Standing Order 43. The hon. member for Sudbury (Mr. Frith) has stated:

The country cannot endure another winter of unemployment like this last one.

Unemployment in Canada has reached a post-war record of 10.2 per cent, with over 1.25 million people without jobs. The Liberal government has taken no action to correct the situation. As John Steinbeck said:

Must the hunger become anger and the anger fury before anything will be done?

Therefore I move, seconded by the hon. member for Prince George-Bulkley Valley (Mr. McCuish):

That the Liberal government take immediate action to get Canadians back to work.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE JUDICIARY

REPORTED STATEMENTS MADE BY MANITOBA JUDGE—MOTION UNDER S.O. 43

Mr. Rod Murphy (Churchill): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. A number of cabinet ministers, including the Prime Minister (Mr. Trudeau), have expressed concern about statements made by judges on controversial subjects. Appeal Court Judge A. M. Monnin made disgusting racist comments May 18 in court, speaking of "drunken Indians", and further stating:

I practised up north in The Pas and that's all we have.

He also said:

If you eliminate all the evidence from drunken Indians I've heard in the past 26 years you would eliminate it all.

Because of these statements, and in view of the fact that this same judge is in charge of redistribution of federal ridings for the province of Manitoba, I move, seconded by the hon. member for Skeena (Mr. Fulton):

• (1415)

That we condemn Judge Monnin for his slurs against native people, that an investigation be ordered into this blatant racial prejudice with a view to seeking Judge Monnin's resignation, and further, that he be immediately removed from any responsibility for electoral redistribution.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

QUERY RESPECTING GOVERNMENT PLANS TO STIMULATE INVESTMENT

Hon. Don Mazankowski (Vegreville): Madam Speaker, my question is directed to the Minister of Finance. On Monday evening he told a national television audience that he was going to pay additional attention to improving the investment climate in Canada, and particularly to encouraging the productive investment climate in Canada, which would have the effect of generating new jobs. What specific plans or specific steps does the minister have in mind to implement that course of action?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I would be pleased to advise the hon. member when decisions are taken on any specific steps. I would point out to him that at the present time, as was revealed or disclosed in the final communique at the Versailles Summit, the leading impediment, or the major obstacle, to productive investment in the world today is the continued existence of high interest rates. The quickest way to resume productive investment would be to register some success in getting interest rates down.

Mr. Mazankowski: We on this side of the House are encouraged by the fact that the Minister of Finance has finally recognized the need for improvement in the investment climate, and for improvement in the degree of confidence in Canada.

GOVERNMENT POLICIES

Hon. Don Mazankowski (Vegreville): Madam Speaker, perhaps the minister could clarify some confusion which exists. Yesterday he indicated to the House that he planned no major changes in the government's economic policy which is driving the country into a depression, while outside the House he said that everything would be open for consideration and for discussion at the cabinet table, which further adds to the confusion and the uncertainty. Could the minister tell the House, the 1.25 million unemployed Canadians, and the thousands of people who are going bankrupt, what he intends to do, or will he continue his course of double-talk and do nothing to resolve these problems?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the same question was asked yesterday by the Right Hon. Leader of the Opposition when he inquired whether Canada was contemplating a significant change in economic policy. I replied to that question in some detail, and the same answer stands today.

Mr. Mazankowski: The minister gives the House a different answer than he gives outside the House. If the minister wants to improve the investment climate in the country, he could start by withdrawing his disastrous budget; he could convince his colleague, the Minister of Energy, Mines and Resources, to change fundamentally the National Energy Program, or he could come up with some specific incentives for people to invest in the Canadian economy and to improve stability, rather than going around the country blaming working Canadians who are striving to keep their heads above water.

REQUEST THAT MINISTER RESIGN

Hon. Don Mazankowski (Vegreville): Madam Speaker, if the minister will not admit the error of his ways and come up with something positive which would give Canadians a ray of hope or, if he refuses to do so, perhaps he might consider resigning and convincing his leader to resign also because that would restore confidence in the Canadian economy.

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, as I have said so often in reply to questions about resignations, it seems to be uppermost in the minds—

Some hon. Members: Of Canadians.

Mr. MacEachen: —of members of the Tory opposition. What they leave unstated, usually, is whose resignation. Usually it is their own leader who they have in mind.

Some hon. Members: Hear, hear!

* * *

• (1420)

NUCLEAR ENERGY

CONSTRUCTION OF CANDU REACTOR IN ARGENTINA

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. Yesterday Argentina said that it reserves the right to develop nuclear energy for military uses, a specific statement made by Admiral Madero, head of their National Atomic Energy Commission to the board of governors of the International Atomic Energy Agency in Vienna.

Will the Government of Canada now put a stop-order on all further carrying out of the contract with Argentina for the construction of a Candu reactor in Argentina, and will it now refuse to carry on business as usual with Argentina which has committed armed aggression in the Falkland Islands? Will it put a stop order on the shipment of nuclear fuel bundles to Argentina? Now that the government has had confirmation that Argentina does not even pretend any longer to observe the provisions of the nuclear non-proliferation treaty, will the government stop its business as usual with Argentina, in nuclear energy?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the Minister of State for External Affairs has already answered my hon. friend's question in this regard. As far as the commitment by Argentina is concerned, the agreement is quite clear that it cannot use any fuel from the Canadian nuclear reactor for military purposes.

Some hon. Members: Oh, oh!

Mr. Lalonde: It is firm. It is in the agreement. It is subject to inspection by the International Atomic Energy Agency in Vienna.

Mr. Crosbie: The Secretary of State for External Affairs is in Europe visiting with his master, the Prime Minister, welcoming Spain into NATO. He was not here when I asked about that earlier.

USE OF NUCLEAR ENERGY FOR MILITARY PURPOSES

Hon. John C. Crosbie (St. John's West): Madam Speaker, does the minister realize that Argentina has now confirmed that it will develop nuclear energy for military purposes? Does he feel any responsibility to the people of the world community not to co-operate with a country which declares it will use nuclear energy for military purposes? Has he no responsibility to the United Kingdom, to the people of Canada, or to the U.N. disarmament conference? Is he going to be a collaborator and co-conspirator with the Argentine military in the development of nuclear energy for military purposes?

Madam Speaker: Order.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the Minister of State for External Affairs is in Bonn today with the Prime Minister who is presiding at a Summit meeting of the NATO countries. Canada is very actively participating under the chairmanship of the Prime Minister.

Mr. Crosbie: Answer the question.

Mr. Lalonde: He is chairing a very important meeting concerning the North Atlantic Treaty Organization, of which Canada is a very strong member and to which Canada is committed.

Mr. Crosbie: Answer the question.

Mr. Lalonde: I reject the implications in the hon. member's question, in his introductory comments.

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SMALL BUSINESS

INCREASE IN BANKRUPTCIES—REQUEST FOR ASSISTANCE

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is for the Deputy Prime Minister. Since his return from Versailles he has refused so far in this House to commit the government to producing new economic policies in the near future. Specifically, he has not told us we will have a new budget. In my questions to him I would like to raise specific areas which do not require a new budget but would require some action.

The first area concerns the important matter of bankruptcies. So far this year there have been almost 4,500 businesses that have gone bankrupt, representing a net loss of thousands of jobs to men and women across the country. The forecast is for this figure to increase each month in the months ahead. Since it is easier to preserve a well-functioning small business than it is to open one up after it has been forced to shut down, will the government in the next few days, or in the next week, bring in a program which will provide concrete assistance to small businesses in Canada?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member is asking me to announce a new program for small business. If a decision is taken by the government it will be announced in the House, and the hon. member will have an opportunity to comment on it. As the hon. member knows, in the last budget a number of steps were taken to improve the situation of small business. The proper functioning of small business in Canada is a very important objective of government policy.

• (1425)

Mr. Broadbent: Madam Speaker, the whole country has seen the effect of those programs. We have lost almost 5,000 businesses since those programs were introduced. It is time the government recognized that its approaches are wrong and that we need new approaches.

Some hon. Members: Hear, hear!

Mr. Chénier: What are yours?

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AUTOMOTIVE INDUSTRY

DOMESTIC PRODUCTION AND CANADIAN CONTENT

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Minister of State for International Trade, who was here just a moment ago, but I see that he is not in his seat. Here he comes.

[*Translation*]

There have been thousands of lay-offs in the automotive industry at Sainte-Thérèse, Windsor, Oakville and Oshawa, and the government has done nothing. My question to the minister is very simple.

[*English*]

Given the fact that other countries have said that automobile companies which want to sell in their nations must produce cars and parts in their nations proportionate to their sales, will the Government of Canada announce, within the next few days, or the next week, a specific policy which will

say to multi-national companies selling cars in Canada that they must begin to produce cars and parts in this country proportionate to their sales?

Some hon. Members: Hear, hear!

Hon. Ed Lumley (Minister of State (International Trade)): Madam Speaker, to my knowledge there is only one country in the world, among the industrialized nations, which actually has any import legislation relating to content provisions, and that is Australia. Australia is in a very unique situation because many tariffs are not bound in the GATT for Australia, so it is different for Australia than for Canada.

As the hon. member knows, we have asked the Japanese authorities to discuss this matter in detail in an effort to reach an agreement on a content proposal. Also the Prime Minister raised the auto issue with the Prime Minister of Japan at the Versailles Summit, and we are still hopeful that we will reach some kind of agreement.

Mr. Broadbent: I would like to tell the minister that I will be glad to send him a list. There are countries such as France, Australia, Mexico and Brazil, which all have very tough requirements concerning production within their borders, whether sales take place or no sales take place. I will be happy to discuss the matter with the minister.

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THE ECONOMY

EXCHANGE VALUE OF DOLLAR—BANK OF CANADA INTEREST RATE

Hon. Edward Broadbent (Oshawa): My final supplementary question is directed to the Minister of Finance. The dollar, once again, has gone down today. This will almost certainly mean that the Bank of Canada, following its past practice, will announce another interest rate increase in the bank rate tomorrow, which will lead to more shutdowns of businesses, which, in turn, will cause more job losses. Will the minister get in touch with the Governor of the Bank of Canada and instruct him not to announce another increase in the bank rate tomorrow?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am in frequent consultation with the Governor of the Bank and will continue to have these consultations.

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SMALL BUSINESS

DEVELOPMENT BOND PROGRAM

Mr. Otto Jelinek (Halton): Madam Speaker, my question is directed to the Minister of Finance. It is evident that the minister's budgetary policies, which he is reluctant to replace, and now his inconsistent skating exhibitions, which are far better than mine have ever been—

Some hon. Members: Oh, oh!

Mr. Jelinek: —have not only reduced Canadian investor confidence to an all-time low, but have also created the highest unemployment level in our history. Therefore, in view of the fact that small business is the largest potential employer in Canada, and it is hit hardest by the government's high interest rate policies, will the minister assure the House and the small business community that he will reinstate the Small Business Development Bond program to its original form?

Do not give us any baloney by saying that it is too costly because, as the minister well knows, the Informetrica computer study concluded that the original bond program represented a $77 million net gain to the federal treasury in the first year of the program. Will he take action now instead of being the insensitive minister that he is to that community?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have answered this question maybe six or seven times in the last few months. I will repeat the answer that I have given in the past, that the small business bond has proved to be very effective. It has ensured that several billions of dollars in additional funds have been made available to small business at interest rates markedly lower than the market rates of interest.

• (1430)

The reason that we redesigned the bond was to ensure that the available funds provided by the banks through the tax system would be made available to firms most in need of financial assistance. That is the reason for the change. I understand the hon. member's concern that the bond be restored to its original shape, but if that is carried out I fear that those businesses most in need will be the first to suffer from the change that he recommends.

Mr. Jelinek: Madam Speaker, the minister knows full well that the revised bond program is not working. Businesses cannot take advantage of it. He knows it has gone down by 94 per cent. He might as well have stayed with his Prime Minister in Spain to welcome that country into Nato.

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AUTOMOTIVE INDUSTRY

EFFECT OF BUDGET ON CAR DEALERS

Mr. Otto Jelinek (Halton): Madam Speaker, my supplementary is also directed to the Minister of Finance. Since the actions of the government have caused even further crises and unemployment in other industries such as the Canadian automotive industry, along with the recent Mickey Mouse tactic in Vancouver, can the minister explain or justify his

announcement to allow an increase in the capital cost allowance for daily car rental agencies, many of which are multinationals, while at the same time ignoring the additional $67,000 tax burden that this November 12 measure imposed on our domestic retail dealers, all of whom are small businessmen—

Madam Speaker: Order. Hon. members must discipline themselves. We must have questions and not speeches.

Mr. Jelinek: Well, Madam Speaker, the minister—

Madam Speaker: Order. Has there not been a question? I thought I heard one. The hon. member for Hillsborough.

Mr. Jelinek: Madam Speaker, I asked a question.

Madam Speaker: Order. Neither the Chair nor a member can force a minister to answer a question. The hon. member for Hillsborough.

Mr. Jelinek: Give him a chance. He was asleep. Is he going to answer?

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FISHERIES

REQUEST FOR EMERGENCY ASSISTANCE MEASURES

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is directed to the Minister of Finance. Throughout the Atlantic provinces, federal economic policies are strangling the fish industry. Bankrupt fish plants are throwing thousands of people out of work in east coast communities, like Georgetown, P.E.I.; Marystown, Newfoundland; Grand Manan, New Brunswick; and Weymouth, Nova Scotia. Given that the Kirby task force is investigating the long-term problems of the fishery, is the federal government planning any specific emergency measures in the interim to ensure the survival of the important fish industry and to get it back on its feet?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, in areas where the fishermen do not have an alternative counter to sell their fish, we have intervened. The most recent case is St. Anthony. In other areas such as Georgetown, I have no information that leads me to believe that, in spite of the fact that it is the height of the lobster season, fishermen are having any difficulty disposing of their catch. In some cases plants are being negotiated for, and I know that in the case of Georgetown there have been contacts with the company which owns the facility. I have indicated to the provincial minister that as much as it is within my power to intervene, I will try to find a solution. There are areas where owners of plants have decided not to reopen for other reasons. A good number had expanded to the point where there was no way the supply of fish could keep them going.

FUTURE OF FISH PLANT IN GEORGETOWN, P.E.I.

Mr. Tom McMillan (Hillsborough): Madam Speaker, the Minister of Fisheries mentioned the fish plant at St. Anthony. In that instance the federal government established a Crown corporation to keep open the fish-processing plant at St. Anthony, Newfoundland, which is in the riding of the Minister of National Revenue. I would ask the Minister of Finance or the Minister of Fisheries why the federal government is not taking similar initiatives or action to open the Georgetown Seafoods plant in Prince Edward Island in the riding of the Minister of Veterans Affairs. In the absence of such action, are we to assume that, in the eyes of the federal government, we in Prince Edward Island are less important than the people in Canada's other island province?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Frankly, Madam Speaker, I find the insinuation made by the hon. member rather offensive. He knows, and his provincial colleague knows, that we have been trying to find a solution to the Georgetown problem. The difficulty is that the suggested approach or avenue was to take six licences away from somebody else. I do not think hon. members would support me if I were to suggest that avenue.

On the question of St. Anthony, if the hon. member looks at the map he will see that the fishermen in that area have very few alternatives for almost one hundred miles. If he looks at that coast and the importance of St. Anthony to the fishermen of the area, and the fact that there is no other industry where the fishermen can sell their fish, perhaps he will understand why we tried to find a solution, rather than trying to make cheap political gains.

QUERY RESPECTING PROPOSED AGREEMENT BETWEEN CANADA AND SPAIN

Hon. James A. McGrath (St. John's East): Madam Speaker, I have a supplementary question for the Minister of Fisheries and Oceans. Can the minister tell the House whether an agreement will be signed with Spain, and whether that bilateral fisheries agreement will include a give-away of 5,000 metric tonnes of fish in our zones in exchange for a market that, at best, is worth $10 million? When is the government going to stop giving away fish in our zones?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I would have expected that sort of question from the hon. member's colleague, the Minister of Fisheries in Newfoundland, who has been using this kind of demagoguery to destroy any kind of international regime outside the 200-mile zone, to try to destroy the leverage to get markets that are not dependent on the U.S. market and to have international fisheries relations which are somewhat more mature than the idea of catching fish, putting it in large warehouses, and then asking the federal government to pay the storage cost.

There have been discussions with the Spanish authorities. A possible agreement has been suggested. I have consulted the industry. I want to hear more from the industry and more from the provincial governments, some of which are taking the position that you slam the door on everybody, but you knock again when you need access to their markets. When I know what the Canadian industry and the provinces want to do, I will make a recommendation to my colleagues.

BRITISH COLUMBIA SPORTS FISHING INDUSTRY—EFFECT OF PATROL PERSONNEL CUTBACKS

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans. Eight of ten fisheries officers promised for the sports fishing industry have not been hired. Also, we have just learned that up to 37 person-years will be lost to the fisheries patrol vessels on the coast of British Columbia. Will the minister confirm that those patrol vessels will not be doing the job of patrolling the fishery and protecting the stock? Is he aware of the seriousness of those cutbacks in government person-years?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Obviously, Madam Speaker, I will check the details. We always have trouble finding sufficient person-years to manage all the sectors and meet all the pressures in the industry, which is coast-wide and is subject to damage and to poaching. If I receive facts to support the hon. member's statement, I will make them known to the House.

NECESSITY FOR MANNING PATROL VESSELS

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, will the minister also consider that not only are those patrol vessels and crews responsible for patrolling the fisheries aspect of the industry, but they play a very important part in search and rescue? Will the minister look very carefully at his budget and any proposals that his department may have before Treasury Board, and give solid support to them? Will the minister confirm that he will fight for those person-years to protect the fisheries and the safety of fishermen?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): Madam Speaker, I am the minister who pushed very hard to have vessels in Transport, DND and Fisheries perform a number of tasks, including search and rescue. So I am very supportive of this program and I think, with my colleagues, the Minister of Transport and the Minister of National Defence, that it has been very successful. There are limits to the number of person-years that we can dispose of, and I might say to you, Madam Speaker, that I am one of those ministers who always asks for more and sometimes does not get all he requests.

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• (1440)

CONSUMER AFFAIRS

USE OF SUBLIMINAL MESSAGES ON ROCK MUSIC RECORDINGS

Mr. Jack Burghardt (London West): My question is for the Minister of Consumer and Corporate Affairs. It regards product labelling. In London in recent weeks concern has been voiced regarding subliminal recordings, possibly satanic messages, on some rock music recordings. Through various recording techniques such as backward masking, subliminal messages have been conveyed to the public. For example, one of the most popular recordings on radio within the last decade, Led Zeppelin's "Stairway to Heaven", contains the following lines subliminally: "Here's to my sweet Satan" and "I sing because I live with Satan." Another line states, Madam Speaker: "There was a little child—".

Some hon. Members: Oh, oh!

Madam Speaker: Order. I am at a loss to find a question, but I hope there is one in there, because I cannot allow the hon. member more time.

Mr. Burghardt: I was trying to lay the foundation for the question, Madam Speaker, thank you very much. Would the minister be prepared—

An hon. Member: Oh, oh!

Mr. Burghardt: And if you would listen, you might learn something, too.

Mr. Nielsen: A subliminal question?

Madam Speaker: Order. The hon. member for Erie (Mr. Fretz).

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

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THE ECONOMY

QUERY RESPECTING GOVERNMENT MEASURES TO HALT CAPITAL OUTFLOW

Mr. Girve Fretz (Erie): Madam Speaker, my question is directed to the Minister of Finance. The minister must be aware that the major trading countries of the world have agreed to reduce their tariffs by an average of 40 per cent over the next several years, with the inevitable result that the United States based multinationals will be even more inclined to serve Canadian markets from abroad. With unemployment levels at record highs, exactly what action is the minister and his government prepared to take to reduce plant closings and to arrest the outflow of capital which could be used to put Canadians back to work?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has referred to tariff adjustments being made by countries throughout the world. As he knows, Canada took part in the last round of negotiations on multilateral trade. We have accepted our obligations, and other countries have done so as well. That is the course we are following in that respect.

FOREIGN INVESTMENT REVIEW AGENCY

POSSIBILITY OF CHANGES

Mr. Girve Fretz (Erie): Madam Speaker, the minister has obviously not addressed the tragic situation facing the nation today. In my constituency alone at least three more factories are threatened with closure, by Liberal insensitivity and anti-American policy. Therefore, my supplementary question to the minister is this: what changes to the Foreign Investment Review Agency is his government considering which would reinstate an economic climate conducive to growth in the market place? Would the minister tell this House today?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, in the economic development document tabled last fall, we said we were conducting a review of the existing procedures under the Foreign Investment Review Act, to see whether these procedures could be made more smooth or more effective without in any way undermining the basic principles, for which there is a great deal of support in this country.

I am surprised by my hon. friend's question, because if there is a 40 per cent reduction in tariffs of GATT countries, it means greater opportunities for Canadian production. My hon. friend is expressing concern about tariff reductions, while some of his colleagues in the province of Ontario are calling for higher tariffs against Japanese cars. I repeat what I said last week: why don't you guys get your act together?

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THE PRESS

REPORTED INVESTIGATION OF DEPARTMENTAL NEWS LEAK

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is for the Minister of State for Multiculturalism. On May 25 when he unveiled his proposal to control the daily newspaper industry in Canada, he paid lip service to the concept of freedom of the press; and yet, within a week, the executive assistant to the Minister of Energy, Mines and Resources told Southam News that the department had called in the police to find out the source of one of the Southam News' stories. Was the minister consulted about this action before it was taken? If so, does he consider it consistent with the lip service he gave to freedom of the press?

Hon. Jim Fleming (Minister of State (Multiculturalism)): First of all, Madam Speaker, I do not believe we did pay lip service, I believe we put forward significant suggestions to protect a free press; and, no, I was not consulted.

NEWS SOURCES OF TORONTO NEWSPAPER

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, in that same speech the minister made this statement: I certainly agree that the government must at all costs avoid intruding or appearing to intrude in a manner intimidating to editorial freedom.

Was the Minister of State for Multiculturalism consulted before a new policy was adopted in the Prime Minister's office of badgering the Ottawa bureau of the *Toronto Star* for information regarding its sources for news stories and, if so, does he consider that consistent with the statement that he made in London?

Hon. Jim Fleming (Minister of State (Multiculturalism)): Madam Speaker, in my capacity to consider the Royal commission findings on concentration of the newspaper industry, I would obviously not be approached on any such matter as the member brings forward. I think it is insidious and dangerous to the principle of a free press to suggest, in a democracy, that a government does not have a right to express its concern publicly when it feels it has not been treated justly, or does not have a right to act within the criminal law when there appears to have been an abuse of that law. But that has nothing to do with the principle that, if one or two people own every newspaper in the country, then there will be no free press, and that is what we are fighting.

Some hon. Members: Hear, hear!

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PENITENTIARIES

RIOT AT COLLINS BAY—REQUEST FOR INVESTIGATION

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is directed to the Solicitor General. In the last while the Solicitor General has found time to give advice to the Minister of Finance on his budget, to the Minister of Justice on the prosecution of German Canadians, and to a judge on the sterling qualities of some defendants.

Two weeks ago there was a riot in Collins Bay penitentiary, and two nights ago a prisoner was stabbed at Collins Bay. Has the minister been able to draw himself away from his other interests to give some attention to his department and to an investigation of what is going on at Collins Bay?

Hon. Bob Kaplan (Solicitor General): Yes, Madam Speaker, I have been able to give time to the problems in my industry. In the case of the Collins Bay murder, the local police have been called in and are conducting a full investigation.

RIOT PREVENTION PRECAUTIONS

Mr. Benno Friesen (Surrey-White Rock-North Delta): The minister's officials are predicting what they call "a long, hot summer" in the prison system. What extra precautions is the Solicitor General taking to make sure that we do not have another repetition of the Matsqui incidents of some time ago?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, predictions of a long, hot summer are something of a self-

fulfilling prophecy. I have not heard officials indicating that this would be a long, hot summer. In fact this is a summer in which our statistical returns show us that there are far fewer major incidents, in fact half the level of major incidents that there were as recently as two years ago. So, I am not expecting a long, hot summer but, of course, I can assure the House that the Correctional Service of Canada is taking all the steps that are appropriate to assure good order in our institutions.

Some hon. Members: Hear, hear!

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CANADA POST CORPORATION

CANCELLATION OF RURAL SERVICES

Hon. George Hees (Northumberland): Madam Speaker, I have a question for the Minister responsible for postal service. As Saturday rural mail delivery in Quebec was discontinued as of June 5, last Saturday, and as a similar discontinuation of service for the rest of the country is under active consideration by Canada Post Corporation, would the minister explain to the House just how the Canada Post Corporation can possibly be considering such a cancellation of service to such a vitally important segment of the population as our rural population, who generally receive their weekly newspapers on Saturday and read them during the weekend? We have just seen our postal rates for first class mail almost doubled, and our second-class mail rate increased by 18 per cent. For these reasons would the minister assure the House that he has no plan for going ahead with such a disastrous curtailment of service?

Some hon. Members: Hear, hear!

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I want to report to the hon. member that such a service is no longer in existence in many parts of Canada for a number of years. The administrative decision taken in the Quebec region was in order to put every service on an equal footing. The saving is substantial. As you know, the corporation has a mandate not only to improve services all across Canada but to become self-sufficient. The decision that has been taken by the corporation was decided following extensive consultations with the people concerned. In reality, the volume of mail delivered in these regions on Saturday was minimal and the costs were excessive compared to the service given.

• (1450)

INCREASE IN POSTAL RATES

Hon. George Hees (Northumberland): Madam Speaker, I should like to assure the minister that, no matter whether these services are provided in the province of Quebec or not, they are very important to the province of Ontario and, I am sure, to other provinces in this country.

With regard to the savings, as I have said, and as the minister knows only too well, the first-class postal rate was recently raised from 17 cents to 30 cents, almost doubled, and is now nearly half as much again as similar service costs in the United States. The cost of second-class mail was increased by 18 per cent recently. For these reasons would he not agree that the Canadian public has been gouged enough to make up for losses on the postal service, and would he therefore assure the House that Saturday rural mail delivery will be continued?

Madam Speaker: Order, order.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I think the hon. member is labouring a point that has been extensively reviewed before a parliamentary committee when the estimates of the Crown corporation were presented. The hon. member should have made his representation then. I appreciate his concern that some classes of citizens could be deprived of a service, but unfortunately that service on Saturday was already cut off many months ago in many other parts of Canada. That is an internal decision of the corporation. I can only report the view of the hon. member to the corporation.

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HOUSING

MORTGAGE INTEREST RATE LEVELS—ROLL OF CHARTERED BANKS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is directed to the Minister of Finance. Is the minister aware that there are thousands of Canadians who are paying something close to eight points above the inflation level for mortgages and that, as a result of the recession we are currently going through, frequently the mortgage is larger than the market value of their homes? Will the minister meet with the chartered banks and ask that they produce a program that will set a mortgage interest rate at no more than two percentage points above the rate of inflation, and allow those people access to the program?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have no objection to meeting with the Canadian Bankers' Association, but I fear that if one succeeded in implementing the proposal made by the hon. member there would be very little money available for mortgage development. Mortgage funds would dry up. I wonder who would step in to subsidize the mortgage between his proposed rate of 13 per cent and the mortgage rate? Has he given any thought to that and what it would cost?

Mr. Deans: Madam Speaker, I have indeed given some thought to that, and the minister knows full well that the blended rate that the banks would be able to get, taking into account all their investments, would give them a yield at least five percentage points above the rate of inflation if they were to make mortgage money available under a program such as this.

HOUSING FINANCE POLICIES

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I should like to ask the minister whether he can explain to the Canadian people how it can be that the Government of Canada can find $2 billion plus for oil companies, and billions of dollars to lend to other countries for nuclear development at seven per cent and slightly above, when we cannot find money at two per cent above the inflation rate for mortgages?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, this question falls into that rhetorical category that we hear so frequently in the House of Commons. As the hon. member knows, the minister responsible for housing has introduced and has implemented a program that will provide assistance to persons in Canada who are not in a position to carry what are admittedly very high interest costs. In those cases a program of assistance is available.

Without taking on very large budgetary expenditures it is not possible to implement the program that the hon. member suggests. That is why it is not possible to accept his suggestion. It is a rather obvious suggestion, if one had unlimited funds.

* * *

CONSUMER AFFAIRS

USE OF SUBLIMINAL MESSAGES ON ROCK MUSIC RECORDINGS

Mr. Peter Lang (Kitchener): Madam Speaker, may I put a question to the Minister of Consumer and Corporate Affairs with reference to the serious issue raised by the hon. member for London West regarding subliminal and satanic messages on records.

Would the minister be prepared to ask the recording industry to label such products, warning the public of such subliminal and unsuitable messages?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I thank the hon. member for the question.

Mr. Hnatyshyn: Speak of the devil!

Mr. Ouellet: I believe this is a very important matter and I will discuss it with my officials to find out if there is misleading advertising in these presentations. If necessary we will contact the companies and take appropriate measures.

* * *

INDUSTRY

LAY-OFFS AT RUBBER PLANT IN LINDSAY, ONT.

Mr. W. C. Scott (Victoria-Haliburton): Madam Speaker, my question is for the minister responsible for the Anti-Dumping Tribunal, the Minister of Finance. Last week the Trent Rubber plant in Lindsay was forced to lay off indefinitely 30 full-time employees, and reduce its three-shift operation to a two-shift operation. This was due to what it considers unfair dumping of rubber products in Canada by South Korea. I am sure that I do not need to remind the minister of the kind of hardship this imposes on these previously long-term employees. Could the minister tell me if the investigation requested by the company has begun, and how long does he expect this company will have to wait for its conclusion?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I will make inquiries of the Anti-Dumping Tribunal and provide the hon. member with the information he requests at the earliest possible date.

* * *

NUCLEAR ENERGY

EXPORT OF NUCLEAR FUEL BUNDLES TO ARGENTINA

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a question for the Acting Prime Minister which is supplementary to those posed earlier relating to Argentina and Canada's continuing policy of sending nuclear fuel bundles to a country where the head of its Atomic Energy Commission has announced that it reserves the right to use nuclear energy for what he calls non-prescribed military uses. That is a new announcement this week. Does the Government of Canada intend to continue to send nuclear fuel bundles to Argentina which is at war, after it has announced that it is going to consider using these materials for military purposes?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, if the Leader of the Opposition refers to an article which appeared today in *The Citizen*, I would remind him that it refers to a statement made by Admiral Carlos Castro Madero who reiterated Argentina's support for the objectives of the International Atomic Energy Agency, its commitment to use nuclear energy only for peaceful purposes and the fact that it had submitted all of its relevant nuclear facilities to agency safeguards.

Canadian nonproliferation and safeguards policy expressly demands that nuclear items supplied by Canada shall be used for peaceful purposes only and not put to any explosive use.

Mr. Crosbie: They didn't even invade the Falklands! It was a mirage!

Mr. Clark: Madam Speaker, the Argentinians also said they would not invade the Falkland Islands, and they did.

QUERY RESPECTING REASON FOR EXPORT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Argentinians have never signed a nuclear non-proliferation treaty. I will put my question to the Minister of Energy, Mines and Resources or to the Acting Prime Minister, if he wants to accept his responsibility. I ask one of the ministers why there is a different standard for Argentina when, in

the case of Pakistan, the mere fear that Canadian materials would be used for military purposes caused us to stop a contract with Pakistan? Why is Canada sending nuclear fuel bundles to Argentina when the head of the Atomic Energy Commission has just said they are going to be using their nuclear capacity for military purposes? Why is that being done by Canada?

• (1500)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, it would be more helpful if the Leader of the Opposition knew how to read and read exactly what has been said. Again Argentina, in its January, 1976, nuclear co-operation agreement with Canada, gave us assurances.

Some hon. Members: Ironclad?

Mr. Lalonde: In addition there is the relevant safeguard agreement with the International Atomic Energy Agency in Vienna. In that agreement Argentina has undertaken that nuclear items supplied by Canada shall not be used for the manufacture of any nuclear weapons, to further any other military purpose, or for the manufacture of any other explosive device. That is under the supervision and control of inspectors of the International Atomic Energy Agency in Vienna.

Mr. Crosbie: Who control nothing.

GOVERNMENT POSITION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, we had exactly those same assurances from Pakistan. When the threat was made, the supplies were cancelled. Why is there a double standard? Why does the Government of Canada insist on sending nuclear material to Argentina which is at war with Great Britain?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Again the Right Hon. Leader of the Opposition is wrong in his facts. We did not have the same agreement with Pakistan.

Some hon. Members: Oh, oh!

REPORTED STATEMENT BY ASSISTANT TO PRESIDENT OF ARGENTINA

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have listened with care to what the minister has just said. I have a copy of an exchange between the assistant to the President of Argentina and a questioner. In the concluding part of a question reference was made that the industrial capacity for the development of nuclear weapons for military purposes was a necessity. The last sentence of the question says:

Is that an over-interpretation of what you said?

That is, that they needed the potential for nuclear weaponry. I repeat, the question was:

Is that an over-interpretation of what you said?

The assistant to the President of Argentina replied:

Right.

In other words, they want it for nuclear weapon purposes. If that is the case, how can the minister get up before the House today and give us the incredible kind of assurances he has tried to pass off?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, because Argentina has not signed the nonproliferation treaty there is nothing indeed to prevent Argentina from developing on its own, with its own resources, expertise for the military aspects of nuclear fission. They can do that on their own. Under the agreements we have, since 1975 I believe, with Argentina, there is a commitment, covered by the safeguards of the International Atomic Energy Commission, that they cannot use any of the facilities provided by Canadian technology for any military purpose. That is the fact, and I invite my hon. friends to check that.

* * *

PETITION

MR. OGLE—WORLD INVOLVEMENT IN NUCLEAR ARMAMENTS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the two hundred and sixty-seventh Report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Saskatoon East (Mr. Ogle) and finds that it meets the requirements of the Standing Orders as to form.

* * *

MESSAGE FROM THE SENATE

Madam Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-26, an act to revive E.G. Klein Limited and to provide for its continuance under the Canada Business Corporations Act, to which the concurrence of this House is desired.

[*Translation*]

Mr. Chrétien: Madam Speaker, I had given notice to the Chair that I wanted to raise a question of privilege, but the member for Burnaby (Mr. Robinson) will not be in the House and has asked me to wait until Monday. I have informed him that I intend to raise this point Monday.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,119, 4,184 and 4,245.

[*Text*]

VIA RAIL TRAINS BETWEEN TORONTO AND KITCHENER

Question No. 4,119—**Mr. Beatty:**

1. Does VIA Rail Canada Inc. have regularly scheduled runs between Toronto and Kitchener and, if so, how many runs a day in each direction?

2. How long is the trip supposed to take?

3. In January, 1982, how many trips was VIA Rail scheduled to make in either direction between Kitchener and Toronto and how many arrived behind schedule?

4. In January 1982, what was the average delay experienced on the run?

5. Did VIA Rail receive a letter from a group of Kitchener passengers that stated in part "We trust that regular delays of 25 minutes on a 95-minute run are unacceptable to VIA's management?"

6. Are regular delays of 25 minutes on a 95-minute run acceptable to VIA Rail's management?

7. Are actions being taken by VIA Rail's management to correct the problems being experienced on the run and, if so (a) what are such actions (b) by what date will they have been taken?

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): The management of VIA Rail Canada Inc., advises as follows:

1. Yes. Four trains daily from Toronto to Kitchener and return; one train daily, except Sunday, from Toronto to Kitchener and return.

2. Train No.	Train No.
661—1 hr. 35 min.	660—1 hr. 38 min.
663—1 hr. 30 min.	664—1 hr. 42 min.
665—1 hr. 35 min.	666—1 hr. 36 min.
667—1 hr. 35 min.	668—1 hr. 42 min.
669—1 hr. 35 min.	670—1 hr. 35 min.

3. Toronto-Kitchener: 147 trips; 114 arrived behind schedule. Kitchener-Toronto: 145 trips; 77 arrived behind schedule.

4. Average delay outbound—34.4 minutes; average delay inbound—31.9 minutes.

5. Yes.

6. No.

7. Following action has been taken or will be instituted:

(a) Arrangements made with the operating railway (CN Rail) to review the despatching of passenger trains on the Toronto to London via Stratford service, in order to set up better "meets" where possible.

(b) Commencing June 1 (summer timetable), train service has been adjusted to overcome bottlenecks to permit train 665 to depart ahead of GO Transit's first afternoon train to Georgetown, and in the case of Kitchener to allow train 665 to discharge passengers and depart prior to the arrival of train 668. In addition, schedule departure of train 661 from Toronto will be changed to overcome meet problems associated with GO Transit between Halwest and Toronto.

Order Paper Questions

PARLIAMENTARIANS BARRED FROM UNITED STATES

Question No. 4,184—**Mr. Taylor:**

1. Were any parliamentarians who are presently holding office in Canada barred from entering the United States between January 1, 1945 and December 31, 1981 and, if so, in each case, what was his/her name?

2. For the same period, were any legislators in Canada barred from entering the United States and, if so, in each case, what was his/her name and what is his/her present position?

Hon. Yvon Pinard (President of the Privy Council): The practice of admitting or refusing entry of persons into the United States from Canada is a matter which relates solely to the legislative and administrative authority of the government of the United States.

EXPORTS OF CEMENT

Question No. 4,245—**Mr. Herbert:**

1. In (a) 1980 (b) 1981, what tonnage of cement was exported and what amount was destined to the United States?

2. Is it known whether an appreciable quantity of cement consigned to the United States is resold to another country?

3. Does the government monitor price changes in exported cement?

4. Was there an increase in the export of cement to Saudi Arabia in 1980 and, if so, to what does the government attribute the increase?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Department of Industry, Trade and Commerce is concerned:

1. (a) Canadian exports in 1980 of standard portland cement totalled 1,527,508 tonnes including 1,451,863 tonnes exported to the United States. (b) Canadian exports in 1981 of standard portland cement totalled 1,578,684 tonnes including 1,513,404 tonnes exported to the United States.

2. Cement industry specialists believe that no appreciable quantity of Canadian cement exported to the United States is subsequently exported to another country.

3. No.

4. Canadian exports of standard portland cement to Saudi Arabia increased from 17 tonnes in 1979 to 68,947 tonnes in 1980. The government is unable to comment on commercial transactions by private sector companies since any such intervention may unduly affect their opportunities in the marketplace.

[*English*]

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

[*Translation*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

[*English*]

MOTIONS FOR PAPERS

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

Madam Speaker: Shall the Notices of Motions for the Production of Papers stand?

Some hon. Members: Agreed.

[*Text*]

COPIES OF AGREEMENT WITH NEW BRUNSWICK UNDER CANADA ASSISTANCE PLAN

Motion No. 75—**Mr. Herbert:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of the latest signed agreement between the Government and the province of New Brunswick under the Canada Assistance Plan.

[*English*]

Mr. Herbert: Transfer for debate.

Madam Speaker: Transferred for debate.

[*Text*]

COPIES OF AGREEMENT WITH NOVA SCOTIA UNDER CANADA ASSISTANCE PLAN

Motion No. 82—**Mr. Herbert:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of the latest signed agreement between the Government and the province of Nova Scotia under the Canada Assistance Plan.

[*English*]

Mr. Herbert: Transfer for debate.

Madam Speaker: Transferred for debate.

GOVERNMENT ORDERS

[*English*]

PETROLEUM ADMINISTRATION ACT

MEASURE TO AMEND

The House resumed from Tuesday, June 8, consideration of the motion of Mr. Lalonde that Bill C-103, to amend the Petroleum Administration Act and to enact provisions related thereto, be read the third time and do pass.

Hon. John C. Crosbie (St. John's West): Madam Speaker, I hope to conclude my remarks within a reasonable period of time because of course there is an over-all limit to our debate on the energy bills.

I do not want to repeat anything that I said last night, but let me just say that there can be no settlement of the offshore dispute, there can be no development of the Hibernia and Hebron oil fields off the coast of Newfoundland, until there is a political accommodation. Let me say, Madam Speaker, that there will never be a political accommodation while we have a minister of energy, mines and resources who acts as this minister has acted.

I now refer to *The Evening Telegram* of Wednesday April 7, 1982, with the headline "Tory tide sweeps Newfoundland". In that paper, after the great victory of the Peckford government on April 6, the federal Minister of Energy, Mines and Resources (Mr. Lalonde) was asked for his comments, and I quote now from the CP story headed, "Lalonde says the Tories lied". That was the conciliatory position that the minister took after the people of Newfoundland overwhelmingly gave an endorsement to the position of the Newfoundland government on the offshore dispute. The article says:

> The sweeping Conservative victory in Newfoundland's general election will not change the federal government's position in the dispute over control and management of offshore resources, Energy Minister Marc Lalonde said Tuesday.
>
> Lalonde, accusing Premier Brian Peckford's Conservatives of resorting to "outright lies" during the 22-day campaign, said the election results mean nothing as far as Ottawa is concerned.
>
> "Our principles remain the same," he told reporters. "We have no new proposals to put forward."
>
> Lalonde said the federal government held back from intervening in the campaign even though there were "a lot of misrepresentations ... frankly outright lies" from Conservatives about the federal position on offshore resources.

Is it any wonder, Mr. Speaker, that there is now just about a state of war between the province of Newfoundland, the last province to enter confederation, and this government here in Ottawa which thinks it can ignore the majority opinion of the people of the province of Newfoundland, developed and delivered overwhelmingly in the election of April 6? Then they have a federal minister say that the government has lied and he will not change his position whatsoever as a result of that election victory. Then they have the Minister of Justice (Mr. Chrétien), Mr. Speaker, go down to Newfoundland on May 19 and make an announcement. There is a picture of the Minister of Justice down in Newfoundland threatening the government—

Some hon. Members: Order, order.

Mr. Crosbie: —telling the people of Newfoundland that he was going to take this matter out of the purview of the Newfoundland courts and bring it to the courts in Ottawa. There is a picture—

The Acting Speaker (Mr. Blaker): Order, please. I am sure the hon. member knows what I am about to indicate to him. I can keep it brief. Perhaps he can keep his remarks in the category of "tell" and not in the category of "show and tell".

Mr. Crosbie: I accept your injunction, Mr. Speaker, because, of course, your rulings are known for their sagacity.

• (1510)

Mr. Smith: That's thin ice.

Some hon. Members: Oh, oh!

Mr. Crosbie: On the opposite side of the House we have "assidy". In the Chair we have sagacity.

Some hon. Members: Oh, oh!

Mr. Crosbie: That is the atmosphere. Hon. members over there can bellow and shout but it will mean that I will keep speaking all day and all night. I have unlimited time. Or hon. members can let me conclude my remarks because I have a few pertinent things to say.

That, Mr. Speaker, sets the background as to how the government of Newfoundland has been cheated by the government opposite in a negotiation on something that could split this country apart and which could endanger confederation as it is now in Newfoundland.

Just to put things in perspective I want to give you some economic facts. Why is it that the government of Newfoundland and the people of Newfoundland want so badly to have the administration and control of these offshore resources? I will tell you why, Mr. Speaker. Do you know that right now, today, the official unemployment rate in Newfoundland is 16.1 per cent? We are told there are 38,000 unemployed people in Newfoundland and the actual official rate is 17 per cent. Do you know, Mr. Speaker, that the rate in reality, not the official rate, is double that? I refer you to the study done by the Economic Council of Canada in 1980. It is entitled "Newfoundland—From Dependency to Self-Reliance. On page 48 we find:

> During the month of March when seasonal unemployment in Newfoundland is high, for every four individuals counted as unemployed, there may be three others with rather similar socio-economic characteristics and recent job experience who want a job but are not actively searching work.

People know there are no jobs even if they seek them. The official rate today is not 16.1 per cent. The actual unemployment rate in Newfoundland today, as sure as I am standing here, and let me be struck down if I am not telling the truth, is 32 or 33 per cent. That is why the government of Newfoundland wants to have control and administration of its own resources. That is why this is such an important matter to the people of Newfoundland.

Let me refer you to the magazine entitled *Au courant*. It is put out by the Economic Council of Canada. It is Volume 1, No. 2, Fall, 1980. It deals with the Newfoundland situation as well. I look now at page 4. Do not think, Mr. Speaker, and let no member opposite think, that we are lazy in Newfoundland, because *Au courant* reports as follows:

> First, the work ethic is very much alive in Newfoundland. Compared with their Ontario counterparts, unemployed Newfoundlanders made a greater effort to find work. More than Ontarians, Newfoundlanders search for jobs outside of their own locality and even outside the province. Newfoundlanders are also more mobile than Ontarians. They are not only willing to work elsewhere in the province or outside the province, but they have proven that willingness by holding such jobs in the past.

That is an excerpt from a report prepared by the Economic Council of Canada. We do not have this unemployment problem because we are lazy louts, because we are too lazy to get out of our way and because we want unemployment insurance. We want work. This government here in Ottawa is keeping us from getting work. This Liberal government is dedicated to keeping us ignorant and poor and is forcing us to continue for another 100 years looking for work everywhere on the globe. That is what this issue is about, Mr. Speaker. That was from page 4. I am moving on to page 9 of the same magazine.

Just listen to this, Mr. Speaker. I do not want to interrupt the cabinet meeting over there. They do not have enough decency to carry on their conversations outside.

Mr. Ouellet: Why don't you go to hell?

Mr. Crosbie: The minister of "oozlette" should go outside if he wants to have a conversation now.

Mr. Ouellet: What about the other people?

Mr. Crosbie: Then we have the minister who is supposed to be the Minister of Regional Economic Expansion (Mr. Gray). Let him listen and learn of the conditions in Newfoundland. He was the one who killed the synchrolift for the Newfoundland dockyards and tried to stop employment in Newfoundland.

Mr. Ouellet: What about your two colleagues over there?

Mr. Crosbie: You haven't even got the manners of an ignorant lout. Go outside if you want to talk.

Mr. Ouellet: Two of your colleagues are talking. That is how important you are in your own party. They do not even listen to you.

Some hon. Members: Oh, oh!

Mr. Crosbie: Mr. Speaker, if I thought that minister had a contribution to make to anything, I would sit down and let him speak. He never speaks in this House. He oozes. That is all he ever does in this House.

Mr. Ouellet: Just listen to him.

Mr. Crosbie: The minister responsible for the Post Office should keep his mouth shut.

On page 9 of *Au courant* we find the following:

> UI benefits in the province amount to $408 for every Newfoundlander; the comparable figure for all Canada is $169. A scant one-fortieth of personal income in Canada comes from unemployment insurance; in Newfoundland, UI is the source of one twelfth of personal income.

Do you understand that, Mr. Speaker, that in my province one twelfth of all personal income comes from unemployment insurance? Do you think we want that condition to go on forever? The average for Canada is one fortieth, but in Newfoundland it is one twelfth. It might suit the Liberal government to believe that we are satisfied in Newfoundland with

unemployment insurance. But, believe me, we are not. We do not want Liberal handouts; we want work and we want the opportunity to work. We want to earn income, and that is what this struggle over the offshore is all about, because unless Newfoundland has the control and the administration of the offshore it will never have work. Our people will be like gypsies for the rest of their lives looking for work and leaving their wives and children behind.

I will quote now from a column written by Mr. Don McGillivray of Southam News. His article is written about the report. He writes about the average earned income in 1978, and let me stress the words "earned income". His column, in part, reads:

In 1978, the average earned income for Canadians was $6,928. The comparable average income per Newfoundlander was $3,710 or 53.6 per cent of the national average.

The earned income in Newfoundland is 53 per cent of earned income for the rest of Canada. Is it any wonder that we want justice? Is it any wonder that we want opportunities? Is it any wonder that we detest the government that sits in this House and tries to keep us from being in a position where we can earn our own way and make a contribution to the rest of Canada?

Let me give you some other figures, Mr. Speaker. The per capita income in Newfoundland is two thirds of the national average. That is because of transfer payments. We are grateful, of course, to be a part of Canada and to be receiving these kinds of payments, but we do not want always to be dependent upon the rest of Canada. When we have a chance to become independent and make a contribution, why is there a government in Canada—and there is a Newfoundlander who sits in its ranks, the Minister of National Revenue (Mr. Rompkey), who wants to stop us from ever being independent in Newfoundland—

Mr. Rompkey: Tell us about the hydro corridor.

Mr. Crosbie: Don't open your mouth, my son, or I will have to clean you up. I have no time for you. I have bigger game than you; the Minister of Justice (Mr. Chrétien).

Some hon. Members: Oh, oh!

Mr. Crosbie: Newfoundland's per capita income is two thirds of the national average. In family incomes, Newfoundlanders have 80 per cent of the national average. We are glad about that. We are glad to be part of confederation and part of the social security system. But now our turn is coming. We want our place in the sun. We want to make our contribution to Canada. We brought with us all of the wealth and the riches which the Government of Canada now wants to take and to control so that we will not have control over our own destiny and we will always be beholden to the Government of Canada. That is not good enough. It is not going to work. No courts can solve it. Only a politically reasonable settlement can solve it.

That brings me to a proposal which the Government of Newfoundland made on January 25, 1982. This proposal was never responded to by the Government of Canada. The lordly minister, the Minister of Energy, Mines and Resources who is here today for a brief few fleeting moments, never responded to the Newfoundland proposal. I do not have time to go into it in any great detail. But for any members who want copies of the proposal, I can provide them. This proposal was more than reasonable. The Government of Newfoundland said that it would like to receive 75 per cent of the total government oil revenues, the traditional share received by the western provinces, until its fiscal and economic situation reached the equivalent of that which pertains across Canada. When that point was reached, the federal government would take more and we would take less. In the economic formula that point would be reached when we in Newfoundland had the same national earned income and the same national unemployment rate as the rest of Canada had. Is that not fair? Are we to receive less as long as our earned income is less than the Canadian average and as long as our unemployment is worse than the Canadian average? Is there anything unfair or improper about that proposal? Of course not.

• (1520)

Then it went on. They wanted joint management. Newfoundland did not claim that it wanted absolute ownership and control. It suggested a seven-member joint agency in which each government would have three members, with an independent chairman and a board to administer it which could not be overridden by the Minister of Energy, Mines and Resources who can override the Nova Scotia board whenever he wants. They wanted joint management. Joint means joint; no one is superior to the other. This is what Newfoundland suggested, but members on the government side of the House would not even respond to that reasonable suggestion.

As I say, I do not have the time to go into all the points. They said that they wanted legislative ratification. They wanted the question of legal ownership set aside for as long as an agreement was entered into. I should like to refer to a few other brief points in the Newfoundland proposal. I will refer to a synopsis of it now, the March 16, 1982, analysis of that proposal. At page 8 it reads:

—we wished to negotiate a broad attack on unemployment using oil as the focus.

Some people think that Premier Peckford is a bit too harsh, a bit too extreme and a bit too excitable. Well, he is harsh, extreme and excitable because he is worried and concerned about the people of Newfoundland. He wants to use the offshore to negotiate a broad attack on unemployment, using oil as the focus. I say, "Premier Peckford, carry on. Whatever the controversy or the criticism is, you are trying to do something for your own fellow Newfoundlanders to put them on their feet, so that they do not have to tip their hats or bow their heads to anyone".

At page 9 it reads:

The Province must be in a position to influence the pace and manner of development and to ensure that the traditional industries of the Province are protected.

Surely to God anyone who has gone to Scotland and has seen what happened in Aberdeen, or anyone who has gone to Norway, will know what the effects of the offshore are on the

inshore. The local government or the provincial government must be in a position to control building and to control the pace of development. They have to supply the infrastructure, the roads, the water and sewage and all these things. They have to be provided by the province. We have to protect our traditional industry, the fishery. Are we to let the fishery go just because the greedy-guts federal Government of Canada now wants to hurdle on with the development of Hibernia since the Beaufort is in trouble and the Minister of Energy has assassinated the Alsands tar sands plant, has suffocated the Cold Lake heavy oil plant and has set back the oil and gas industry in Canada by years? Are we in Newfoundland to suffer? Are we to give them control and now let them rush, no matter what happens on land in Newfoundland, to get the oil out of Hibernia? Never, it will not happen. It does not matter what legal decisions are arrived at.

At page 10 in the same document it reads:

> It must be remembered that, even if an offshore agreement was signed with the federal government today, there would be no resource revenues for the province for five or six years . . . until production starts.

We are not talking about immediate wealth for Newfoundland. There is no wealth. It will be five or six years before the province will get a penny if an agreement is signed this year. The province is in dire straits financially, as are most provinces. This is no bonanza for Newfoundland. We will not rush off to the banks and start banking our money. It will be five or six years before there will be any revenue for Newfoundland, even if there were an agreement this year.

Then the document goes on to point out that every proposal advanced by the Government of Canada included federal ownership as the underlying premise. Then at page 13 it points out what the Newfoundland proposal recognized, that our earned income was only half the national average and the need for the tax burden to be reduced on Newfoundlanders. We in Newfoundland have the highest sales taxes in the country and the highest cost of living. The cost of living is 17 per cent higher. It is higher in St. John's than it is on the mainland. We have the lowest incomes and the highest cost of living. We want that changed before we reduce the revenue which should come to Newfoundland from offshore oil and gas. Also it indicated that the provincial debt should be retired. We have a very heavy debt burden.

The document went on to indicate that capital expenditures should be financed from revenue rather than from borrowing, and that the provincial income should be diversified to provide for the day when the resources run out. Is that unreasonable? No, it is not unreasonable. Revenue sharing has to be based upon equity, as was indicated on page 14.

My final quote from this document is at page 17. It reads:

> In summary then, the present federal proposal is faulty because it:
>
> (1) has no assurance of permanence;
>
> (2) represents total federal control not joint management;
>
> (3) denies the Province a constructive partnership role;
>
> (4) fails to acknowledge the Province's right to a fair share in resource revenues and offers instead a new form of welfare payment; and
>
> (5) fails to provide a comprehensive commitment to a program of economic development based on offshore resource development.

That is what was wrong with the federal proposal.

The federal government would not respond to that proposal. The Minister of Energy, Mines and Resources would not respond to it. The Newfoundland Government said two things. It wanted the Prime Minister (Mr. Trudeau) to stick to his promise to set aside the question of ownership while negotiations went on, and to set it aside if an agreement was reached. It wanted the federal government to agree again to that, after its treachery in the SIU case. The second thing it wanted was a response from the federal government as to what was wrong with that proposal. I have the document right here. They wanted the federal government to say what was wrong with that proposal for settlement which they presented on January 25. That is all they wanted from the federal government, but the Prime Minister, in his surprise attack on May 20 when he referred this matter to the Supreme Court of Canada, ignored all that and said that they were setting down pre-conditions which he could not meet.

Let me move on to May 19. I will not get into the question of the Minister of Justice and what he did when he was asked a question on May 19. I have put down a private member's motion, which I am expecting the government to call in the House shortly, about the conduct of the Minister of Justice who misled this House.

Mr. Tousignant: You will probably ask him to resign.

Mr. Crosbie: Oh, my dear friend, the Minister of Justice will never meet the challenge. He has turned pale and has run so far that we cannot even catch a glimpse of him.

I have a motion. It is the government's obligation to call this motion, which accuses the Minister of Justice of misleading the House. I will not say in what manner because we will get into a little hassle over whether or not it is parliamentary. I have asked for it to be referred to the Standing Committee on Privileges and Elections, and that the committee report to the House as to whether the conduct of the minister was consistent with that expected of a minister of the Crown. Unless the Minister of Justice is a complete poltroon, or unless he wants to confess that he misled the House on the day in question, I am expecting the government to vote for my motion as soon as it gives it time to be debated. Then we can put this matter to the test and see.

Mr. Collenette: Speak to the bill.

Mr. Crosbie: I am going to speak to the bill.

Mr. Collenette: Then do it now.

Mr. Crosbie: I do not want to speak about the Minister of Justice. He is a hopeless case. He is afraid to be here and to get involved in this debate.

I will skip the question of what went on on May 19, but on May 20 the government put out a misleading press release when it referred this matter to the Supreme Court of Canada.

I have a copy of the release in my hand. This copy of the release was filed in the Supreme Court of Canada registry. Never in our history, as far as I could find out, has a political document of the Minister of Justice ever been filed in the registry of the Supreme Court of Canada. It was a political insult to the Supreme Court of Canada. The docket number was 17096, and it was filed on May 20, 1982. It was a statement by the Minister of Justice on the Newfoundland offshore reference. It was a disgraceful piece of action by someone, either in the minister's department or in that registry, to put that in the docket with the notices of motions and other documents. It indicated that the Government of Canada had filed that day with the Supreme Court of Canada a reference concerning jurisdiction over seabed resources in the Hibernia area offshore Newfoundland. That was not the truth; that was an untrue statement. It is not just the Hibernia area. Everyone in the country knows the Hibernia area to mean the Hibernia oil well or the Hibernia oil field.

Also I have here an affidavit of Steven M. Millan.

Mr. Collenette: Mr. Speaker, I rise on a point of order. Is it Mr. Speaker's intention to ask the hon. member for St. John's West (Mr. Crosbie) to speak to Bill C-103, which does not deal with the offshore issue?

The Acting Speaker (Mr. Blaker): The hon. member for York East (Mr. Collenette) put his intervention as a question to the Chair. I am a bit awkward about replying directly in that fashion to members who may want to question the Chair. The argument about relevance is extremely difficult. I have been paying attention to the hon. member for St. John's West (Mr. Crosbie). I think the only thing I could say is that if he will attempt to direct his remarks toward the bill, it would probably be of assistance. But I will not find that the hon. member is not relevant.

Mr. Crosbie: Mr. Speaker, I know that they do not want to listen to the truth. Bill C-103 defines Canada lands. They have defined Canada lands to include the Hibernia area and all the east coast of Newfoundland and the Labrador offshore area. How can any feeble-minded twit from the government benches opposite suggest that it is not relevant for me to discuss the area that is included in Canada lands?

• (1530)

Some hon. Members: Hear, hear!

Mr. Crosbie: I should have said honourable twit.

I refer to an affidavit of Steven M. Millan, executive director of the Petroleum Directorate in Newfoundland. He has examined the order in council, and the area described in it comprises 819.9 square acres or approximately 212,000 hectares—this is for the government opposite since they only deal in hectares—and 35 square miles is the area. In that area is the Hibernia oil field, the Nautilus geological structure, the Terra Nova geological structure, the west Ben Nevis and the Ben Nevis geological structure which are all oil fields, or potential oil fields. Therefore, this is not just a reference about the Hibernia oil field, as was pretended by the minister in his release and as was stated by the Prime Minister in his letter. They know not how to be accurate when it comes to describing the facts or telling the truth.

There are pictures of the structure, but I dare not show them to the House since that apparently is not in order. It is also pointed out in the affadavit that even if there was an agreement reached now it would be three to five years before all the environmental and development plans could be approved. It would be over five years before there could be any production. What is the rush? What is the hurry, in other words, for the federal government to slam-bang this into the Supreme Court of Canada when the field, at best, could not be developed for another five years? It will have a life of about 25 years from first to final production.

Incidentally, as you know—I think I mentioned this last night—it was on February 12 that Newfoundland referred this matter to the Newfoundland court of appeal. We are even given false information in the Prime Minister's statement and the minister's press release on May 20. The tissue of deceit, deception and false information clouds the whole issue. One of the questions is this: is there a precedent in the history of this mighty dominion, our confederation, or has there ever been one case or situation where the Government of Canada intervened when a provincial government made a reference to its highest provincial court? Has there ever been a case in our history when the Government of Canada, against the objections of a province, took it out of the hands of the highest provincial court of appeal and referred the case instead to the Supreme Court of Canada without the consent of that province?

I will tell you that the Library of Parliament, legal authorities working for the province of Newfoundland and other people here have not found one precedent. Did that deter this Minister of Justice? Did that deter the man who is supposed to be the fountain of our justice system? It did not. He went to a meeting of the Standing Committee on Justice and Legal Affairs on May 27. In giving testimony at that meeting he stated, quite improperly and falsely, that there were precedents. He cited six or eight precedents which, he said, applied to this situation. The Leader of the Government in the Senate, Senator Perrault of the other House, spoke in the other place and said there were 12 precedents. Senator Flynn of the other House had the Library of Parliament check into this. He could not believe his ears that the government was claiming that there were 12 precedents of the Government of Canada stepping in against the will of a provincial government to take a matter and refer it to the Supreme Court of Canada although it had been already before the highest court of the province. The report of the Library of Parliament was attached to the Senate *Hansard* of June 2. If you turn to the appendix of the Senate *Hansard* of June 2, you will find, on the last page called "A Critical Analysis of Reference Case Precedents", that the research branch of the Library of Parliament had considered all these cases and states:

—whether a question has been referred by the central government to the Supreme Court of Canada for adjudication while the same question or a similar question is pending on a reference before a provincial court of appeal. In addition, it is appropriate to examine the attitude of the provincial government as to whether it supported the reference by the central government, or whether it opposed it and decided to continue with its own reference before its own court of appeal.

It took every case cited by Senator Perrault and every case cited falsely to the House of Commons Justice Committee by the Minister of Justice. In every case, not one is relevant to that issue. The only case which even appears to be in the same league at all is the 1932 Radio Broadcasting Act. In that case, the matter was referred by the central government to the Supreme Court of Canada without any opposition from the province of Quebec to that reference. The reference to the Quebec court of appeal did not proceed because the Quebec government preferred to have the matter proceed to the Supreme Court of Canada.

All 12 of those references cited by the highest legal officer in this land, given to the leader of the government in the Senate to mislead the Senate, were used by him to mislead the hon. members of the House and the Justice Committee and were not precedents at all. It is unprecedented that the head of a judicial system in Canada should carry on in such a careless manner. If we suppose that he did not know that these cases were not references, he should then dismiss all of his staff who advise him. He should do that because, knowingly or not knowingly, he misled the House of Commons Justice Committee and he allowed the government leader in the Senate to do the same.

If that were not bad enough, while he was doing that he said, as recorded at page 8917 of the Justice Committee hearings, that there was a good precedent created by the prime minister of Canada, Mr. Bennett. That is the case to which I just referred, which is not a precedent at all.

He had this insulting remark to make about Senator Lang of the other House. Senator Lang had introduced a resolution in the other House which deplored the actions of the government in going ahead with this reference to the Supreme Court of Canada. I refer you to the Senate debates on May 20 as reported at page 4160 where Senator Lang moved a motion that the Senate deplores the decision of the Government of Canada to refer to the Supreme Court of Canada the question of jurisdiction over the seabed resources off Newfoundland called Hibernia while at the same time the appeal court of Newfoundland is seized with the matter that includes this very question.

Senator Lang is a Liberal member of the Senate, but he is a man who has a strong sense of respect for the judicial institutions of this country. He is not a toady of the Prime Minister. He is not a tame tabby or a little pussycat of the Liberal caucus. He is an independent man who moved that motion.

The Minister of Justice, who has never practised law or, if he has, it has not been for the last 17 years—just to show you the breadth and dimension of this man who heads our justice system—said, "It is evident that Senator Lang is retired. He does not work as hard as he used to because he would have found that very easy." In other words, he would have found those precedents that supported the federal action. In the first place, the precedents do not support the federal government's action. In the second place, Senator Lang is not retired. He still practises in Toronto. He has more brains, more nerve, and more gumption in his little finger than the Minister of Justice has in his whole body. If you include the rest of the cabinet, Senator Lang would be far ahead of the 34 of them put together. That is the kind of denigrating remark that this small-minded Minister of Justice made about Senator Lang because he moved this motion in the Senate. He continued with all this misleading evidence about these references, which the Library of Parliament research branch has shown to be false.

The Hon. Eugene Forsey went through all the precedents as well. I hold a list from the former Senator who finds exactly the same thing. None of those 12 precedents were relevant. None of them are on all fours with the Newfoundland case. Mr. Forsey has reviewed them, and I daresay no one will say that he is not a worker.

Senator Eric Cook of Newfoundland quit the Liberal Party because he could no longer stand for this kind of action when the federal government referred this matter to the Supreme Court of Canada. Senator Cook is one of our foremost legal luminaries in Newfoundland and is a man with more backbone and courage than any thousands of others whom I could name. He finally quit the Liberal Party because he could no longer take it. Incidentally, I heard a report of his being denigrated by one of the reporters in our press gallery who said on a radio program, "Who is Senator Cook?" "What has he ever done", this twit asked? This person from central Canada, who I doubt has ever been to Newfoundland, tried to insult Senator Cook and asked, "What does it matter whether Senator Cook had left the Liberal Party or not?" Well, what matters is this: it shows that in our Dominion there are people who believe in principle and still have the courage to carry out their principles, who are prepared to leave the party they have lived with all their lives and have supported and worked for, because they can no longer take what is happening. That takes people of courage. That takes more courage and more character than that particular cretin from the press gallery will ever exhibit. Senator Cook's resignation is a great loss to the Liberal Party of Canada, believe you me.

• (1540)

I know that, unfortunately, we are limited in time. I just want to make one more reference to—

Some hon. Members: Oh, oh!

Mr. Crosbie: You see, I do not think I have repeated myself more than once or twice in this debate. That shows how much there is to say, because I want to ensure that the people of Canada and hon. members of the House who care to listen understand. This is not some greedy, grasping group of people down in Newfoundland trying to take something from Canadians that it is not their right to take, or trying to keep from

Canadians some resources which all Canadians should share. This is a group of people in Newfoundland trying to struggle to haul themselves up by their bootstraps. Anyone who has looked at our history and seen what we have been through will realize why there was a 61 per cent vote for the Peckford administration on April 6, and will realize what will happen to the five Liberal members who now sit in the House and have turned their backs on the people of Newfoundland while sitting here. I cannot wait for that next election to come.

Mr. Rompkey: Tell us about the hydro corridor.

Mr. Crosbie: Pardon?

Mr. Rompkey: Talk about standing up for Newfoundland on the hydro corridor.

Mr. Crosbie: The hydro transmission matter is widely understood in Newfoundland. You are trying to cut the guts out of the National Energy Board and are throwing in this little hydro clause as a sop. No one has been fooled by that, and no one thinks that hon. members opposite are friends of Newfoundland. Well, there might be a few out of the 620,000 people down in Newfoundland who think they are interested in Newfoundland.

The former Senator Forsey, who is widely regarded as a constitutional authority, said this about what the Government of Canada has done:

> The Dominion government's action is, as far as I know, unprecedented. It is in marked contrast to the procedure that government itself followed on the patriation resolutions. It is certainly irregular. It interferes with the normal judicial procedure by virtually removing from the Newfoundland Court of Appeal an essential part of the question placed before it. It is highly improper. It is a tactic that undermines the whole judicial system.

Unfortunately, our justice system is headed by the present Minister of Justice who does not understand and who has shown by his behaviour that he is quite prepared to interfere with our court system and the judiciary whenever he thinks it is to his political advantage. He is a man who can insult and denigrate a judge and criticize him obliquely without giving it a second thought. If we had a proper Minister of Justice who had any character or backbone, this incident would never have happened.

The Newfoundland Court of Appeal has set October 6 of this fall as the date when all of the documents and factums are to be in and when it will set the date for the hearing of the issue referred to it by the Newfoundland government, which involves the whole offshore area. The issues in that case are not one bit different from the one concerning the matter which the federal government has now sent to the Supreme Court of Canada. The Supreme Court of Canada has now set the date for its hearing at November 27, I believe. In my view, it was a very bad mistake by the Supreme Court of Canada to set that matter down to be heard while the case is still before the Newfoundland Court of Appeal and a decision has not yet been rendered. They were put in a very difficult position.

An hon. Member: Come on, wind down.

Mr. Crosbie: My friend to the left wants me to wind down. This is exactly what I am doing. They only reason I am doing that, of course, is that we agreed to a certain limited number of hours to deal with these energy bills and there are other hon. members on this side of the House who have a contribution to make.

There is no issue more important to this country than the issue I am speaking on now, because this is an issue which will not be settled for a long time yet and will not be settled unless we have a different government or see a complete change of attitude in the hon. members who sit opposite. It may, in fact, endanger our confederation unless there are changes in attitude.

So I will now wind up. I think I have done my best to try to explain the offshore issue to hon. members of this House.

I will quote from an editorial in the London *Free Press* of May 24, 1982. It starts off by discussing whether or not the federal Minister of Justice deliberately misled the House of Commons, and said that, whether or not he did, "he certainly was less than candid." I think we can all agree with that. The editorial goes on to state:

> But Crosbie is right to call for an investigation of Chretien's remarks. It would be useful for a parliamentary committee to review the standards of candour to be expected when ministers of the Crown respond to questions in the Commons.

It is very necessary to review the standards of candour to be expected when ministers of the Crown respond to questions in the Commons.

One of the most startling, highly unusual explanations of the Minister of Justice for the answer he had given to the questions on May 19 was when he said that in his mind there had been certain conditions. He now feels that whatever, is in his mind, of course, is something that he has said. He said, "There was a decision which had been made with some conditions attached. I just said there was no decision because some conditions had to be met". The minister said there was no decision because, although there was a decision, there were some conditions which had to be met. The standards of candour of ministers should definitely be reviewed. I am hoping the government will vote for my motion when it comes forward, when the government gives it time, if it has the courage to do that.

The editorial goes on to state:

> As for the oil and gas court case, there is nothing illegal about the reference to the Supreme Court, but it is of questionable propriety.

That is quite right and exactly on point. At the end, in reference to the Newfoundland court, the editorial states:

> Out of respect for that court and in the absence of any compelling need for a quick and definitive decision, the Trudeau government should have left the matter alone, while reserving the right to appeal an adverse ruling to the supreme court of Canada.

That is also quite right, and I highly recommend that the government rehabilitate itself in part by withdrawing the reference it has made and waiting until the Newfoundland Supreme Court deals with the matter. It should then be appealed in the normal way, to be heard in 1983, here in Canada. The government will not see any quicker development

of the Hibernia or the Hebron or any other oil field of eastern Canada by following the route it is taking. In addition to that, it has shaken the judicial system in Canada to its foundations. The government is on the wrong course. The people of Newfoundland have right and justice on their side. They want to be able to earn their own income and they want their turn in the sun. Only the kind of settlement that our party proposes for them will be the kind of settlement to settle this issue in a manner which is true to the nature of Canadian confederation. That is why it is important that this government either completely reverse itself or have the courage now to go to the electorate of Canada to see whether the people approve of the kinds of actions it has taken in the last two years and three months.

The Acting Speaker (Mr. Blaker): The hon. member for Spadina.

Mr. Heap: Thank you, Mr. Speaker. I am—

The Acting Speaker (Mr. Blaker): Order, please. This will be a matter for the hon. member for Spadina to decide upon, I think. Ordinarily, the Chair looks from left to right, and in the debate on Bill C-103 there has been a tendency by the occupant of the Chair to look to the left, more usually. I just noticed that the Minister of National Revenue (Mr. Rompkey) is on his feet, but I have already recognized the hon. member for Spadina. Would the hon. member care to follow the usual procedure in going from left to right, and I will recognize him after the minister?

Mr. Heap: Well, Mr. Speaker, can I have an indication as to whether the minister, in speaking for the government, will attempt to match the length of time of the hon. member who spoke before? If so, perhaps we could make our plans accordingly.

The Acting Speaker (Mr. Blaker): I will recognize the Minister of National Revenue.

Hon. William Rompkey (Minister of National Revenue): Thank you, Mr. Speaker, and I want to thank the hon. member for Spadina (Mr. Heap) as well. I want to say at the beginning that I do not intend to match the time used by the hon. member for St. John's West (Mr. Crosbie). He said that he shed some heat on this question, and I hope I can shed some light.

I want to deal in the beginning, however, with the issue of courage because that has been raised as an essential element, courage on the part of the hon. member for St. John's West, courage in the sense of Newfoundland standing up against Canada. Canada is portrayed by the hon. member for St. John's West and other politicians in my province as being the enemy. You are courageous if you agree with the hon. member for St. John's West and the Premier of Newfoundland. However, if you hold a different position, you are somehow lacking in courage. You are considered not courageous and not standing up for your province. In my opinion, that smacks of demagoguery and I do not accept it. There are two points of view and I hope I can put the other point of view on the record today.

• (1550)

In terms of courage and standing up for Newfoundland, I want to ask the hon. member for St. John's West where was he standing up for Newfoundland when this government introduced in this House a bill to give Newfoundland the right to transmit hydro power across the province of Quebec to market. Where was he when that happened? That bill was put forward by a minister from Quebec and voted on by 74 Members of Parliament from Quebec from this side.

The hon. member for St. John's West took his courage in his hands and sat down for Newfoundland. That is what he did. He abstained. His party voted against it. The Conservative Party of Canada voted against the right of Newfoundland to have a hydro corridor to transmit power to market.

The hon. member for St. John's West, who talks so much about courage and for standing up for Newfoundland, sat down. He abstained. He did not vote for that. Let that be on the record. In the years to come, the record will bear out who in this House has courage, who has not, and who stands up for Newfoundland. The Government of Canada, we on this side of the House, want what is best for Newfoundland and Labrador.

This bill encourages Canadianization of the oil industry. It is a step toward self-sufficiency. We have to rely on all sources of oil if Canada is going to be self-sufficient.

I want to talk, as did the hon. member for St. John's West, about the offshore issue because it is crucial to my province at this time. I want to talk about the recent reference to the Supreme Court and about why there was no other option at this time but for the Government of Canada to proceed to the Supreme Court with a direct reference on ownership and the jurisdiction of those offshore resources.

There was no other option. For 14 years we tried to negotiate a settlement, a political settlement between the two levels of government. All the attempts over those 14 years failed. In order to get the matter resolved quickly, to get development going, to create jobs and revenue for Newfoundland and Labrador, if ownership is what is important, let us get it settled as quickly as possible. Let us get it settled in court.

Eventually it has to go to the Supreme Court of Canada, and a judgment has to be rendered. It does not matter what the Newfoundland court decides. Therefore, our position was to put the ownership issue in court if it was the important consideration. It can only be decided in court. I cannot decide ownership, nor can the opposition or the people of Newfoundland. Only the Supreme Court of Canada can decide ownership. The ownership issue cannot be put aside. Nobody can guarantee that the ownership issue can be put aside forever. Anybody can bring that issue to court.

A case in point is the SIU case. It was not the Government of Canada or the government of Newfoundland which brought the SIU case before the Supreme Court. It need not be a government which goes to court. Anybody can go to court. An

oil company can go to court and get the ownership issue decided. If that is the important issue, it can ask the court to decide.

It cannot be put aside forever. Nobody can guarantee that. At some point in time it may be decided. If that is the case, why not decide it quickly and get it out of the way?

Newfoundland has nothing to lose with this action. There are those who say that Newfoundland has a good case, that it has a unique case. They say that Newfoundland came into confederation with certain resources. I believe that Newfoundland has a unique case. If that is true, then what have they to fear in the judgment of the Supreme Court? What have they to fear in a reference to the Supreme Court? If the case is good and just, there is nothing to fear from a judgment by the courts.

If Newfoundland wins, then it has ownership and can operate as if it were Alberta. However, if Newfoundland loses, it can still have a political deal. Where is the loss for Newfoundland? In this action Newfoundland is in a winning position no matter what happens. If it wins, it has ownership and can act like Alberta. If it loses, it can still make a political deal.

What is important is the deal. I do not believe that ownership is the important issue. I have never been able to understand why pure, bald legal ownership is the important issue. Let me give a case in point.

The opposition, including the hon. member for St. John's West, wants to make this government appear to be the enemy of Newfoundland and Labrador, this government which just opened up the St. Anthony fish plant in spite of the fact the Newfoundland government decided it would probably not issue a licence to that plant. That province has the highest rate of unemployment in Canada. There are 900 people out of work in St. Anthony. This government wanted to solve that problem, but it indicated it might not issue a licence. They would like us to appear to be the enemy. Are we the enemy of St. Anthony for wanting to put 900 people back to work in that community?

We were also the enemy when we created the Lower Churchill Development Corporation. Several years ago this government, this leader and this cabinet created the Lower Churchill Development Corporation, a 50-50 partnership of Canada and Newfoundland to harvest the hydro resources of the Lower Churchill River. The question of ownership is quite clear. Newfoundland owns every drop of water in that river. Who controls it? Who has jurisdiction? Who are the partners in the Lower Churchill Development Corporation? Canada and Newfoundland.

There is adequate precedent. There is no reason why the Lower Churchill Development Corporation cannot be a model for the offshore. Ownership does not have to be the overriding and overbearing issue. I do not believe that ownership is what is important. What is important is a deal, a settlement.

In that regard, I differ very little from what I heard the hon. member for St. John's West say. After you strip away all the rhetoric, all the denigration of this side, all the attempt to make us appear to be cowards for not standing up for Newfoundland and to make this government the enemy of Newfoundland, the bottom line of what he said was that it does not matter what the Supreme Court decides. That is what I heard him say. I agree with that.

What is important is a political deal. We have a deal with British Columbia, one with Alberta, one with Saskatchewan and one with Nova Scotia. For 14 years we have been trying to get a deal with Newfoundland. We must have that deal no matter what the Supreme court decides. That is the important issue. We must have a deal with Newfoundland that is good for Canada and good for Newfoundland, a deal that will stand up over time no matter what the courts decide. That is the important line. I want to repeat it again.

The Minister of Justice (Mr. Chrétien) went to Newfoundland to tell the people there exactly what we were doing and why. That is what he said in his release, and that is what the Prime Minister (Mr. Trudeau) said in his letter, that we want a deal that will stand up no matter what the courts decide.

What are the elements of that deal? For us they have not changed. Essentially there are two. The first is maximum revenues to Newfoundland, 100 per cent of the possible revenues to the government of Newfoundland. Why would we ask otherwise? Even if from a moral point of view, we should not give 100 per cent of the revenue to Newfoundland, and we should, look at the practicality. Equalization payments will flow to Newfoundland in any case. It is much better to have Newfoundland economically independent, standing on its own two feet financially. I thoroughly agree with that, as does the Government of Canada. That is why one of our principal negotiation positions has been 100 per cent of the possible revenues going to Newfoundland. What we would take out probably would be the federal corporation tax and no more. Indeed, in that settlement, Newfoundland might get more, and probably would get more than if it owned the resource, because Alberta now gets 23 per cent for a barrel of oil. Whereas in Newfoundland, if a proper deal were made, we could get more out of the deal than Alberta presently gets who owns the resource inshore.

• (1600)

So the first negotiating position is maximum revenues to Newfoundland. The second one is along the lines that I have already indicated, along the lines of the model of the Lower Churchill Development Corporation, that is, a joint administration. It is not Newfoundland or Canada, it is Newfoundland and Canada. We are fortunate to be part of a federation whereby we can have a government that is strong enough to help us when we need to get something developed in our province.

Some hon. Members: Hear, hear!

Mr. Rompkey: We need the Government of Canada. I do not need to tell Newfoundlanders what Canada has meant to them since 1949. One of the Premiers of Newfoundland has

called confederation a blessing. That is the case, Mr. Speaker. It is not simply a matter of handouts, it is our right to expect that, it is our right to expect that Canada will help us now. And she will, if we will give her half a chance. What we want is a joint board, a joint administration on the part of Canada and Newfoundland. It does not have to be the Nova Scotia deal. In the Nova Scotia deal I understand that the power given to Nova Scotia was in the form of a veto.

Mr. Crosbie: No veto. Look at the agreement again.

Mr. Rompkey: That is a possibility. My understanding is that Nova Scotia can hold any decision up for a period of time if they do not like it. That is power, power to Nova Scotia.

Mr. Crosbie: Try and be truthful. There is no veto by Nova Scotia.

Mr. Rompkey: If that is not acceptable to Newfoundland, then there are other options.

Mr. Crosbie: Tell the truth in your speech.

Mr. Rompkey: We went through the 1980 election, Mr. Speaker, and since that time, on the basis of a joint administration between Canada and Newfoundland. I do not want to talk about the details.

Mr. Crosbie: On a point of order, Mr. Speaker. The minister is misleading the House. Can he point to any section in that Nova Scotia agreement that gives them a veto over decisions? The power is in the hand of the Government of Canada and the minister. The minister is misleading the House, unless he can point to a clause.

Mr. Rompkey: Mr. Speaker, in the Nova Scotia agreement I mentioned an option, an option.

Mr. Crosbie: You said "veto".

Mr. Rompkey: There are other options. Newfoundland can have its own unique deal if it so desires, a deal that will be set on that basic principle of a joint administration between Canada and Newfoundland. It does not have to be the Nova Scotia deal, it can be a different deal, a unique deal, specifically for Newfoundland. But you cannot negotiate a deal if you walk away from the table. That is exactly what happened.

We are being accused now of putting an issue in court. It was the government of Newfoundland who put that issue in court, Mr. Speaker. It was the government of Newfoundland who walked away from the negotiating table and put that issue in court. What we are saying now is, if it is in court, let us settle it as speedily as possible. We want to get back to the bargaining table because we want on this side what is best for Newfoundland. I have already cited instances of that. There is a need for oil development now in Newfoundland. It is not going to be the saviour and there will be difficulties. Let us not underestimate that. There is a direct conflict between oil and fish. Let us not paper over the difficulties that we have, let us not paper over the fears of many of our people.

I know there are people with money invested who want to get going on the offshore. But there are also a lot of people in small fishing communities in Newfoundland who fear what might happen as a result of that development. That is another reason I think that we need the power and the support of the Government of Canada in transport, in national defence, in environmental protection, to make sure that we have the laws of both governments on our side.

There is a need to create jobs, there is a need to create wealth. My colleague to the left of me now—who was formerly the minister of regional economic expansion—has said many times that the people whom I represent are among those in Canada who need help most. They need real help, real dollars, real jobs, and the way to give them those jobs is to develop that resource. Let us get it going quickly, let us not put if off, let us not procrastinate, let us not wait for another day. There is need in Newfoundland, there is a need in Canada for that oil development. We have to have the resources in the Beaufort Sea and the resources of the Arctic and the resources offshore, if we are going to be self-sufficient. We can be self-sufficient in Canada. We have tremendous resources, if only we would stop arguing and fighting among ourselves and start working together.

Some hon. Members: Hear, hear!

Mr. Rompkey: If only we could do that, Mr. Speaker. We are our own greatest enemy in that sense. We are our own greatest enemy in the sense that we have so much to be thankful for, so many resources. We continually fight among ourselves and delay the development of those resources which could bring us such great wealth and such great power and such a great economy.

So there is a need in Newfoundland, there is a need in Canada; and both those needs can be addressed and both those needs can be resolved. That is so if we can have a deal, if we can sit down at the same table and work things out, as we did on the Lower Churchill Development Corporation. We did it in Newfoundland. If we can work things out as we did in British Columbia, work things out as we did in Saskatchewan, work things out as we did in Nova Scotia, work things out as we did in Baie Verte in my province a little while ago on the asbestos mine. In that last case the government of Newfoundland and the Government of Canada sat down together at a table and worked out a deal. It is possible, it can be done, with men of good will and men of vision, Mr. Speaker. That is what has to be done with the offshore. I do not think we should play the game of making friends and enemies, who is for us and who is against us, who has courage and who has not. That is rhetoric. What the people of Newfoundland want now is some wisdom and some good will and an earnest desire to develop their resources for Newfoundland and for Canada. There has to be federal involvement. I would urge the government of Newfoundland to come back to the bargaining table.

The leaders of the churches in Newfoundland recently sent a telex to the Prime Minister and a telex to the Premier of

Newfoundland. I will not read the whole of it, but I will read part of it, Mr. Speaker. It says this:

—the process of negotiation is the obvious method of reconciling differences and producing some real agreement ... If this is impossible ... it is all the more important that the issues be clearly and decisively resolved by placing them before the courts of the land in some mutually agreed way.

In some mutually agreed way. If there has got to be a reference, let it be a joint reference. We asked for that. We would have preferred that, I think it is fair to say. "It is all the more important," they say. The bottom line in the telex from the leaders of the Roman Catholic Church, the United Church and the Anglican Church in Newfoundland is this:

—to enter immediately into serious and meaningful discussions on offshore jurisdiction. If as a result of such discussions they see no alternative but to put the matter before the courts, we would urge that they do this in a manner which recognizes the legitimate interests and concerns of both parties.

In other words, there is a case for Canada, there is a case for Newfoundland. In other words I think what they are saying is, and I support it—and I did not hear the hon. member for St. John's West not support it; as a matter of fact, if there was a bottom line in his speech it was exactly the same—that this can really only be solved, this offshore question, by negotiation. There really has to be a political settlement, no matter what the courts decide. I would urge Newfoundland to come back to the table, I would urge them to sit down in good faith, with some vision and with some wisdom, and strike a deal that is good for us in all parts of the country.

We do not have to choose our citizenship. I do not have to choose between being a Newfoundlander and being a Canadian. I can be both at the same time, and I can work both for my province and for my country. I think that is possible, and I think that those around that table at that time will be able to do the same thing. That is what has to be done, Mr. Speaker. I urge now that rhetoric be put aside and that all of us who really have the best interest of Newfoundland at heart come to the table and start negotiating that deal.

Some hon. Members: Hear, hear!

Mr. Crosbie: On a point of order, Mr. Speaker. I would like to ask the hon. minister a question just as he is finishing. Is the minister saying that the Government of Canada is now prepared to discuss this and to give a response to the Government of Newfoundland in connection with its proposal of January 25, 1982, which up to now it has refused to respond to? Is the minister prepared to put aside the question of ownership while the negotiations continue and if an agreement is reached? Is that what the minister is saying?

• (1610)

Mr. Rompkey: Mr. Speaker, all sort of responses are possible if you are sitting at the table, if you are discussing, if you are having a conversation, if you are negotiating. All kinds of responses are possible then, but if you are not negotiating, responses become very difficult. I do not think we should be negotiating at arm's length and I do not think we should be negotiating through the media. I think if we have good will and the interests of Newfoundlanders at heart and if we come back to the table with no pre-conditions, then there will be a response. I do not think the Government of Canada has had an opportunity to give a response.

Mr. Crosbie: Why not?

Mr. Rompkey: Because there is nobody at the table to respond to. I am saying we should get back to the negotiating table. Other deals have been struck, and we could have a deal as well.

Mr. Dan Heap (Spadina): Mr. Speaker, I have chosen this occasion to speak in opposition to Bill C-103, especially because it is an example of what the government's policy is doing to the working people of Canada. In that I include Newfoundland and not least the Province of Ontario of which I represent a part, the mainly working-class riding of Spadina.

This bill deals in part with taxes in relation to the oil industry, the maritime taxes, the airline taxes, taxes for oil compensation, taxes on ownership and so on, while other bills deal with grants and huge giveaways to the richest and most powerful corporations in the world. This bill deals with the method by which the government collects billions of dollars from the working men and women of the country and hands them over to the oil companies.

All this can be illustrated by some figures covering the last two years, Mr. Speaker. In 1980 the average home burned about 4,500 litres of heating oil and would have paid about $400 for it; in 1981 that would have cost $1,170, and in March of this year it would have cost $1,275. In the same way, a family in which the breadwinner has to commute to work by automobile, in 1980 would have paid $216 for about 2,700 litres of gasoline, the following year it would have cost $945, and as of March this year it would have cost $1,030. These expenses which totalled $616 two years ago now total $2,305, so there is a difference of nearly $1,700. That comes out of the pockets of working men and women—if they are lucky enough to have a place to live and a job. In other words, the original cost of a little over $600 has more than tripled in two years.

In the over-all picture there has been a 30 per cent rise in the cost of living, all of which comes from the increase in the price of oil. This is happening at a time when the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. MacEachen) daily tell working people to restrain their demands, not to ask for more money. They expect these people to pay 30 per cent more for necessities within two years because the government is taxing them for oil, but they are not to ask for any more money to help pay that tax. In fact, a large part of that increase in the price of oil comes from taxes.

It is interesting that Imperial Oil and its friends are putting out advertisements which, with the usual kinds of half truths, say that $3 out of every $5 of the cost of gasoline goes for taxes. That may well be true, but what Imperial oil and its friends try to hide from the working people of this country is that every cent of the taxes they pay to the federal government is returned to them, and more besides.

In the three years between 1977 and 1980 this government, and the short and unlamented government of the Conservative Party which had six months in which to make matters as much worse as it could—in tax concessions to the oil companies gave them $13 billion at a time when only $5 billion was collected from them. In other words, the giveaway by the Liberal and Conservative governments to the corporate welfare bums that are the oil companies, was $8 billion or almost $700 per worker in this country.

This year the government plans to give away much more. It was announced a couple of weeks ago that Imperial Oil and its friends would receive an extra $2 billion. The government has already taken $1.3 billion out of transfer payments to the provinces for health and education and has given it to the oil companies. In fact, what it is doing is offering the oil companies a subsidy of 80 to 93 cents on the dollar for a great deal of their exploration activities.

We have heard a lot of preaching from members on my right about how the oil companies know where to find oil, but they do not like to practise what they preach because they ask the working people to pay 80 per cent to 93 per cent of the cost of finding that oil. Then when the oil is found, using the taxes of working people, Imperial Oil and its friends to my right in this chamber, want to own the whole thing and cream off the total profit.

The whole system is now collapsing around the ears of the Prime Minister and the former prime minister, now the Leader of the Official Opposition (Mr. Clark). It has been admitted by the Prime Minister and half admitted by his deputy, who has had to come back from Europe to try to hold the fort on the other side of the House that the fight against inflation was a tragic mistake. All the brave words that the Prime Minister and members on the government front benches have been spouting day after day for the last eight months were not true they now admit. This was their prime argument for enforcing misery on the working people of the country, and now they admit it was a tragic mistake. They have admitted that interest rates are too high and could go higher. They admit that bankruptcies have risen at a rate no one can remember unless they lived in the 1930s. They admit that unemployment has risen at a rate we have not heard of except in the 1930s and that all those evils are still increasing.

• (1620)

The government made cuts to health, education and housing and other services that working people need. It has broken promise after promise, such as the one to fund urban mass transit for the cities of Canada. This government will fund urban mass transit in New York City but not in Montreal, Toronto or Vancouver. It has admitted that factories are shutting down. We have lost about 350,000 jobs in less than a year, and the manufacturing industries which serve the Canadian people are in decline and laying off people by the tens of thousands. The government has absolutely no remedy because its only goal for the last eight months, as its members themselves said, was to fight inflation. The government has now admitted that was a complete mistake.

The Minister of Finance claimed he was going to reduce the deficit, but it in fact has come close to doubling it since he made that claim in November. All that time the one obligation this government honoured is the one to give taxpayers' money to Imperial Oil and its friends. The taxpayers are not in this case the corporations; they are the same people who originally produced the wealth of Imperial Oil and its friends. That system is falling down around the ears of the Prime Minister and his Minister of Finance, and around the ears of the Leader of the Opposition and members on his front benches who have admitted publicly that they have no alternative policies and no alternative to high interest rates. They will not lift a finger to cut the profits of the banks or the oil companies who funded their election campaigns. In fact, they are racing each other to give them more. They have only one solution to the problem they created with their huge giveaway of the working people's taxes: cut the workers' pay. Of course, the Minister of Finance told us in the last couple of days that he really does not want to legislate a wage freeze. Well, all you have to remember is the election campaign of 1974 when the Prime Minister ridiculed the idea of a wage freeze and won back his majority government by promising not to implement a wage freeze which the Conservative campaign was placing front and centre. One has to give the Conservatives credit for having been honest. They asked for a wage freeze and, had they been put in office, undoubtedly would have enacted one. But the Prime Minister promised no wage freeze and within a year he froze wages. In other words, the Liberals practise what the Tories preach. We have no reason to believe the statements of the Prime Minister or Minister of Finance when they tell us they do not have a wage freeze in mind. We have every reason to believe they are simply trying to con us, trying to lull the working people of Canada into trusting them so that overnight, as before, the Prime Minister can say we have been living beyond our means so he is going to tighten your belt. He will not tighten the belts of the oil companies or the banks; he will tighten the belts of the people who produce the wealth of this country.

There is a steady campaign, Mr. Speaker, headed by this government, to misrepresent and vilify the working people of Canada. At every point the government ignores the question of profits and points incessantly at wages and salaries as the cause of our economic troubles. The Governor of the Bank of Canada, just after he received his fat raise to $104,000, made a speech in which he said the minimum wage is one of the causes of inflation. He condemns a worker who wants to get $3 an hour for his work as being a cause of inflation. This government is being forced from bad to worse by its absolute adherence and loyalty to the corporate welfare bums. We have the pathetic spectacle of the former President of El Salvador, Napoleon Duarte, lamenting that his friends in El Salvador's assembly, elected in a fraudulent vote, and his friends in Washington who helped do it, have wiped out the land reform

program on which he staked his reputation. That is very similar to hearing our Prime Minister say that this whole anti-inflation fight, on which he and his government staked their reputation and risked the future of this country, is a tragic mistake. Just as Duarte's mistake came out of standing rigidly by the land owners of his country, so the Prime Minister's mistake comes from standing rigidly by the corporate welfare bums of Canada, the oil companies and the banks. He will not reduce by one penny the money he chooses to give them after he has taken it in taxes which do not even have a legal foundation. He has not passed the laws but he is collecting the taxes which he hands over to the corporations.

In spite of his brilliance, the Prime Minister of this country will go down in history as a failure. Like the unfortunate President of El Salvador, the Prime Minister has sold our country to people who do not care about Canada, most of whom do not live here and do not care two hoots who starves to death in Canada, and he will go down in history as an enemy of the Canadian people.

Mr. Bill Yurko (Edmonton East): Mr. Speaker, I spoke rather extensively on this bill during second reading so it is not my intention to do so again this afternoon. However, I want to make a couple of points. First of all, the $2 billion rebate to the oil and gas industry which was just recently announced is not sufficient to restore confidence in the industry, particularly on provincial lands. Something more is necessary.

• (1630)

A lady came to see me in my constituency office over the weekend. She told me that several years ago the governments of this nation offered working Canadians the possibility for equity investment in the oil and gas industry. In particular she mentioned the Alberta Gas Trunk Line which is now the Nova Corporation. Every Albertan was given the opportunity for equity investment in that corporation, in the tremendous growth of the oil and gas industry in Alberta. She also mentioned the Alberta energy company in which Albertans were given the opportunity for equity investment.

What I want to touch on briefly is the need for equity investment in our nation to get our economy moving. Right now Canada is sustaining itself primarily on debt investment. Debt investment creates a tremendous burden on small corporations and even on large corporations. For example, it was stated recently that the debt servicing of most companies in relation to net income went up from somewhere around 25 per cent to something like 66 per cent per annum.

Our economy is in real difficulty because of the fact that capital investment today is debt capital. Because interest rates are very high, a tremendous burden is placed on all areas of the business cycle, from the smallest corporation to the largest corporation.

The lady who came to visit me asked me when Canada would be getting round to permitting the working people of Canada to invest on an equity basis in Canadian industry instead of providing, literally, all the incentives for them to put their money into bonds, bank accounts and debt equities, through which they can gain a substantive amount of interest. I told her that I would come back to this House and try to put a resolution before it in that connection. Under the provisions of Standing Order 43, today I moved, the following:

> Madam Speaker, equity investment pessimism is pervasive in Canada. Canadians are investing their money outside of Canada and in high-interest-bearing bonds and certificates. This has substantively curtailed the ability for equity capital generation in Canada and has jeopardized the survival of small business in Canada because of the high cost of debt capital. A new budget is necessary to create confidence in the Canadian economy, and it must contain incentives for equity investment. Therefore I move, seconded by the hon. member for Bow River (Mr. Taylor):
>
> That any new budget abolish capital gains taxation on all equity investment in Canadian registered companies.

Because this is a taxation bill and because we are dealing with the energy industry, which industry needs other incentives today just as so many industries do too, I want to touch on the matter of abolishing capital gains. Capital gains taxation netted the federal government, both from a personal and corporate point of view, $195 million in 1975, $275 million in 1976, $320 million in 1977 and $450 million in 1978. I do not have the intervening figures for the last couple of years because they are still being worked on, but today the stock market has reached a new low.

Let me say that for the next several years the capital gains taxation process at the federal level will collect very few dollars because losses will be extremely high in every aspect of Canadian society this year and the next several years. If there ever was a time to use the capital gains regime to create some investor confidence, particularly in the equity market, it is today. If there ever was a time to use this tool, it should be used today because it would cost the government very little in terms of generated revenue. It is a tax that will have a very slight effect on the collection of revenues in the next several years, as the cost of collection almost exceeds what is collected. Therefore, it can be used justifiably as an incentive for growth and equity investment.

I would recommend strongly that the federal government look very seriously at the removal of capital gains taxation as an incentive for equity investment and therefore growth of the Canadian market. This will keep Canadian dollars in Canada for investment in Canada on an equity basis rather than investment as debt capital.

I want to make a point again for the second time which has to do with this energy legislation. It is the same point that I made before in connection with the Canadianization of the industry, particularly Canadianization on provincial lands. As I have said, I do not have any difficulty with the federal government moving substantively into the area of Canadianization of the oil and gas industry on Canadian lands where there is a single jurisdiction. But I have increasing difficulty with a policy initiated at the federal level, which is then thrust upon the provinces, having to do with provincial resources in order to Canadianize those resources.

I say again to the government that it should consider very seriously whether it wishes to extend this Canadianization program in a substantive way as it has done with the oil and

gas industry on provincial lands. This, more than any other aspect of this energy legislation, is causing instability. It is causing pessimism. It is the antithesis of good equity investment. I suggest that the federal government should think seriously of whether it really wants to force its ideological direction on Canadianization on the corporate structure on provincial lands. I say again that I have no difficulty in doing it where there is a single jurisdiction with regard to Canadian lands. But when it comes to provincial lands, it is a retardant for the regeneration of the economy. I suggest the federal government re-examine its position.

There are many other areas of this legislation about which I could speak. I spoke extensively when we debated the principle of the legislation so I will not go into that again, except to say that the Canadian economy has to be revitalized at the earliest opportunity or we will slide into a level of recession or depression not known since the 1930s. I think some stimulative measures have to be taken at the earliest possible date, stimulative measures in the area of equity investment and not debt investment.

Some hon. Members: Question.

[*Translation*]

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Call in the members.

The House divided on the motion (Mr. Lalonde), which was agreed to on the following division:

● (1640)

(*Division No. 195*)

YEAS

Messrs.

Appolloni (Mrs.)	Beauchamp-Niquet (Mrs.)	Bloomfield
Bachand	Berger	Bossy
Baker (Gander-Twillingate)	Blais	Breau
	Blaker	Bujold
		Burghardt
Bussières	Fleming	MacEachen
Campbell (Miss) (South West Nova)	Flis	Mackasey
	Frith	MacLaren
Campbell (LaSalle)	Gauthier	MacLellan
	Gendron	Maltais
Campbell (Cardigan)	Gingras	Marceau
	Gourd (Argenteuil-Papineau)	Massé
Chénier		McCauley
Chrétien	Gourde (Lévis)	McRae
Collenette	Gray	Nicholson (Miss)
Comtois	Guilbault	Olivier
Corbin	Harquail	Ostiguy
Corriveau	Henderson	Ouellet
Cosgrove	Herbert	Pelletier
Côté (Mrs.)	Hervieux-Payette (Mrs.)	Peterson
Cousineau		Pinard
Cullen	Hopkins	Portelance
Cyr	Hudecki	Regan
Daudlin	Isabelle	Reid (Kenora-Rainy River)
Dawson	Johnston	
De Bané	Joyal	Roberts
de Corneille	Kaplan	Robinson (Etobicoke-Lakeshore)
Demers	Kelly	
Deniger	Killens (Mrs.)	Rompkey
Dingwall	Lachance	Rooney
Dion	Lajoie	Rossi
Dionne (Chicoutimi)	Lalonde	Roy
	Lamontagne	Savard
Dionne (Northumberland-Miramichi)	Landers	Schroder
	Lang	Simmons
	Laniel	Smith
Dubois	Lapierre	Tessier
Duclos	Lapointe (Beauce)	Tobin
Dupont		Tousignant
Dupras	LeBlanc	Turner
Duquet	Leduc	Veillette
Ethier	Lefebvre	Watson
Evans	Loiselle	Weatherhead
Ferguson	Lumley	Whelan
Fisher	MacBain	Yanakis—121.

NAYS

Messrs.

Althouse	Gass	McGrath
Andre	Gilchrist	McLean
Anguish	Gurbin	McMillan
Baker (Nepean-Carleton)	Gustafson	Miller
	Halliday	Mitchell (Mrs.)
Beatty	Hamilton (Qu'Appelle-Moose Mountain)	
Benjamin		Murphy
Blaikie		Neil
Blenkarn	Hamilton (Swift Current-Maple Creek)	Nickerson
Bosley		Nielsen
Bradley		Oberle
Carney (Miss)	Hargrave	Ogle
Clark (Yellowhead)	Heap	Paproski
	Hnatyshyn	Parker
Clarke (Vancouver Quadra)	Hovdebo	Patterson
	Howie	Reid (St. Catharines)
Cook	Huntington	
Cooper	Jarvis	Riis
Crosbie (St. John's West)	Jelinek	Rose
	Keeper	Schellenberger
Crosby (Halifax West)	Kempling	Scott (Victoria-Haliburton)
	Kilgour	
Crouse	King	Shields
Dantzer	Kristiansen	Siddon
Darling	Lawrence	Skelly
Deans	Lewis	Speyer
de Jong	MacDonald (Miss)	Stevens
Dinsdale		Stewart
Ellis	MacKay	Taylor
Epp	Malone	Thomson
Fennell	Manly	Towers
Forrestall	Mazankowski	Vankoughnet
Fretz	McCain	Waddell
Friesen	McCuish	Wise
	McDermid	Young—91.

• (1720)

[*English*]

Mr. Deputy Speaker: I declare the motion carried.

The hon. member for Timmins-Chapleau (Mr. Chénier) on a point of order.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Chénier: Mr. Speaker, on a point of order.

Mr. Speaker, the member for Okanagan-Similkameen (Mr. King) entered the House after the beginning of the division. I ask to have his name taken off the list in *Votes and Proceedings*.

[*English*]

Mr. Deputy Speaker: The orders of the House provide that a member should be in his chair to hear the question put. Was the hon. member for Okanagan-Similkameen (Mr. King) in the chair to hear the question put?

Mr. King: Yes.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: The hon. member says he was. It is the practice of the House to accept the word of an hon. member. The hon. member for Yukon.

Mr. Nielsen: I was just going to say the same thing I heard from the Chair.

[*Translation*]

Mr. Pinard: Mr. Speaker, I think the hon. member misunderstood the point of order raised. He was certainly not on the floor of the House when the division was called. He should be asked about this.

Mr. Deputy Speaker: The President of the Privy Council (Mr. Pinard) on a point of order.

Mr. Pinard: Mr. Speaker, I shall repeat what I just said, namely that the hon. member may have misunderstood the point of order raised. There is no doubt that we all saw him, and he knows he was not on the floor of the House when the division was called. I realize he just rushed back from Paris or Strasbourg, but that is no excuse.

[*English*]

Mr. Deputy Speaker: The hon. member has made a statement and it is the practice of the House to accept the word of the hon. member.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, order.

Motion agreed to and bill read the third time and passed.

PETROLEUM INCENTIVES PROGRAM ACT

MEASURE RESPECTING INCENTIVES

The House resumed from Tuesday, June 8, 1982, consideration of Bill C-104, respecting Petroleum Incentives and Canadian Ownership and Control Determination and to amend the Foreign Investment Review Act, as reported (with amendments) from the Standing Committee on Energy Legislation, and Motion No. 1 (Mr. Lalonde).

Mr. Deputy Speaker: Before recognizing the next hon. member to speak, the Chair, as a result of the renumbering of the motions listed on today's notice paper at report stage of Bill C-104, would like to revise its statement made to the House yesterday when this bill was first considered. As hon. members are aware, Motion No. 1, standing in the name of the minister, has been proposed and is now before the House. Therefore, my statement will relate to Motions Nos. 2 to 16 inclusive.

Motions Nos. 2, 3 and 4 will be debated and voted on separately.

Motion No. 5, previously Motion No. 4, as indiated by the Chair yesterday, causes some procedural problems as to its acceptability. The Chair indicated to the hon. member for Vancouver-Kingsway (Mr. Waddell) that the motion seems to infringe on the financial initiative of the Crown, and to this end referred the hon. member to Citation 773(7) of Beauchesne's fifth edition. The hon. member strenuously argued in favour of his motion. However, with all due respect to the hon. member, I must inform him that he has not convinced the Chair that the motion does not offend the financial initiative of the Crown, particularly when he said, and here I quote from the hon. member's own words as reported at page 18241 of *Hansard* for yesterday:

> I now see I was mistaken, because there is a section that deals with payments. I thought that was excluded.

Under the circumstances, I must rule that motion No. 5 is not acceptable.

Motions Nos. 6 and 7 will be debated and voted on separately.

Motions Nos. 8 and 16 should be debated together and voted on separately.

Motion No. 9 should be debated and voted on separately.

Motions Nos. 10, 11 and 12 will be debated together and voted on as follows: (a) Motion No. 10 by itself; (b) as Motion No. 11 is consequential on No. 12, a vote on No. 12 will also dispose of No. 11.

Motion No. 13 should be debated and voted on separately.

Motions Nos. 14 and 15 should be debated together and voted on separately.

The hon. member for Calgary Centre (Mr. Andre) had the floor when the debate was interrupted on June 8 for the vote.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I have a few remarks to add to those I made on the petroleum incentives program and the Canadian ownership rate or so-called COR program. I indicated yesterday my guess is that this program may last for two years and that then it will simply collapse.

It will collapse, first, because of the political pressures that will be brought to bear having to do with the grants. As the New Democratic Party members continually demonstrate, they cannot draw the distinction between the taxes and grants. They conclude somehow that therefore this grant program represents an extraordinary gift to the oil industry and that the pressures in that regard will be tremendous. That simple-minded approach, unfortunately, is going to be frequently heard in this House, resulting in sufficient pressure, I think, to weaken this program very substantially.

Second, the red tape associated with this program, the incredibly complex regulations and applications forms necessary to fulfil the goals of this program, are just so horrendous that the administrative cost and the difficulty of handling this program are also going to contribute to its demise.

There is also a third reason, Mr. Speaker. The third reason is that we were given testimony by the Canadian Bar Association that this program is in violation of the new charter of rights. It is in violation of the Constitution of Canada. The Canadian Bar Association gave two arguments why it is in violation. First, the recipients of the grant program, in order to receive the maximum, must be resident Canadians. As the Canadian Bar Association points out, there is no provision in the charter of rights to distinguish between Canadians on the ground of residency. That is the effect of this program—a Canadian is a Canadian. There is no way legally to distinguish between them, yet this bill tries to do so.

• (1730)

Second, Mr. Speaker, the Canadian Bar Association points out that the program may be in violation of the charter of rights because of the freedom of association the charter guarantees. The grants provided under the PIP portion, based on the Canadian ownership rate portion, are given to corporations whose degree of Canadian ownership is at a sufficient level. In reality, a corporation is but a piece of paper; it exists for the benefit of its shareholders. What the act would do is say that if you, as a Canadian, associated yourself with shareholders who in aggregate represent more than 75 per cent of the shareholders of that corporation, then you are eligible for a grant. But if you associate with shareholders who in aggregate do not represent more than 75 per cent of the shareholders of the corporation, then you are not eligible. Therefore, this program discriminates in regard to the types of associations that Canadians are part of. The Canadian Bar Association has pointed out that this is in violation of the Canadian charter of rights.

We are not going to spend a great deal of time debating this portion of the bill, Mr. Speaker. The government has brought in some 15 amendments to try to improve a piece of trash. The effort is probably wasted because the whole thing will collapse within a year or two. In the meantime, the country will have lost untold billions of dollars, tens of thousands of jobs and the credibility of the government will have suffered. That will be the sum total of this little exercise dreamed up by that group of bright PhDs who sat down, in total ignorance of the Canadian industry, to design this program. They have wasted billions of dollars of this country's money and have wreaked havoc on the industry. That is a sad situation. Any reasonable person would suggest we need changes to prevent that kind of uncontrolled, bureaucratic stupidity from damaging the country in this way in the future.

That having been said, we do not have any particular problems with the amendments proposed by the government. Motion No. 16, which appears at our insistence, provides for judicial review of arbitrary decisions, so we are in favour of that. The others are technical in nature and attempt to improve what is not a very good piece of legislation. I think the government has put a new coat of paint on an old jalopy that will come to a grinding halt within a year or two anyway.

Mr. Scott Fennell (Ontario): Mr. Speaker, I should like to touch on one of the amendments that we discussed at several stages in committee, the judicial review—

Mr. Waddell: Mr. Speaker, I rise on a point of order. I hesitate to interrupt the hon. member but we should be dealing with each amendment as we go along, not all amendments at once. We are dealing with Amendment No. 1, so we cannot debate No. 16.

The Acting Speaker (Mr. Blaker): The Chair has some difficulty because the remarks of the hon. member for Calgary Centre (Mr. Andre) seemed to indicate that, from the viewpoint of his party, it might be possible to present several motions seriatim. I was not sure of his intention and I subsequently recognized the hon. member for Ontario (Mr. Fennell). To that extent I can say the debate is on Motion No. 1 and no other.

Mr. Nielsen: Mr. Speaker, there is a clause in the House order which covers this matter. With respect to the amendments that were introduced through the negotiating process, it was agreed they could be brought forward in a block and discussed in a block, or in any fashion we chose to discuss them. The same privilege is extended to each party in the House. We are not following normal procedures; we are following a House order which contemplated a debate such as that which is taking place now.

We might not have much time to discuss all the amendments and that is why the order was made in this way, with the understanding that it would enable members who wished to address any particular amendment out of sequence to do so.

Mr. Waddell: Mr. Speaker, that is not my understanding. If the hon. member could point that out in the House order, then I would go along with it. Unless he can, I think it would make sense to proceed as we did with the other bills. I do not know why we are changing the procedure now. If the hon. member can point out where the House order says that, I can go along with it; but if not, I insist that we be relevant.

Mr. Nielsen: Mr. Speaker, I was present at those negotiations and I have that particular advantage over the hon. member, who wants to change the whole intent of the House order. The idea was to use a block approach. The House order contains a clause which was inserted in the absence of the hon. member who is raising this point. It provides that all parties will co-operate and assist in achieving the intent of the House order. I do not have the wording before me but there is a special clause in the order and this is one of the occasions it was intended to meet.

The time allotted to the NDP as well as that allotted to this party within which these matters may be debated is rapidly expiring. That is precisely the reason for the clause being inserted in the House order.

If the suggestion of the hon. member is followed, it may well be that we would never get beyond the first amendment. The time would expire and that would be the end of it. We would have no opportunity to debate the other amendments. That was the reason for the clause in the House order. I suggest that the Chair follow the clause in the House order and allow the debate to continue.

Mr. Dingwall: Mr. Speaker, I think it has been the practice since we commenced this entire debate on the various pieces of legislation that the vote on every amendment called be deferred to the end of report stage and then voted upon.

I think the Chair has been extremely "liberal" in allowing hon. members on both sides some leeway. If their debate is not completely and totally on the particular motion before the House, the Chair has been very co-operative in allowing members to continue with the debate. It has allowed members on both sides of the House to behave in that fashion. That is the understanding and the spirit in which I understand the agreement.

• (1740)

Therefore the hon. member for Vancouver-Kingsway (Mr. Waddell) is correct; as I understand it, we are on motion No. 1. The hon. member for Calgary Centre (Mr. Andre) has concluded his remarks, and he made reference to other amendments. I think it is in order for other members to comment on Motion No. 1, then the question will be called and we will go on to Motion No. 2.

Mr. Waddell: First of all, Mr. Speaker, I was at just about all the meetings and negotiations over the bell-ringing.

Mr. Nielsen: Rubbish.

Mr. Waddell: It is not rubbish. I was at most of the meetings except for the one weekend—

Some hon. Members: Oh, oh!

Mr. Waddell: —and the meetings went on all week.

Mr. Nielsen: All weekend.

Mr. Waddell: If the truth were known, the deal was hammered out on Friday but the hon. member wanted to carry it on. But that is not the point. While the hon. member was in the Yukon last week the debate was moving along quite smoothly; we were dealing with bill after bill. When the hon. member gets back we now have difficulties.

All I am asking is that the member deal with Motion No. 1 as we have been dealing with all our motions, properly. If you do not do that, the debate is all over the place. It seems to me that is reasonable and in accordance with House rules. Essentially this agreement was that we would have a block of time, and that is what we decided. There would be no time limits. That is why the hon. member for St. John's West (Mr. Crosbie) went on for an hour and forty minutes on offshore. All I am asking is that we go through the bill amendment by amendment, and the agreement has not changed that.

Mr. Dingwall: Mr. Speaker, it is my understanding that that is what we are doing. We are on Motion No. 1. The Chair has recognized the hon. member for Ontario (Mr. Fennell). His comments may not be totally and completely in line with all of Motion No. 1. The Chair has been extremely co-operative and very relaxed in allowing hon. members, if they so desire, to make a few comments on another aspect of the bill. I find nothing wrong with the procedure we have adopted.

The Acting Speaker (Mr. Blaker): I have in front of me the House order of March 22. I should think the paragraph to which the hon. member for Yukon (Mr. Nielsen) refers and which, although he has not done so specifically, the parliamentary secretary is probably referring to as well, is paragraph (1), which says in part:

> Each party shall be entitled to participate in the debates at report stage and third reading stage of the said bills . . . and each party may apportion this time as between the debates at report stage and third reading stage in such manner as it determines.

The Chair is well disposed towards the remarks of both the parliamentary secretary and the hon. member for Yukon. I think I contributed to the difficulty here. There is no question that the occupants of the chair during the past two weeks, or whatever the time has been, have accorded to hon. members the widest possible latitude. The House order does not precisely provide for that. The difficulty begins to arise when one hon. member, particularly one who was representing his party in this regard, raises the question of relevancy.

In the circumstances, perhaps the best way to proceed would be for the Chair to suggest that it will continue the latitude which has been the practice over the past several weeks, but should the hon. member for Vancouver-Kingsway (Mr. Waddell) find this is not satisfactory, I think he should take the opportunity to have further consultations with the other

parties and then, if necessary, involve the Chair in a ruling. The Chair has no instructions or information officially from the parties in the House on this matter. So I am going to rule, if I may call it that, in favour of the widest possible latitude; but I tell the hon. member for Vancouver-Kingsway, in light of the fact there is so little time left today, I am sure this matter can be fixed tomorrow if he still regards it as a problem.

Mr. Fennell: Mr. Speaker, I am glad you clarified the situation because you and I have had discussions previously about staying on the subject. It was going to be extremely difficult for me to stand up here and refer to the difference between "density" and "gravity" for any extended period of time. I have spoken a number of times on these bills at this point, and I have intentionally stayed on the motion; but on this one I am afraid I was stuck, and I did not know if we had any other speakers to stand up. However, now that you have given me the broad scope I will take advantage of it. When you give me an inch, I will take a mile!

I had the honour, Mr. Speaker, to sit on the Standing Committee on Energy Legislation for some six weeks. I believe our party represented the Canadian public extremely well in that period. We did not accomplish what we would have liked, which was basically to abolish the bills altogether, but we did accomplish small points, one of which had to do with Bill C-104 and the amendment concerning judicial review.

During our hearings on this bill we were told so often that we did not need any special clause in here because this was provided for under the Federal Court Act. Finally they relented and gave in to judicial review. The reason we were pushing for that is very simple. These bills give the minister the most unbelievable authority to do whatever he wants, when he wants, without any discussion in Parliament. The serious fear we had was that the House of Commons was losing importance. We were frightened and scared. We deal so often with dictatorial rule, and this bill was giving too much power to any minister. At one point we referred to the fact that perhaps we might get a worse minister than we have now, although I personally could not imagine a worse minister than the one we have right now. It was something we were and are frightened of. It gives total control to the minister, but thank heavens there was some common sense in the Ministry of Justice, through the gentleman that represented that department, which allowed us to get that phrase back in.

What we are talking about in the bill and its amendments, Mr. Speaker, is an attempt to replace tax incentives with PIP grants. The government also has in this bill what is called COR, which refers to the Canadian ownership rate. All I can say is that these PIP grants, based on COR, have effectively removed in excess of $8 billion of investment from Canada.

Gulf Canada appeared before the committee and I asked them whether they ever considered breaking their corporation down so they could have a 50 per cent or greater Canadian ownership. I asked the same thing of Texaco, only I phrased it a little differently. I said that perhaps they should go back and re-incorporate McCall Frontenac, which was one of the first companies they bought, and provide Canadian ownership in that way. They explained to me very simply that it did not really matter how it was done, but it would not work in their situation because this government was determined to remove that multinational expertise in finding oil in this country.

• (1750)

In the second part of this bill is the heading "Canada lands". What are PIP grants doing? They are taking funds directly out of provincial coffers and putting them toward Canada lands. Canada lands can best be described as the Beaufort Sea and the offshore, which we now refer to as Sable Island and Hibernia. The minister has made a fatal mistake in this program. He has put so much emphasis on the fact that we will become oil self-sufficient through those two areas that the cash flow has been removed from the balance of the industry which would develop traditional oil fields. The megaprojects have also been killed. You might challenge me on that, Mr. Speaker, because this bill has removed the tax incentives and the cash flow and thus eliminated the megaprojects.

I asked the chairman of Imperial Oil why his company suspended the Cold Lake project. His answer was: "Because of the National Energy Program." The same question was asked of Gulf Canada and we were given the same answer. Texaco was asked why that company was not going into the Beaufort Sea and the North Sea. Texaco is concerned because it does not feel the investment is worth the return it would get. Representatives of Home Oil were asked questions. They said Home had only one option. Home is Canadian owned and receives 80 cents on every dollar of investment. But Home's representatives told us that even with 80 cents on every dollar, and even if Home finds immense pools of oil, in 1990 it will still cost $100 a barrel to bring the product onshore. In the minister's review I believe the maximum price is $72, but he has dropped that amount for 1990.

He zeroed in on one single potential that we have in this country, and I am referring to the frontier and the offshore. The megaprojects have been destroyed. We have destroyed drilling in the west on traditional lands. We have removed the incentive from the oil industry. Let me just give you an example. I have been challenged about this in committee, but I have the figures which the Minister of Energy, Mines and Resources (Mr. Lalonde) says he uses. These are his figures. They are very simple. On May 25, 1982, there were 110 drilling rigs operating in the west. On May 26, 1981, there were 250 drilling rigs operating. That tells you what these PIP grants are doing, and PIP grants can still be obtained retroactively. One hundred and forty out of 250 drilling rigs have gone. Over 60 per cent of the operating drilling rigs in the west have left. This bill is not going to fly, it is going to destroy Canada.

In the committee hearings in April, I said that 70 drilling rigs were operating, but I was told at that time by one of the brilliant men in the Department of Energy, Mines and Resources that my figures were wrong and really there were

370 rigs operating. I got a copy of *Oilweek* and brought it to the committee hearings and showed the evidence that 70 drilling rigs were operating. The PIP grants themselves have done only one thing. They have removed the need for geologists in Canada and instead have created a tremendous need for accountants and lawyers.

I do not know if any hon. members in this House have reviewed the forms—I see one who has—which everyone has to sign to get these PIP grants. There are 27 forms involved. Let me explain what happens. Under this legislation, if there are 24 different corporations involved in one well, those 24 corporations have to file 27 returns. That to me is super bureaucracy. Think of the people we can employ reading forms and think of the people we can employ to fill in those forms!

IPAC represents the small oil companies in Canada and the Canadian Petroleum Association represents a group of larger Canadian companies and both associations appeared before our committee hearings. Representatives of those associations told us that the PIP grants will not solve our problem, but when an 11 per cent or 12 per cent PGRT is levied—and thank goodness the IORT has been removed—together with other taxes that have been imposed on the industry, there is no cash flow left. It is fine to get a PIP grant of 35 per cent in the west if you are 75 per cent Canadian owned, but if there is no cash flow the company cannot apply for this grant because the company cannot afford to borrow 65 per cent of the cost of drilling a well at 18 per cent from the bank.

This bill is an abomination. I think there are certain points in it that are prejudicial to Canadian citizens. I am referring to pension funds that have been invested in such companies as Imperial Oil, Gulf and Texaco. Those pension funds have invested people's money and because those companies are American controlled there is no PIP grant available for a traditional oil field, or 25 per cent if it is frontier or off the coast. Of that 25 per cent though, 25 per cent has to be given back to Petro-Canada. People with money in pension funds are suffering because of this bill.

Another group of people who are suffering are those who have retired and those who have moved south. Perhaps they have moved to Arizona for health reasons. Those people are hurt because they do not get any credit.

Once the government brought in this energy bill, it destroyed the market to such an extent that people could not reinvest their money because prices dropped so quickly. Dome is a prime example of that. In the United States today Dome's shares fell below $5, which caused a raft of margin calls. It is a serious situation when a company like that is driven down that far. But Dome helped itself by trying to help the Liberal government to Canadianize the industry. Dome is a fine company and I hope the government will help it out, but I hope the government is not going to help Dome the way I have been hearing it will. The government will probably lend Dome $1 billion and take a piece of the action. That proves to me what Canadianization of the oil industry is. It is nationalization and it is removing the private sector.

May I call it six o'clock?

The Acting Speaker (Mr. Blaker): It being six o'clock, I do now leave the Chair until two o'clock tomorrow afternoon.

At 6 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, June 10, 1982

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

PARLIAMENT

CONGRATULATIONS TO PARLIAMENTARIANS CELEBRATING TWENTY-FIFTH ELECTORAL ANNIVERSARY—MOTION UNDER S.O. 43

Mr. Bill Kempling (Burlington): Madam Speaker, under the provisions of Standing Order 43 I wish to move a motion. On June 1, 1957, the people of Canada elected a Progressive Conservative government under the leadership of the late Right Hon. John G. Diefenbaker. There are several members in the House of Commons and the Senate who continue to serve the House of Commons and the Senate on behalf of the people of Canada. They are the hon. member for South Shore (Mr. Crouse), the hon. member for Cumberland-Colchester (Mr. Coates), the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), the hon. member for Edmonton West (Mr. Lambert), the hon. member for Yukon (Mr. Nielsen), the hon. member for St. John's East (Mr. McGrath) and the hon. Senators David Walker, Orville Phillips, Robert Muir, and Heath Macquarrie. Therefore I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That this House send its congratulations to these honourable Senators and Members of Parliament, wish them good health and happiness, and pray that they may continue to serve the people of Canada in the House of Commons and the Senate for many more years.

Madam Speaker: I am sure members of the House would want to express their sentiments by applauding.

Some hon. Members: Hear, hear!

* * *

FINANCE

CALL FOR REDUCTION OF EXCISE TAX ON NATURAL GAS TO ASSIST AGRICULTURAL INDUSTRY—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. In view of the fact that the federally imposed excise tax on natural gas is putting the fertilizer manufacturing companies and the Canadian farmer at an extreme disadvantage with their American counterparts and creating a disastrous economic situation for both, I move, seconded by the hon. member for Bow River (Mr. Taylor):

That the federal government, at the very least, drop the excise tax on natural gas to the point where both the Canadian fertilizer producing companies and the Canadian farmers can be on an equitable and competitive basis with their American counterparts.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

CALL FOR REDUCTION OF TAXES AFFECTING AGRICULTURAL PRODUCTION—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. Whereas the Liberal Government of Canada is supposed to be fighting inflation, and yet its own regressive taxes, for example, the excise tax on agricultural products, are inflaming inflation—this tax is approximately one third of current natural gas costs and has increased the cost of anhydrous ammonia fertilizer by as much as $93 per ton at the retail level—and the federal tax on gasoline and diesel fuel affects all farm products, which in turn increases the cost of food to the nation, I move, seconded by the hon. member for Reed Deer (Mr. Towers):

That this House urges the government to be realistic and rescind the present taxes and levies affecting the farm gate prices of fertilizers, fuels, and chemicals used in agricultural production.

This will be a major step in reducing inflation.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

PROPOSED ATTENDANCE BY CANADIANS AT UNITED NATIONS DISARMAMENT RALLY—MOTION UNDER S.O. 43

Mr. Dan Heap (Spadina): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing national necessity. During the past week five Canadian supporters of disarmament have been stopped, on orders of the U.S. government, from attending disarmament meetings connected with the U.N. Special Session on Disarmament, and

another supporter has been harassed so as to miss her booked flight, although these supporters and many others travelled freely to UNSSOD I in 1978. I move, therefore, seconded by the hon. member for York East (Mr. Collenette) and the hon. member for Waterloo (Mr. McLean):

That this House request the Acting Prime Minister to use his good offices with the President of the United States to persuade President Reagan to respect both his obligations as chief of state of the country that is host to the United Nations, and also the United States obligations as a signatory to the Helsinki Accords on freedom of movement, and give assurance that the thousands of Canadians planning to attend the disarmament rally this weekend at the United Nations will not be stopped, delayed, or harassed.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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SHIPS AND SHIPPING

REGISTRATION OF VESSELS IN CANADA—MOTION UNDER S.O. 43

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, whereas the traditionally unregulated deep sea shipping environment has been changing in the last decade, increasingly influenced by governments, rather than commercial forces, in support of national flag fleets; and whereas Canada relies almost entirely on foreign flag carriers to carry its vast import and export trade; pursuant to Standing Order 43, I move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That the government be directed to bring in incentives and measures to create a climate where ship owners will be encouraged to register their vessels in Canada, receive an adequate return on their investment, and establish a Canadian Merchant Marine.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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MUNICIPAL AFFAIRS

SUGGESTION MINISTER SEEK ADVICE FROM MAYORS—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. In view of the excellent performance of Canadian mayors and municipalities which have consistently given the taxpayer the best value for money of all three levels of government while maintaining balanced budgets and a taxation level only about one third as large per capita as the federal tax levy, I move, seconded by the hon. member for Brampton-Georgetown (Mr. McDermid):

That the Minister of Finance be directed to seek the immediate counsel of the Canadian mayors who are visiting in Ottawa this week, so that he might discover from them the common sense rules of competent financial management, and obtain their expert advice in preparing a new budget based on the business-like, yet practical approach which has been applied so successfully over the years by municipal levels of government.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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• (1410)

LABOUR CONDITIONS

MINING LAY-OFFS AT GRANDE CACHE, ALTA.—MOTION UNDER S.O. 43

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, in view of the fact that the Leader of the Official Opposition (Mr. Clark) has not raised this question in his riding, I rise on the urgent matter of the lay-off of 1,170 workers in Grande Cache, Alberta, which was announced by McIntyre Mines last week. These 220 permanent lay-offs, combined with 950 temporary lay-offs to take effect on June 28, threaten not only the short-term prosperity but the long-term survival of this community, as it is totally dependent upon employment in the mines. I move, seconded by the hon. member for Kamloops-Shuswap (Mr. Riis):

That the Intergovernmental Mines Ministers Task Force on One Industry Towns be requested to hold public hearings in Grande Cache so that it can develop plans to ensure the economic future of one of the major towns in the riding of Yellowhead.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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FINANCE

CALL FOR WITHDRAWAL OF NOVEMBER BUDGET—MOTION UNDER S.O. 43

Mr. Otto Jelinek (Halton): Madam Speaker, every day in Canada 1,185 more Canadians lose their jobs. Every day in Canada 3,500 more home owners are forced to renew their mortgages at approximately double the original rate—from 10.5 per cent to 18.5 per cent. These figures, along with all the other alarming statistics, are a direct result of the November 12, 1981, budget of the Minister of Finance (Mr. MacEachen). Therefore I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That the November 12 budget be withdrawn forthwith and replaced with a new incentive-oriented document, failing which, that this House recognize the

crisis state of our economy and therefore recommend to His Excellency the Governor General that Parliament be dissolved in order to give the people of Canada an opportunity to elect a new government which would immediately implement a policy that would put us on the road to economic recovery.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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HOUSING

PLIGHT OF HOME OWNERS RENEWING MORTGAGES—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, in addition to the many serious economic troubles with which Canadians are forced to deal every day, the problem of mortgages continues to be a source of severe hardship. It has been estimated that up to 3,000 mortgages come due each day. Home owners who do not qualify under present programs of assistance and who have to renew their mortgages are faced with escalating rates of interest which shortly may reach the incredible level of 19 per cent. I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That the Minister of Finance immediately institute a further program of assistance to help this group of beleaguered home owners, a plan which would halt this cruel and unnecessary loss of homes.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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POLITICAL PARTIES

CALL FOR RESIGNATION OF GOVERNMENT SUPPORTERS—MOTION UNDER S.O. 43

Mr. Fred King (Okanagan-Similkameen): Madam Speaker, in a letter to *The Citizen* of Ottawa, the hon. member for Trinity (Miss Nicholson), in her capacity as chairman of the Liberal caucus committee on economic development, stated that the Liberal caucus has responsibility to assess government policies and to offer suggestions for change. Inasmuch as by her own admission it is apparent that it is the whole Liberal caucus—and not just the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. MacEachen)—which has approved government actions that have brought economic disaster to Canadians, 730 of whom are losing their jobs every day, I move, seconded by the hon. member for Cariboo-Chilcotin (Mr. Greenaway):

That this House call upon decent members of government opposite to accept responsibility for their actions and resign today.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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PENSIONS

DEMAND FOR IMPROVED BENEFITS—MOTION UNDER S.O. 43

Mr. Neil Young (Beaches): Madam Speaker, I rise under the provisions of Standing Order 43. The Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Frith) revealed in *La Presse* this morning that the federal government's green paper on pension reform has been postponed again, this time until the fall. The hon. member said that this latest postponement was due to "the bad economic situation". In view of the fact that it is becoming increasingly apparent that the federal government is not really serious about pension reform, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That, first, the federal government dig into the same pocket which produced $2 billion for Imperial Oil last week and bring all senior citizens at least up to the poverty line immediately, and second, since the Liberals admit they do not have the political will to include pension reform as a high priority, that they should stop pretending to the Canadian people that ensuring adequate retirement incomes are an important mandate of this government and give that job over to someone who will carry it through, namely, the NDP.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

INCREASE IN BANK RATE—EFFECT ON HOME OWNERS RENEWING MORTGAGES

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is for the Minister of Finance who will know, of course, that the bank rate today has risen significantly, 33 points, to 16.20, which of course means that mortgage interest rates are on their way up to the record highs of last year. As this recession deepens, what advice does the minister have for the 490,000 families in this country who are facing mortgage renewals between June 1, and October 31 of this year, many of whom took out one-year mortgages last year when they were at record highs in anticipation of things getting better this year? These people will be wiped out.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has stated in his question that, in his view, the interest rates are on their way to the record highs of last August. I believe that if he has that view, it is exaggerated. I see no indication that that same record high will be achieved as a result of a significant, but nevertheless a change of 33 basis points in the bank rate which, of course, was a result of the auction held today.

Mr. McGrath: The minister's self-assurance is not very reassuring.

REQUEST FOR ASSISTANCE FOR HOME OWNERS

Hon. James A. McGrath (St. John's East): Madam Speaker, can the minister go one step further and assure the House and the country that mortgage interest rates will not go beyond their present levels? They are away too high now, and he knows that. He knows that the legislation introduced in his budget is not addressing that situation.

If the minister cannot give us that assurance, and since he knows interest rates are too high already, what can he tell these half a million Canadian families who are facing economic ruin because they cannot afford to renew at these usurious mortgage interest rates or they will be wiped out? It is a very serious situation and one that I do not believe the Minister of Finance appreciates.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the government and the Minister of Finance fully appreciate the impact of high interest rates on the Canadian people, not only home owners but farmers, small-business men, and upon investment generally. We appreciate the consequences of these rates very much, indeed. That is why all of our policies are directed against reducing the cause of high interest rates and high interest rates themselves. That is the basic solution to the problem. We have attempted, within the limits of our budget, to provide assistance to home owners who need that assistance most. We will continue to provide that kind of assistance.

I do not believe that it is within the capacity of the government to protect everyone fully against this situation of abnormally high interest rates. That is my answer to the hon. member.

PLIGHT OF AVERAGE INCOME EARNERS

Hon. James A. McGrath (St. John's East): Madam Speaker, the minister must be misinformed because he is too good a parliamentarian deliberately to mislead or even try to mislead the House. Of those in so-called dire straits whom the minister's budget was supposed to address, only 12,000 would qualify for the mortgage interest deferral. Of those 12,000, less than 1 per cent have even bothered to apply, because they know full well that if they do not hang today under that plan, they will be hung, drawn and quartered tomorrow.

If the minister holds to the view that everyone cannot be protected from high interest rates, in the name of God will he seriously try to do something for those average Canadians who are seeing their family incomes and savings and their family dreams wiped out by the attitude of this government, and by a budget that even the minister himself should be prepared to admit is in a shambles?

• (1420)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, in a sense the hon. member spoils his own questions by putting in so many unjustified comments.

Some hon. Members: Oh, oh!

Mr. MacEachen: The hon. member refers to the budget as if it were the source of high interest rates, as if it were the source of world recession, and as if it were the source of very high income demands in Canada. Each of these is contributing to our present situation, and none of these items has been the result of the budget of last November. The hon. member knows that, and I ask him why he does not take that into account in his questioning today.

REQUEST THAT GOVERNMENT INTRODUCE EMERGENCY MEASURES

Hon. James A. McGrath (St. John's East): Truly the minister, stretching credibility, is not trying to expect this House to believe that he bears no responsibility for the 4,400 businesses which have gone bankrupt this year, and for the thousands of Canadians who are facing personal bankruptcy. His budget has not addressed this problem. Will he at least bring in emergency measures until he is prepared to replace that disastrous budget?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I know the hon. member's interest in these questions is serious and sincere. I have already explained to the House, in reply to questions put by his leader on Tuesday, the process through which the government is going and will go in an effort to deal with the current economic situation.

INCREASE IN UNEMPLOYMENT—GOVERNMENT POSITION

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is also directed to the Minister of Finance. I would like to say to him that his policies are directly responsible for the fact that 1,185 more Canadians are without jobs every single day, 1,185 more Canadians with families to feed and mortgages to pay. How long is the minister prepared to condemn 1,200 more Canadians every day to job loss and insecurity because he is too stubborn and too uncaring to change his policies?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do not accept for one moment the statement in the hon. member's question that the policies of the government are responsible for the recession which is taking place, not only in Canada but also in every industrialized country in the world. I am surprised that the hon. member, considering her experience, would make such a foolish statement in the House of Commons.

Miss MacDonald: The minister's answer is appalling.

INQUIRY RESPECTING GOVERNMENT PLANS

Hon. Flora MacDonald (Kingston and the Islands): Has the minister no understanding of the fears, the frustrations and the hopelessness which exists in every part of this country because people do not know, from one day to another, whether they will still have jobs? Will the minister tell the House and the Canadian people this afternoon what he is prepared to do to meet the fears, frustrations and anxieties right across this country, which he has created? That is what the people want to know.

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think that all of us in the House, including hon. members on this side, have as much knowledge about the Canadian people as the hon. member.

Miss MacDonald: Do something, then.

Mr. MacEachen: Hon. members on this side have been elected by the Canadian people to represent—

Mr. Nielsen: They would not be today.

Mr. MacEachen: —the interests of the Canadian people. I want to assure the hon. member that our sensitivity and our understanding are as great as those of any hon. member on the other side of the House, including the hon. member who has just asked the question.

Some hon. Members: Hear, hear!

• (1425)

REQUEST THAT GOVERNMENT ACT TO REDUCE INTEREST RATES

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, we have been hearing a different tune from the Prime Minister at Versailles. He admitted that the government's efforts to wrestle inflation to the ground actually have been wrestling the economy to the ground.

We have heard from the chief executive officers of a number of chartered banks that the present high interest rates policy will devastate the economy in the next number of months. CMHC tells us that if mortgage rates go over 20 per cent, as they will because of the high interest rates, some 40,000 Canadians will lose their homes this year. Will the government consider taking the radical step of reducing the interest rate level, to enable the economic recovery to begin?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, obviously the objective is to reduce interest rates—

Some hon. Members: Oh, oh!

Mr. MacEachen: That is what we attempted to bring about through our efforts at the Versailles Summit, and that is what we are attempting to bring about through our efforts to reduce inflation. I want to assure the hon. member that if he thinks there is some easy, overnight solution to high interest rates, then he is making a mistake. If there were an easy solution I would be the first to bring it forward and implement it, but there is no easy solution.

The bringing down of interest rates requires a resolution of problems in the United States. And it requires a reduction in inflation rates in Canada, in our own country. If these two things were brought about, then I believe there would be some assurance that interest rates would drop in Canada and some relief would come to the Canadian economy.

QUERY RESPECTING REASON FOR GOVERNMENT POLICY

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, if the efforts of the minister to combat inflation have resulted in increased interest rates, then he should use a different approach, because interest rates have to come down. My question refers to the tactics being used now of taking more and more money out of the hands of working Canadians, a practice that we saw in the 1930s when workers were competing against other workers to get work even at less money, for fewer jobs. Can the Minister of Finance explain to the Canadian people why we are pursuing the same policy that got us into this disastrous situation as a result of the fact that the government does not know what it is doing—or is the economy totally out of control?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think the answer to both questions is no.

REQUEST FOR TWO-WEEK DEBATE

Mr. Nelson A. Riis (Kamloops-Shuswap): My last question to the minister is in the form of a suggestion. We have heard today, and we will hear in the rest of the question period, that our economy is in a state of crisis. This is an emergency situation. I am wondering if the minister would consider recognizing that this is an extraordinary time in Canadian history, requiring extraordinary measures, and if the minister would set aside the next two weeks so that the House of Commons could address the serious situation that is before us and encourage both the government side and the other side to come forward with positive, constructive solutions to fight this

economic crisis in which we find ourselves today. Let us set aside the next two weeks to address this problem.

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think that the hon. member, in a way, is depreciating the House of Commons as it has operated over the last several months. I have been in this House almost every day and I believe the House has been addressing the economic situation, in question period. There have been numerous debates on economic matters. It seems to me that we have been given ample opportunity to express our views on what ought to be done about the economic situation.

My distress, my disappointment, is that I have received such little constructive assistance from the opposition in addressing the economic problems of the country.

Some hon. Members: Hear, hear!

Some hon. Members: Resign, resign!

* * *

[*Translation*]

EMPLOYMENT

INQUIRY WHETHER MEASURES ARE CONTEMPLATED TO HELP GENERAL MOTORS WORKERS AT STE-THÉRÈSE, P.Q.

Hon. Roch La Salle (Joliette): Madam Speaker, I have the impression that the Minister of Finance, in regretting that proposals have not been forthcoming from the opposition side, has just admitted his incompetence. In my question to the Minister of Employment and Immigration, I pointed out that by December 31, as the Minister of Finance is no doubt aware, more than 500,000 Canadians will no longer be entitled to unemployment insurance benefits. Perhaps I could help the Minister of Finance by pointing out that 1,750 employees at General Motors in Sainte-Thérèse will no longer be receiving unemployment insurance benefits next November. In the circumstances, does the Minister of Finance have any proposals to make in connection with this dramatic situation or is he going to let 1,750 employees go straight to the welfare office?

[*English*]

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I believe the hon. member ought to address that question, which has to do with unemployment insurance, to the minister responsible for the unemployment insurance system.

Mr. Clark: He is not here.

Mr. MacEachen: I want to assure the hon. member that we will take every possible step within the law passed by Parliament to help these particular workers.

• (1430)

[*Translation*]

THE ECONOMY

REQUEST THAT MINISTER OF FINANCE BE DISMISSED

Hon. Roch La Salle (Joliette): Madam Speaker, that is certainly not encouraging for the 1,200,000 unemployed workers we have in Canada today. After the Versailles Summit, the Minister of Finance started off Tuesday morning by mentioning certain proposals. The Minister of Employment and Immigration did not challenge the figures I gave him just now but was not prepared to confirm them. I wish to ask the Minister of Finance whether he has any proposals with respect to the 500,000 Canadians who will no longer be entitled to unemployment insurance benefits. If he cannot give an answer today, considering the fact that yesterday, both bankers and owners of professional hockey clubs severely criticized the minister for his financial policies, I still wonder, Madam Speaker, whether the minister, in his desire to serve his country, would not be better advised to ask his Prime Minister to relieve him of his duties, since he is incapable of answering the questions we have been putting to him for three weeks.

[*English*]

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have no difficulty in answering questions on the Order Paper addressed to me, but I find it very difficult to engage in the kind of rhetorical abuse in which the hon. member specializes in his questions.

* * *

MINES AND MINING

INCREASE IN LAY-OFFS—GOVERNMENT POSITION

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, my question is directed to the Minister of State for Mines. A week ago we had an inventory of over 35,000 mine workers whose jobs had been affected by shutdowns, unscheduled summer vacations, and labour disruptions. This week the number is 42,000 or more. We have seen another 6,000 mine workers in the past week, and up to 200,000 mine workers and indirect service workers face unemployment because of the failure of the government to take positive and concrete steps to resolve the difficult problems within our economy.

What advice has the Minister of State for Mines offered to the cabinet? Knowing that the Government of Canada has the power to rectify this situation, what specific and concrete proposals has she made to the Minister of Finance and the Prime Minister to help the thousands of mine workers who must contend with no work and countless human problems?

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, obviously the hon. member does not understand the international mineral situation. He has been told time and

time again that this is an international situation and that markets in the world are in a very difficult situation. I remind him that there are mines closing all over the world. For instance, in the Philippines mines are operating at 50 per cent capacity. The only nickel mine in the United States has closed down completely. Our mineral industry is faring better than those in most countries, and in those areas facing lay-offs and shutdowns we are making every effort to see that miners are employed. There are nine make-work projects in my area alone, using Section 38, which are employing over 300 laid-off miners.

Some hon. Members: Hear, hear!

Mr. Siddon: Madam Speaker, the minister knows that is pure poppycock. At least a third of the work force in mining in Canada today is facing unemployment. The new president of the Canadian Mining Association said just two weeks ago that the problem is not a lack of demand for Canadian minerals in foreign markets but that the problem is essentially domestic. The president of the Canadian Mining Association said that "what is needed is the determination by government to restore an environment that encourages mineral development in Canada."

REQUEST THAT POLICIES BE REVERSED

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I want to put a straightforward question to the Minister of Finance. When will he reverse the socialistic, anti-investment policies contained in his November 12 budget, the National Energy Program, and the policies of FIRA which are destroying the mining industry in Canada? Will he answer that question?

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, I would like to refer to the original question the hon. member raised. He obviously does not understand the international mineral situation.

Some hon. Members: Oh, oh!

Mrs. Erola: If he was speaking directly to the president of the Canadian Mining Association, he would know—

Some hon. Members: Oh, oh!

Madam Speaker: Order, please.

* * *

GRAIN

REQUEST THAT FARMERS BE ALLOWED TO EXCEED SALES QUOTAS

Mr. Arnold Malone (Crowfoot): Madam Speaker—

Some hon. Members: Hear, hear!

Mr. Malone: Madam Speaker, I have a question for the Minister of Transport, of which I have served him notice. Bearing in mind the state of the economy and the high rate of bankruptcies among farm owners, and knowing that farmers have large volumes of grain stored—in other words, value stored—on their farms, would the minister give consideration to allowing farmers to sell in excess of quota in those situations where farmers can establish they are in very serious financial difficulties, with the provision that the moneys from those sales would go directly to the relief of debt?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I will discuss that with my colleague, the Minister of State responsible for the Wheat Board, but as a general proposition my suggestion would be that, as much as possible, we should not mix objectives. There is already the payment of initial payments; there is already the prairie grain advance payments, which put money into the hands of farmers this year. I understand that the prairie grain advance payments program has already provided $333 million to western farmers. I suggest it might not be wise to intervene too much in the quota system, the purpose of which is to select the grains which can be exported, not specifically to provide money to farmers.

REQUEST THAT MINISTER CONDUCT STUDY

Mr. Arnold Malone (Crowfoot): Madam Speaker, I appreciate the comments of the minister with respect both to the need for the selection of qualities of grain and also the issue of congestion at country elevators. However, I simply plead with the minister again, on behalf of farmers who are in severe debt situations, particularly those who are young start-up farmers, at least to conduct a study or some investigation to see to what extent he can disburse extra money where value from farm operations actually exists but cannot be converted to cash. That could be done for the purpose of keeping people in operation.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I can only repeat the first part of the answer I gave. I will be in touch with my hon. friend in this regard later.

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NUCLEAR ENERGY

USE BY ARGENTINA OF CANADIAN NUCLEAR MATERIAL

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. He is busy studying—his briefing notes, I hope.

Yesterday the Minister of Energy, Mines and Resources assured the House that Canadian nuclear materials will never be used to build an Argentine bomb. He based that naive conclusion on two points. The first was that the military dictatorship in Argentina promised it would not. The second one was that the International Atomic Energy Commission

would guarantee that the Argentinians would keep their word, through supervision and inspection by the Commission.

• (1440)

I should like to ask the minister how he expects the people of Canada to accept his blinkered view, considering the military dictatorship's record on civil rights, broken promises, military aggression into the Falklands, and especially in light of the fact that the International Atomic Energy Commission itself, the group that the minister says will ensure compliance with our nuclear agreement, told the Canadian government months ago that there was no way it could prevent or even detect the diversion of Canadian nuclear material into an Argentine military program?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, first of all I should like to invite my hon. friend to quote from the report he claims he has from the International Atomic Energy Agency in Vienna as the basis of his allegations. I suggest to him that has allegation is not founded. I indicated some arguments yesterday to which the hon. member has referred. One is the international treaty and agreement that has been arrived at with Argentina, the second is inspection by the International Atomic Energy Commission, and the third is that using the Candu system in order to develop explosive material would be the most expensive and most circuitous route to achieve that purpose. It could be as high as ten times more expensive to use the Candu system than other existing alternatives that any country can develop on its own. As I have indicated before in the House, for the Argentinians to resort to the Candu system to achieve that purpose would be a very stupid decision for them to take.

Mr. Rose: Madam Speaker, not everyone shares the minister's confidence. If the minister has not read the report from the IAEC, it is not up to me to read it for him. I should like to tell the minister that if Argentina goes ahead and builds a nuclear weapon and causes the deaths of thousands of people in that part of the world, it will be the minister's responsibility.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

REQUEST THAT MINISTER ORDER FREEZE ON SHIPMENTS OF NUCLEAR MATERIALS TO ARGENTINA

Mr. Mark Rose (Mission-Port Moody): According to the *Latin American Weekly Report* published on May 21, 1982, and after Argentina had denied it intended to go ahead and build a nuclear capability, two weeks before that date it had finally decided to go ahead and build a nuclear military capability, or a nuclear bomb. Will this change the policy of the minister toward our commitment to Argentina? Will the minister order a freeze on all shipments of nuclear fuel rods to Argentina, at least until the time Argentina signs the nuclear nonproliferation treaty?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the Secretary of State for External Affairs has already answered those questions in the House.

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VETERANS AFFAIRS

REFUND OF CONTRIBUTIONS MADE BY RCAF PRISONERS OF WAR

Mr. Fred King (Okanagan-Similkameen): Madam Speaker, my question is directed to the Minister of Veterans Affairs, to whom I sent notice. It is a question of concern to Canadians for whose well-being he bears responsibility.

A number of RCAF officers taken prisoners of war while serving in Europe during World War II, contributed a part of their pay received under reciprocal agreements with the Government of Germany, to a fund to assist others in the camps who were in less fortunate circumstances. Following the war the Canadian government made representations to the Air Ministry in Britain to effect refund of those contributions to the individual donors. I am informed that the adjustments may never have been completed. Would the minister confirm that RCAF officers held prisoners of war in Germany who contributed to the communal fund at Stalag Luft I and Luft III have never received full refund of their contributions?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): First of all, Madam Speaker, I want to thank the hon. member for giving notice of the question. The information available to me would indicate that, as a result of the passing of a Privy Council order on January 4, 1946, provisions were made for the reimbursement of both pay and benefits of Canadian servicemen as a result of their being incarcerated. To my knowledge all have received a refund, but if the hon. member has information about individuals who may not have been looked after by this program, I would be happy to discuss the matter with him.

REQUEST THAT MINISTER MAKE REPRESENTATIONS TO UNITED KINGDOM GOVERNMENT

Mr. Fred King (Okanagan-Similkameen): Madam Speaker, that is my information. Inasmuch as I am told that these funds were absorbed into the treasury of the United Kingdom, would the minister renew those representations made in 1946 to the Government of the United Kingdom, in order that the injustice be corrected which penalizes persons who have already made great sacrifices for their country?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Yes, Madam Speaker, I will be happy to do that.

EXTERNAL AFFAIRS

ADMISSION OF CANADIANS TO UNITED STATES TO ATTEND UNITED NATIONS DISARMAMENT RALLY

Mr. D. M. Collenette (York East): Madam Speaker, my question is addressed to the Minister of State (External Relations). Last week I brought to the attention of the House the action of the United States government in refusing entry to five Canadians who planned to attend the UN Session on Disarmament. Although the case I raised of Mrs. Kay MacPherson has been happily resolved, will the minister make further representations to the United States government to ensure that the 50 busloads of Canadians leaving Montreal and Toronto tonight for the UN session and peace rally this weekend, are not refused entry at the U.S. border in defiance of the United States commitment to the free movement of peoples, as agreed to by its signing of the Helsinki Accord?

[*Translation*]

Hon. Pierre De Bané (Minister of State (External Relations)): Yes, Madam Speaker, I can inform the hon. member for York East that the department has been advised of this matter, and it is now making representations regarding Canadians who want to take part in the conference. The Minister of Justice and Attorney General has already informed the hon. member, on behalf of the government, that the department is giving serious attention to this matter. I shall ask senior officials to get in touch with the hon. member directly, in view of the urgency of this matter.

* * *

[*English*]

FINANCE

REQUEST FOR CHANGE IN FISCAL POLICIES

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is for the Minister of Finance. He will know that the bankruptcy rate this year in terms of dollars has increased 100 per cent. He will also know that every president of the chartered banks appearing before the standing committee have indicated that if interest rates continue to rise, or even stay at the same level, the rate of bankruptcies will soar. I wonder if the Minister of Finance has paid attention to those hearings and the many suggestions coming from the presidents of banks about what he might do to change the fiscal stance of the government.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have been following the hearings before the standing committee as well as possible. Of course the committee has not reported. It is the views of the members of the committee that I would like to have, rather than the views of witnesses such as the bankers. I have been paying attention to what has been said and will give it careful consideration.

REQUEST THAT MINISTER INTRODUCE NEW BUDGET

Mr. Don Blenkarn (Mississauga South): Madam Speaker, if the minister is giving this matter serious consideration, would he pay attention to the suggestion made by the president of the Royal Bank, for example, who suggested that there should be severe cutbacks in government expenses on a broad base? He mentioned the things he had done in his bank. Would the minister also pay attention to the suggestions made by the president of the Canadian Imperial Bank of Commerce that perhaps there should be changes in the capital gains tax to encourage investment in equities? He said the system is too debt burdened. Would the minister pay attention to those suggestions and would he present to the House, before it is too late, and before the end of this month, a budget incorporating some of those suggestions?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do not propose to present a budget before the end of the month. That is the present situation. I already replied to the Leader of the Opposition earlier in the week with respect to the intentions I had about a financial and economic statement, to use his words. I want to give him the assurance that the same situation prevails today, but some of the proposals that have been made about cutting expenditures obviously have to be taken seriously.

I would remind the hon. member who posed the question that it is possible for Members of Parliament, when they examine estimates and approve them, to suggest where reductions in expenditures should take place. It is easy to talk about expenditure reductions in general, but when it comes to deciding upon particular programs then I think that is where the bullet has to be dealt with, so to speak. I advise the hon. member to show his hand by going into committee and indicating where he thinks government expenditures ought to be reduced.

* * *

• (1450)

RAILWAYS

GILSON REPORT—QUERY RESPECTING SUBSIDIZATION OF FREIGHT RATES

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, my question is for the Minister of Transport who should have by now received Dr. Gilson's final report regarding the payment of federal rail subsidies in western Canada. Initial drafts of that report indicated that farmers would be asked to pay 3 per cent of all rail cost increases due to inflation over the next four years, which is equal to some $220 million to $245 million. Will the minister confirm these findings, and explain how he expects western Canadian farmers actually to pay these incredible amounts at a time when most of them are facing bankruptcy?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I regret to say that I have not yet received the Gilson report so I am not in a position to comment on it. It is expected that he might present it to me during the weekend, but I have not received it yet. What my hon. friend has seen is the first draft which was given to those who negotiated with him.

REQUEST THAT REPORT BE TABLED

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, I realize it is supposed to be on its way by courier, and I thought it would have arrived by now. Since this report is of great importance to western Canadians in general, will the minister make a commitment to this House to table the report when it arrives, and have it referred to the transport committee so that we can deal with it before the House rises this summer?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I already answered that question in part. I said I would receive the report, and when I do I will have it translated and printed—this might take two or three weeks—and then it will be made quite public. I am not really in a position to say that it will be debated in the House before the summer recess, but as my hon. friend knows there will have to be legislation leading to the amendment of the Crow rate. That will have to come to the House and will be looked into, I am sure, in great depth in the fall.

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EXTERNAL AFFAIRS

ISRAEL—INVASION OF LEBANON

Mr. Ian Watson (Châteauguay): Madam Speaker, I have a question for the Minister of State for External Relations concerning the Middle East situation. For the past several days the State of Israel has been flouting both international law and a unanimous Security Council resolution, and has caused thousands of innocent civilian casualties. Since Israel seems to be prepared to ignore the advice of even its closest friends, such as Canada, in this affair, will the government give consideration to the possibility of enacting trade sanctions, and consider the possibility of according some form of official recognition to the Palestinian people and their representatives?

Hon. Pierre De Bané (Minister of State (External Relations)): Madam Speaker, the official position of the Canadian government has been expressed directly by the Prime Minister to the Prime Minister of Israel. There is no hesitation in saying that what is going on at the moment in Lebanon, including Beirut, is a most serious and tragic situation. I will not read the cable we received from Canadian officials in Beirut or elsewhere; I will just say that Beirut is being bombarded unmercifully, to use the words of a Canadian official. I think what the Prime Minister has said to the Premier of Israel, that they should retreat immediately and unconditionally, represents the opinion of the Canadian people.

* * *

THE ECONOMY

QUERY RESPECTING MEASURES TO RESTORE INVESTOR CONFIDENCE

Mr. Jack Shields (Athabasca): Madam Speaker, my question is for the Minister of Finance. Earlier in the week the minister indicated in a television interview that the most urgent problem facing Canada today was to restore investor confidence. Whereas the first budget the minister brought in turned out to be a national energy policy which destroyed investor confidence in that sector, and his second budget is nearly killing investment right across the country, what is he going to do about those two items?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, when decisions are taken on these points I will be pleased to communicate them to the House.

REQUEST THAT ALL-PARTY TASK FORCE BE APPOINTED

Mr. Jack Shields (Athabasca): Madam Speaker, will the minister consider calling an all-party special committee, asking intelligent members from both sides of this House—

Mr. Rossi: You won't be there.

Mr. Shields: —to sit down with him as a task force and address the problems facing Canada? He is listening to the wrong people; the bureaucrats do not know what is happening in the country. The politicians do, so will he do that?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the standing committee set up by this House, made up of very intelligent members, has before it a number of important matters, and I am quite prepared to await and receive the report from that committee which has already been authorized. If it wishes to make recommendations, I will be glad to listen and consider them.

POSSIBILITY OF POLICY CHANGES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, if I heard the Minister of Finance correctly, in answer to a question about whether or not he would change fundamental elements of the budget and the National Energy Program, he said that when those decisions were taken there would be a report to the House. Is the government now, today, considering major changes in the budget or the National Energy Program?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the Right Hon. Leader of the Opposition knows, probably better than I know, that it is quite impossible for me to tell him what is being considered in cabinet.

SMALL BUSINESS

DEVELOPMENT BOND PROGRAM

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is for the Minister of Finance who will know that the number of Canadians who have gone from dire straits into severe distress has increased dramatically over the past several months. The one program the minister offered to those people in distress was a small business bond, which was changed from a development bond to a distress bond.

Does the minister understand that two of the largest Canadian banks no longer use that bond, and the Canadian farmers and businessmen who would use that bond in a distress situation no longer have that opportunity, and so there is now nothing in his economic program to deal with those in distress? Does he know that, and what is he prepared to do about it?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the reason the Small Business Development Bond was introduced was to provide reduced rates of interest to borrowers because of the tax room available to the banks. If in a particular case there is no more tax room available to a particular bank, then obviously the bond with respect to that bank would become inoperative. But it is my information that the operation of the bond is still quite valuable to large classes of borrowers in Canada. As the hon. member knows, several billions of dollars have already been put out to groups in this country as a result of the benefits of the bond. But I will consider his representations, as I did on a previous occasion and indeed changed the operation of the bond to meet some of his representations.

Mr. Gurbin: Madam Speaker, I am somewhat enthusiastic about the minister's response. I think he knows, when he tells us about the $2.5 billion which has been used, that that in no way applies to the distress area; rather, it is the total investment that the banks have used.

REQUEST THAT NEW ECONOMIC MEASURES BE INTRODUCED

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my supplementary is directed to the same minister. Does he know that every day and a half he delays his new economic program another Canadian farmer goes bankrupt, and that every hour and a half he delays, another Canadian business bites the dust, and that every 20 minutes he delays his new economic measures another Canadian personal bankruptcy is declared? How long, how many days, how many hours, is the minister prepared to go on before introducing new economic measures to help Canadians?

• (1500)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, if the hon. member wants to ask me a question about government policy, I will be glad to answer. I have already indicated in reply to a question from his leader earlier in the week what the situation was with respect to any statement to the House of Commons.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Nielsen: Madam Speaker, may I ask the government House leader what the order of business will be for the remainder of this week and as far into next week as he can take us?

Mr. Pinard: Madam Speaker, we had a meeting this morning at which we made a few agreements. For example, tomorrow there is an agreement to deal with three stages of the bill which will be introduced in a few minutes in the name of the Minister of Justice to amend the Criminal Code. Then if we have time we will start second reading debate on Bill C-95.

[*Translation*]

As far as next week is concerned, on Monday we shall conclude debate on the energy bills, including Bill C-104 and Bill C-108, if the debate on these bills is not wound up today. Also on Monday, the plan is to adopt on second reading Bill C-115 on occupational training, and there is agreement—if there is time—to dispose of all stages of Bill C-116, with one member speaking per party. I understand that not necessarily the duration of the debate but its timing for Monday may be discussed further, in the light of information I have just received and which has been mentioned by the member for Yukon (Mr. Neilsen). On Tuesday, we shall proceed with the report stage and third reading of Bill C-111, in accordance with an order of the House, with a vote on third reading at the end of the day. Finally, next Wednesday and Thursday will be opposition days.

[*English*]

Mr. Nielsen: Madam Speaker, perhaps you might permit me to thank all hon. members of the House for their response to the Standing Order 43 motion which complimented members of the class of 1957 sitting both in this place and in the other place. We appreciate that expression of good wishes.

Can the government House leader tell me when Bill C-60, the northern pipeline bill, is to be proclaimed? I am informed that has yet to be proclaimed. Perhaps there might be an explanation as to why it is not being proclaimed.

Mr. Pinard: Madam Speaker, I will be glad to consult with the Minister of Energy, Mines and Resources and report to my honorable colleague. I understand that most likely the bill will be proclaimed at the end of this month. However, I would like to discuss the matter with the minister of energy and then report to the House.

Mr. Crosbie: Madam Speaker, I have a question for the government House leader on business of the House. I have a motion on the Order Paper which deals with the Minister of

Justice and his conduct in this House. It asks that the matter be referred to the Standing Committee on Privileges and Elections. As the House leader knows, this is a matter to which the government, in the British parliamentary tradition, gives time so that it can be dealt with an hopefully referred to the committee. Will the matter be given government time so that we can deal with it, or is it true that the Minister of Justice has said he does not want it dealt with and does not want it allowed any time in this House?

Mr. Wilson: It is being swept under the carpet.

[*Translation*]

Mr. Pinard: Madam Speaker, I checked the precedents for the kind of motion presented by the hon. member, but unfortunately, there are none at all. I may remind the House that the hon. member had two options, namely, to raise a question of privilege or to give forty-eight hours' notice and present a substantive motion on the subject. He preferred the first option, and he raised his question of privilege and lost. Nevertheless, he had ample opportunity during the debate on his question of privilege to try to make his point and to formulate his accusation. He had nearly a whole day to speak to this subject and express his views, and today, after losing his case, after his case was rejected and the Chair had decided there was no prima facie evidence for a question of privilege—the Chair indicated in its decision the options that were open to the opposition—he chose to take advantage of the existing procedure and to try another approach. If the hon. member had taken this option in the first place, the reaction of the Minister of Justice (Mr. Chrétien), to which he referred, would probably have been different. However, first of all, the hon. member has had ample time to express his point of view which is unprecedented in this House, and as a result, we feel perfectly justified in demanding that the provisions of Standing Orders—

Madam Speaker: Order, please. I am not happy at all with the way the minister commented on the ruling I gave on the question of privilege raised by the hon. member for St. John's West (Mr. Crosbie). He will have to admit that my ruling was based on parliamentary procedure, and that there is no question of a member losing or having his case rejected as a result of a ruling given by the Chair. The minister may wish to explain to the hon. member at what time the motion could be considered by the House, but I would ask him not to refer to my ruling in those terms.

Mr. Pinard: Madam Speaker, I may refer the hon. member to Standing Orders 15(4) and 20 which clearly establish the procedure to be followed on motions arising from private members' business. As I said before, considering the fact that the Chair ruled that this was not a prima facie case of privilege, the hon. member had ample time to express his views. He is now taking another approach open to him under the Standing Orders, and it is up to the government to decide, under the provisions of Standing Order 18(2), what the order of precedence will be. Once more, if the hon. member had not had ample time to express his views on a previous occasion, it might be felt that to refuse to consider today's request would be inappropriate. However, the hon. member has had an opportunity to make his accusations, and secondly, and this is more important in that it distinguishes the motion from every previous precedent, the wording of the motion appearing on the Order Paper is clearly an accusation, a judgment without due process of the Minister of Justice. Anyone reading the motion will realize that it is impertinent, bold, disrespectful and unparliamentary, and never in the history of the Parliament of Canada has notice been given for a motion of this kind prior to a debate on the actual question. Because of its wording, the motion is inappropriate and unacceptable to the government, and that is why the Minister of Justice feels that he has every reason to refuse to allow any kind of precedence to be given to this motion, which is any case has already been the subject of debate.

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[*English*]

Mr. Crosbie: Madam Speaker, I rise on a point of order. I have laid a grave charge against the Minister of Justice, namely, that he deliberately misled this House. This matter should have great priority and should be dealt with. Will the House leader give this House and a committee of this House a chance to look into the conduct of the Minister of Justice and my charge, or will the government continue to be frightened to do so and hide behind this piffle that we have just heard? I have followed exactly what the Speaker advised. This matter should be dealt with by this House and now. It is a grave charge against a minister of the Crown.

Mr. Pinard: Madam Speaker, I have just explained that the hon. member had ample opportunity to make some noise, get publicity and plead his case earlier in this House. What I am saying today is that the hon. member has chosen a second way in trying to achieve his goal. He has given notice of a substantive motion which under the Standing Orders appeared on the Order Paper under private member's business.

I think that in all fairness the hon. member is no more equal than any other member on either side of the House. Therefore, I think the hon. member for St. John's West should wait his turn. However, if the matter is so important to him even after having had the opportunity to plead his case one day and the Speaker having found that there was no prima facie case of privilege, maybe the hon. member's party would support him and move his motion on one of the three opposition days that remain in this session.

• (1510)

Mr. Nielsen: Madam Speaker, the action of the government now raises a very serious problem in procedure. As you and your predecessors have so often said, a question of privilege is rare, so rare that the House deals with a question of privilege immediately when it arises, and it should arise at the earliest

possible opportunity. That was done by the hon. member for St. John's West and the Chair dealt with that question expeditiously.

I prefer Madam Speaker's version, your judgment on that occasion, rather than the interpretation which has been placed upon it by the government House leader. You made it quite clear that a matter of procedure was involved, as had your predecessor in the case of the hon. member for Durham-Northumberland at the time that he raised his question of privilege.

On those occasions the ongoing procedure suggested to both hon. members was that a substantive motion could be placed upon the Order Paper. There is only one reason the Chair made a suggestion like that on both those occasions, and that was to enable the House in the ordinary course to deal with the questions of privilege which were raised. In this instance, a very serious question of privilege involving a charge concerning the conduct of the Minister of Justice was repeated today in the same language which caused the Chair considerable concern on the original occasion.

The serious procedural question which arises now, if the government continues to follow this wholly undesirable course, is that we will have substantive motions of privilege languishing on the Order Paper potentially throughout the whole of a session. I am sure that is not the traditional parliamentary process.

In my submission, the government is obliged to make government time available at the earliest possible opportunity to give the House the opportunity to deal with the motion. We know that with its majority the motion itself will be defeated, but it should be disposed of and disposed of immediately. To adopt any other position or to suggest that questions of privilege should become the subject of allotted days, I really think is the kind of suggestion which the government House leader ought to reconsider seriously. Traditionally it was the government which had the obligation to deal immediately with questions of privilege and in the shortest possible time.

What it means to the Chair is this. If the government insists upon adhering to this stand, it is pointless for the Chair on future occasions which will arise even to suggest the process of putting a substantive motion down, because we now know, if the government adheres to its position, that it will never be dealt with, that it will languish on the Order Paper and indeed die with prorogation. In the meantime, the stigma is hanging over the person charged, and the question whether or not there is substance to the charge remains unanswered. Surely the illogic of that position must present itself forcefully to the government House leader.

I have one other thing I want to say before I finish. We on this side have offered, because we know the government is hard up for time between the targets it wants to reach and now, that we would keep that debate short and indeed restrict it to only two speakers on the question. We believe strongly that the House should be given the opportunity to resolve the question, even if the government were to say to us that it will bring the matter on for a vote without any speakers. The government House leader made a great to do about the hon. member for St. John's West having two swings at the cat, as it were. I think there might be a disposition, even if we made no speeches, to bring the motion on, to allow the House to divide on it and to resolve the matter. It is totally unacceptable and surely totally unparliamentary to have such a substantive motion lying on the Order Paper between now and dissolution.

That is the result of the government's position, plus the other serious position in which the government House leader has placed the Chair, because no longer with any serious intent can the Chair suggest to any hon. member who raises a question of privilege that there is the option of placing a substantive motion. It will not exist if they adhere to their position.

Some hon. Members: Hear, hear!

Madam Speaker: Of course, there is no need for me to rule on this because there is no point of order involved. Hon. members know the statement which I made in the House at the time of the ruling. However, the conduct of business in the House of Commons is the responsibility of the government. The Speaker has no responsibility or other obligation to rearrange the business. I think that is quite clear to hon. members.

Obviously this is a matter which the House leaders should negotiate between themselves and as much as possible not in the House. I have allowed this short debate or short exchange to take place because there was a question relating to government business, but I am afraid it cannot be prolonged. I invite the leaders to negotiate this matter between themselves.

* * *

PRIVILEGE

MR. ANDRE—REPORTED COMMENTS OF MADAM SPEAKER RESPECTING PARLIAMENTARY CONDUCT

Mr. Harvie Andre (Calgary Centre): Madam Speaker, I rise on a question of privilege of which I gave you notice earlier this day. The question arises out of a newspaper article in *The Calgary Herald* on Saturday, June 5, 1982. I became aware of the article on Tuesday, June 8, of this week and yesterday, June 9, would have been the first opportunity to raise the matter. But in view of the unique nature of the question, I felt I should discuss it with my colleagues and examine precedents to see how best to proceed. Subsequently I decided that the best way to proceed was to raise the matter in the House.

The newspaper article in question arose out of an interview which Your Honour had with Mr. Bob Bergen, a staff writer for *The Calgary Herald*. The interview occurred at the time Your Honour received an honorary degree from the University of Calgary last weekend. The article reads, in its first part, in such a manner as to suggest that Your Honour was reflecting on my actions and conduct in the House of Commons. If I might just quote from the first part of the article, it reads:

"The rules of Parliament have to be changed to deal with radical 1960s-era campus politics which have crept into the House of Commons," says House Speaker, Jeanne Sauvé.

Sauvé also said the methods of Calgary Centre MP, Harvie Andre, during the March bell-ringing crisis in the House of Commons typify that decade's confrontation tactics.

"In the 1960s you had campus unrest and new tactics we weren't used to", Sauvé said in an interview Friday.

"Well those students are now in Parliament and they've brought with them some of their ways of expressing themselves and conducting their battles", she said.

Sauvé said Andre, who engineered the bell-ringing incident in the House over the Liberal government's omnibus Energy Securities Bill, is an example of one who uses the tactics of confrontation.

"He is the one who raised the problem of the omnibus bill, quite obviously", she said.

I received from Madam Speaker's special assistant, Marie Bender, a copy of a telex she had sent to Mr. Murray Ball, news editor of *The Calgary Herald*, on June 7, 1982. The telex says that your Honour wished to make clear in her interview that when commenting on campus politics of the sixties your Honour made no connection whatsoever with Mr. Harvie Andre's intervention in the House; nor did you in any way convey the bell-ringing incident. The telex goes on to say:

• (1520)

The direct quotes in the article are correct and when one reads them against the first part of the article, they are clearly of a general nature which is the only type of comment Madam Sauvé, as Speaker of the House, would want to be associated with.

As can be seen from the quote in the article I read earlier to the House, the quotes attributed to you, along with the other comments in the article, clearly leave the impression that Your Honour has accused me of somehow utilizing undergraduate tactics from the 1960s in pursuit of my political objectives.

Some hon. Members: Oh, oh!

Mr. Andre: Perhaps Madam Speaker would like to quiet the jackals on the other side so I might continue.

Mr. Crosbie: The louts.

Mr. Clark: The Liberals are using that statement.

Mr. Andre: When I became aware of this article I thought I had one of three alternatives. I could have ignored the article but that would have left on the public record an apparent accusation with which I vehemently disagree.

An hon. Member: You were never a radical.

Mr. Andre: The rabble-rousers on my left are not interested in what I have to say either. They can depart the chamber, then.

In the 1960s I was a professor, not a student, and if anything was on the receiving end—

Some hon. Members: Oh, oh!

An hon. Member: That is a long time ago, Andre.

An hon. Member: She is smiling. She thinks it is a joke.

Mr. Andre: Madam Speaker, perhaps if you were not smiling the jackals would not be laughing.

Some hon. Members: Show some respect.

Mr. Andre: My second course of action could have been to respond to the article by Mr. Bergen, but that would have appeared as if I were using the public media to criticize the Chair, which is something I do not feel is consistent with the conventions and practices which require that members of Parliament respect the Chair and its decisions.

My third alternative is the one I chose. It is to raise the matter here in the House. I have been unable to find, and I am certain there does not exist, a precedent for a Speaker to have reflected on the words or conduct of a Member of Parliament in the House or outside the House. Indeed, during the March bell-ringing incident, your Honour was very careful not to reflect on the actions of any of the parties to this dispute, and indeed such is the convention involved here. Not one of your predecessors, even though hounded by the media for reaction, would in fact have commented on the actions or conduct of any member of the House in regard to that incident. That is the strength of that particular convention.

I have had enough experience in politics to know—and have experience first-hand—that news reports do not always accurately reflect what was said or the context in which it was said. It might be that Madam Speaker was misquoted and it might be that the reporter, by taking her quotes out of context, has created a different impression. There might be other explanations.

As things stand now, this article appearing in a major newspaper in my riding, based on an interview with your Honour, clearly leaves the impression that your Honour is reflecting on my conduct as a Member of Parliament for my constituency.

I am sure that your Honour agrees with me that it would be extremely unfortunate and undesirable for this precedent situation to result in a circumstance where Speakers would be reflecting on the conduct or behaviour of Members of Parliament via the media, as it would be equally undesirable for Members of Parliament via the media, as it would be equally undesirable for Members of Parliament to be reflecting upon the behaviour of Speakers in the performance of their duties through the public media.

I feel that the matter is serious enough in terms of the unfortunate appearance that it creates that I ought to raise the matter. As I indicated, it certainly would be unsatisfactory to me, and I am sure to Your Honour, to have a circumstance where, in fact, there would be public criticism of each other via the media. I would not like to have that reflection on my conduct as a Member of Parliament remain on the public record without some correction.

Some hon. Members: Hear, hear!

Madam Speaker: I thank the hon. member for his submission. I believe we are both in the same boat. We both feel quite

offended by the way this very short interview was reported in *The Calgary Herald*. I felt so much so that I immediately issued a press communiqué on Monday morning, a copy of which I sent to the hon. member at his office along with my speech.

Mr. Andre: No, I am sorry.

Madam Speaker: This was so that he would at least be aware that this took place and that he would know how I reacted to it.

I feel a bit uneasy because the hon. member is raising a question of privilege and I happen to be the judge of that question of privilege at the same time as I am extremely involved in it. However, I think it would be quite clear to all members that such statements made outside the House by one member about another member do not in themselves constitute a question of privilege. Therefore, I think the hon. member would recognize with me that he does not have a basis for a question of privilege. However, if there were a basis for a question of privilege in the fact that an hon member said something about another hon. member outside the House, I think I would be the first one who would want to raise a question of privilege because obviously the words put indirectly in my mouth give the impression that I might have said things that I certainly have not said, and I have already told the hon. member that.

I am not misquoted because everything that is in direct quotes is exactly what I said. That appears in the latter part of the article. However, in the first part of the article there are a sequence of statements made by the reporter and allusions that I might have said that. The sequence in which these paragraphs are written gives an impression that I did in fact criticize or reflect on the conduct of the hon. member for Calgary Centre at the time of the bell-ringing crisis.

Hon. members know that I gave a few interviews during the course of that bell-ringing crisis. At that time I did not comment on anyone's actions in the House. I think that should be sufficient evidence that this Speaker knows quite definitely that there is no way the Speaker can comment on the conduct of members in the House. Certainly, I never did that.

Since the hon. member is quoting from the report, I would like to quote some of the other things which are in quotes in the article. When I read them to the House it will realize that they are hardly reconcilable with the first part of the article where I appeared to be reflecting on what a member might have said the reporter quoted me as saying:

● (1530

The House sat down and negotiated its way out of the difficulty and that's what has to happen.

Those were my exact feelings about the crisis. In answer to another question, I said:

The temptation was great to do otherwise than let the House get out of its own mess.

The reporter stated in the article:

While Sauvé says she has ideas about the nature of the reform that could take place to prevent such a crisis, she says she will only reveal them to parliamentary committees studying reform if asked.

Then I am reported to have said:

The way society now functions, and how it solves its problem by confrontation, that kind of behaviour is now reflected in Parliament.

I did say that because I was being asked the question why this happens in the House in this way. If one looks around at what is happening, these tactics are admissible in some other quarters and, of course, they are reflected in the House. I certainly did not allude to the hon. member as being one of those "campus students", because I definitely knew that the hon. member could not possibly have been a student in 1960, and we have just learned that he was a professor.

Some hon. Members: Oh, oh!

Madam Speaker: Neither could I have been a student. We are in the same boat there.

I did send a press communiqué, so I think the record is straight as far as *The Calgary Herald* is concerned. The press communiqué stated:

The Speaker of the House wishes to make it clear in an interview she gave at the time that she received a doctor of laws degree—

I thought I would accept that doctor of laws degree to reassure the hon. member for Durham-Northumberland (Mr. Lawrence).

—that when commenting on Canada's politics of the sixties, she made no connection whatsoever with Mr. Harvie Andre's intervention in the House, nor did she in any way qualify the bell-ringing incident.

It went on to state:

The direct quotes in the article are correct—

I admit that they are correct, and I think the newspaperman has them on tape, and that:

—when one reads them against the first part of the article, they are clearly of a general nature which is the only type of comment Madam Sauvé, as Speaker of the House, would want to be associated with.

So I think the public record has been made clear. I regret that the journalist has reported me in this way, but there is not much that I can do about it. As an experienced politician, I can assure the hon. member and give him my word that I do not think I even committed any kind of imprudence in the course of that particular interview. I am quite sure of it, I categorically state it, and I hope the hon. member will take my word, as I always take the word of hon. members in this house. So I did not reflect upon the hon. member's conduct, and I do want to make that quite clear.

Mr. Andre: Madam Speaker, I accept Your Honour's indication that you did not intend to reflect on my statements or conduct or somehow relate those to your interpretation of why the House employed the bell-ringing incident, that it had something to do with 1960s style campus politics evolving to the House of Commons. I assure Your Honour that it does have something to do with the sixties. The rule changes in 1969 were what prevented and closed off the opportunity for

hon. members to curtail an excessively arrogant government. That is the only legacy of the sixties which has resulted in other mechanisms being used, but that is a dispute between yourself and myself as to why the House has behaved in the way it has under this government.

Madam Speaker, I did want to indicate that I did not receive a copy of your speech. You may have intended that a copy be sent to my office, but my office did not receive one. What I received was a telexed letter, not from yourself but, rather, from your special assistant, Mary Bender. I did not feel the quotation in the second paragraph entirely corrected the record, but I accept Your Honour's indication that you did not have that intent.

Although I have indicated my acceptance of Your Honour's position, I would not want the record to reflect that I would not have considered it to be a breach of privilege had Your Honour intended to publicly criticize me and had Your Honour intended to reflect on my conduct as a Member of Parliament. I would not have accepted that as a ruling. I would have considered that to be a most serious breach of privilege. However, I accept Your Honour's indication that that was not your intention.

ROUTINE PROCEEDINGS

[*English*]

PETITION

MR. GREENAWAY—RECONSIDERATION OF GUN CONTROL LEGISLATION

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, it is my duty to present a petition signed by 378 citizens and gun owners of Cariboo-Chilcotin riding in British Columbia. This joins a similar petition which I submitted previously containing 758 signatures.

The purpose of this petition is to protest the introduction of Bill C-451, a private member's bill concerning gun control. The signatories to this petition are legitimate gun owners who use their firearms both for sport and often in the course of their work.

The nature of the petition is to demand the immediate withdrawal of Bill C-451, as well as the denial of passage of the bill should it come up for consideration in the House.

The petitioners hope that in your examination of the petition you will find the petition in order and that you will exercise the discretionary powers vested in the office of Speaker of the House to allow discussion and/or referral to the appropriate committee at the earliest possible time in order that the flaws in this proposed legislation may be pointed out.

[*Translation*]

CRIMINAL CODE

MEASURE TO AMEND

Hon. Yvon Pinard (for the Minister of Justice) moved for leave to introduce Bill C-117, to amend the Criminal Code.

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

* * *

[*English*]

AN ACT TO AMEND CERTAIN ACTS THAT PROVIDE FOR THE RETENTION OF RECORDS

MEASURE TO AMEND

Hon. Donald J. Johnston (President of the Treasury Board) moved for leave to introduce Bill C-118, An Act to amend certain Acts that provide for the retention of records.

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

* * *

MISCELLANEOUS STATUTE REPEAL ACT

MEASURE TO ESTABLISH

Hon. Donald J. Johnston (President of the Treasury Board) moved for leave to introduce Bill C-119. An Act to repeal certain statutes that have ceased to be in force or have become unnecessary.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 3,125, 3,687, 4,284, 4,293 and 4,297.

[*Text*]

ACQUISITIONS BY CORPORATIONS

Question No. 3,125—**Mr. Clarke:**

1. With reference to each corporation not included in Schedules C and D of the Financial Administration Act which are wholly-owned by Her Majesty in right of Canada, during the period 1970-80 did the corporation acquire shares or other ownership interest in any other corporation, limited liability company or unincorporated company and, if so, what was the (a) name of the corporation, limited liability company or unincorporated company and any subsidiaries thereof (b) percentage of equity acquired (c) cost of acquisition (d) book value of the acquisition?

2. In each case, does the corporation have a plan to change the present portion of ownership in any of these enterprises and, if so, what is the plan?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): In so far as the Bank of Canada is concerned: 1. (a) Bank of International Settlements (BIS), (b) 1.8 per cent of outstanding BIS shares at the end of its 1969-70 fiscal year, (c) $2,633,196.86, (d) Same as (c).

2. No.

In so far as the Canada Council is concerned: The Canada Council's cultural programs are funded partially from income from the endowment fund and other funds set up from bequests and gifts made to the council for specific purposes. The investment committee follows rules that are similar to those established under the Canadian and British Insurance Companies Act. Under a rule established by council, no single equity exceeds 7 per cent of the total equity market value.

1. The Canada Council does not hold a significant percentage of any corporation. As a rule, the Canada Council does not exercise its voting rights.

2. No.

The following government institutions have no information on this subject: Canadair Limited, The Canadian Wheat Board, de Havilland Aircraft of Canada Limited, International Development Research Centre, National Arts Centre Corporation, Standards Council of Canada.

WORK SHARING AGREEMENTS WITH PROVINCES

Question No. 3,687—**Mr. Herbert:**

1. In each of the past five years, by province, what amount was spent on work sharing agreements?

2. What amount is estimated to be spent in the (a) present (b) next fiscal year?

3. Are only designated sectors of the economy eligible for this program and, if so, which sectors?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): 1. None for 1980 and 1981. The following are the amounts, by calendar year, for 1977 and 1978 (not available separately) and 1979:

Region	1977 and 1978 $(thousands)	1979 $(thousands)
Newfoundland	—	—
Nova Scotia	$ 20.3	—
Prince Edward Island	—	—
New Brunswick	$ 117.7	$ 10.3
Quebec	$ 940.9	$ 18.8
Ontario	$ 174.8	$159.9
Manitoba	—	—
Saskatchewan	$ 3.5	—
Alberta/Northwest Territories	$ 15.9	—
British Columbia/Yukon	$ 49.5	—
Canada	$1,322.6	$189.0

2. (a) No estimate has been made. Present authorities place a limit of $10 million on expenditures in the 1982 calendar year. (b) No estimate has been made and no limit has been authorized.*

3. No. Work sharing is available in all sectors.

* It is anticipated that, if the demand for work sharing approaches $10 million, an increase in the expenditure ceiling would be sought.

NEWCOMBE INQUIRY

Question No. 4,284—**Mr. MacKay:**

What was the total cost of the so-called Newcombe inquiry of 1979-80 and what amount was paid to Mr. Edmund Peter Newcombe, Q.C., for his services as commissioner of the inquiry?

Hon. J.-J. Blais (Minister of Supply and Services): The total cost of the so-called Newcombe inquiry established on December 13, 1979 by the then Progressive Conservative government was $7,414.83. The total amount of $6,214.83 was paid to Mr. Edmund Peter Newcombe, Q.C., for his services as commissioner of the inquiry.

RECRUITMENT AND RELEASES

Question No. 4,293—**Mr. McKinnon:**

1. How many recruits were accepted as medically suitable at recruiting stations and later found to be medically unsuitable at CFB Cornwallis during the calendar year (a) 1979 (b) 1980 (c) 1981?

2. In (a) 1979 (b) 1980 (c) 1981, what percentage of recruits were released from CFB Cornwallis (i) for disciplinary reasons (ii) on request by the recruit (iii) for medical reasons (iv) for a false enlistment (v) for other reasons?

3. Is it customary to give complete medical examinations before enrolment and, if not, for what reason?

Hon. J. Gilles Lamontagne (Minister of National Defence): 1. Statistics are not maintained on releases at each training base for medical reasons due to pre-existing medical problems. The releases are included in the category of irregular enrolments. The Directorate of Medical Treatment Services (DMTS) does however, review the files of all those who are released as a result of a pre-existing medical problem. The following numbers of files which were reviewed by DMTS are from all recruit training bases.

Year	Personnel Released as a Result of a Pre-existing Medical Problem
1979	557
1980	684
1981	598

2. The following chart shows, by percentages, recruit releases at CFB Cornwallis.

	Year	(i) Disciplinary	(ii) On request of member	(iii) Medical	(iv) False Enrolment	(v) Other
(a)	1979	0.02	1.2	0.04	6.3	9.5
(b)	1980	0.04	0.2	0.10	6.4	6.3
(c)	1981	0.02	0.4	0.95	4.7	5.1

3. It is not and has not been customary to give complete medicals to applicants other than aircrew prior to enrolment

since 1976. It was considered at that time the lengthy delays required to obtain laboratory and x-ray results were discouraging many applicants and were one cause of the low enrolment rate. As a result the decision was taken to streamline the enrolment process by modifying the enrolment examination.

DISTRIBUTION OF AIRCRAFT REFUELLER TRUCKS

Question No. 4,297—**Mr. McKinnon:**

With reference to the answer to question No. 3,444 concerning the purchase and distribution of aircraft refueller trucks which indicated that trucks valued at $121,000 each will be distributed at 19 Canadian Forces Bases (a) which bases are to receive the trucks (b) how many trucks will be positioned at each base?

Hon. J. Gilles Lamontagne (Minister of National Defence): (a) and (b) The distribution of aircraft refueller trucks by base and quantity is as follows:

Canadian Forces Base Bagotville	13
Canadian Forces Base Chatham	7
Canadian Forces Base Cold Lake	14
Canadian Forces Base Comox	11
Canadian Forces Base Edmonton	7
Canadian Forces Station Gander	3
Canadian Forces Base Greenwood	8
Canadian Forces Base Moose Jaw	8
Canadian Forces Base North Bay	5
Canadian Forces Base Ottawa	5
Canadian Forces Base Portage la Prairie	5
Canadian Forces Base Shearwater	10
Canadian Forces Base Summerside	4
Canadian Forces Base Toronto	3
Canadian Forces Base Trenton	7
Canadian Forces Base Winnipeg	10
Canadian Forces Base Montreal	3
Canadian Forces Base Borden	2
Canadian Forces Europe	32
Total	157

[*English*]

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

[*Translation*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

• (1540)

GOVERNMENT ORDERS

[*English*]

PETROLEUM INCENTIVES PROGRAM ACT

MEASURE RESPECTING INCENTIVES

The House resumed from Wednesday, June 9, 1982, consideration of Bill C-104, respecting Petroleum Incentives and Canadian Ownership and Control Determination and to amend the Foreign Investment Review Act, as reported (with amendments) from the Standing Committee on Energy Legislation, and Motion No. 1 (Mr. Lalonde).

Madam Speaker: Is the House ready for the question?

Some hon. Members: Question.

Madam Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

Some hon. Members: On division.

Motion (Mr. Lalonde) agreed to.

Mr. Ian Waddell (Vancouver-Kingsway) moved:

Motion No. 2

That Bill C-104, An Act respecting petroleum incentives and Canadian ownership and control determination and to amend the Foreign Investment Review Act, be amended in Clause 2 by adding immediately after line 41 at page 3 the following:

"2.1. The objects of this Act are:

(1) To provide a petroleum incentive program;

(2) To foster greater self-sufficiency of oil and gas supplies in Canada;

(3) To promote development of oil and gas fields on Canada Lands;

(4) To facilitate, in relation to oil and gas development, consultation and coordination with the governments of the provinces, the Yukon Territory, and the Northwest Territories;

(5) To maximize the social and economic benefits from the oil and gas developments on Canada Lands, including the maximizing of the opportunities for employment of Canadians while at the same time minimizing any adverse effect on the social and environmental conditions of the areas most directly affected by the oil and gas developments;

(6) To advance national economic and energy interests and local public interest in social and economic development by ensuring the highest possible degree of Canadian participation in general, and local participation in particular, in all aspects of the oil and gas development in the Yukon and the Northwest Territories."

He said: Madam Speaker, I would like to speak to this amendment, but before doing so I have some preliminary remarks that I would like to address in response to some of the comments that were made last night by the "hon. Jerry Rubin" of this House, the member for Calgary Centre (Mr. Andre), or "radical Harv", as he is now going to be known around here! I never thought he was a member of the SDS; I thought it was more like the SS!

In any case, Mr. Speaker, I would like to say that we heard from the Conservatives yesterday—and I see the radical member back now—speaking with respect to this bill. I really never heard such hypocrisy in all my life. How about sitting down and listening to this, because I want to quote from the letter that the hon. member has written. The hon. member from Calgary Centre, the Conservative energy critic, stood up in the House yesterday to speak on Bill C-104, a bill to give

$8.9 billion in grants to oil companies under the new National Energy Program update, and that is what the figure will be, $8.9 billion over five years. The member for Calgary Centre said he had got some changes in this bill and was quite happy. He got a judicial review of one section. He said nothing about giving $8.9 billion away. Then he criticized the petroleum incentives program grants, the PIP grants, not because they were excessive but because they were bureaucratic in filling out the forms. He should try and fill out some welfare forms or some unemployment insurance forms. He would find that they are just as bureaucratic. There is no one to defend those people, but there are many people to defend the oil companies, as the member for Calgary Centre does incessantly in this House.

Then the rest of the Conservative members got up and gave the impression that they were against this program. But here is the letter, Mr. Speaker, dated December 21, 1981. It is from "Radical Harv", the hon. member for Calgary Centre, to his fellow 1960 radical member and Minister of Energy, Mines and Resources (Mr. Lalonde), who was also teaching university, I believe, in the 1960s. Here is what the member for Calgary Centre said:

> The parts of the proposed bill dealing with the Canadian Ownership Rate and the Petroleum Incentive Program are long overdue and we would be willing to see two relevant acts introduced and dealt with on a priority basis.

What hypocrisy for the Conservative Party to stand up and say, "We are really against this." They are not against it at all. There is the letter. What he wanted was quick dealing with it. They were saying: "Let us deal with the petroleum incentives program, let us get it over with, and let us get those grants to the oil companies as quickly as possible".

This is an incredible gift to the industry. How does the Conservative Party criticize this bill? They criticize it by saying: "Well, it may be against the Bill of Rights because it may discriminate against Canadian companies". I often think, when I hear that, of K. C. Irving sitting there in the Bahamas, the man who owns all the media in New Brunswick, the forest industry in New Brunswick, Irving Oil and a good part of other industries, including the beer industry. And we are to defend his rights as he sits there in the Bahamas!

Mr. Breau: On a point of order, Mr. Speaker, I hope the hon. member will not want to mislead the House. Mr. K. C. Irving does not own all of the papers in New Brunswick. There are at least two or three French language newspapers that he does not own.

Mr. Waddell: I am glad you pointed out that there are a couple of French newspapers. However, I am not here to attack K. C. Irving. I am here to deal with some of the Conservative allegations on this bill and also to deal with the bill itself. It is just incredible. We are at a time, Mr. Speaker, when the average family are having difficulties and are suffering, as we all heard from some of the questions put in question period. Yet we see this program in Bill C-104 which will give away in the petroleum incentives program more than $8.9 billion. Just think of that, $8.9 billion.

In my province the government is asking public servants and other people for restraint, not to go to the hospital because there are not enough beds, to cut back and so on. And here we are giving away $8.9 billion in grants. Think of that!

From Vancouver today, Allan Fotheringham, the Southam News columnist, writes that we should look into the salaries of some senior executives in the oil industry in this period of restraint. He quotes a report of the United States Securities Exchange Commission. That commission requires that all companies that are traded publicly disclose all facts, material or otherwise that may affect the company's business. We do not have that kind of law in Canada, so you have to go to the United States to find out the salaries of senior officials and senior executives.

According to that report, the salary of the Imperial Oil Chairman, Jack Armstrong, eased upward from $408,850 to $480,700. Poor Mr. Armstrong and Imperial Oil! The government gave Imperial Oil—I found this out in committee—$45 million to continue Cold Lake for a year. It was put on hold and Imperial just pocketed our $45 million. and Mr. Armstrong pockets $480,000 a year.

Mr. Pierce, the chairman of Ranger Oil, managed to get by with an increase from his last year's salary of $233,639 to $398,053. Is that not incredible! Just think of these large salaries and these large increases, and then think of the government in this bill giving $8.9 billion to oil companies!

The Conservatives criticize the bill because they are worried about a clause in the Charter of Rights, which they did not like in the first place. They are worried about bureaucracy in the bill. But at no time do they say that it is obscene to give $8.9 billion to an industry that says "We do not want government looking after us." If they want government to get out of their lives, let government get out of their lives. Let them do their exploration on their own, without $8.9 billion in PIP grants.

The system that we have in this country is screwy; it is upside down. Perhaps "Radical Harv" when he was a student radical in the 1960s had a different way of looking at things, but it seems to me that it is crazy, when we have so much need in medicare, in education, in job creation and so on, to give $8.9 billion to oil companies.

• (1550)

There will be some exploration and jobs will be created, but that will be in the north and offshore. Exploration will be done in the north by Gulf, Imperial and perhaps Dome, if Dome survives. It will be done in the Hibernia field by Mobil. Those are large American multinational companies. Have we not learned the pattern and that oil companies will want more money? Then they will go out and come back and say they have found more oil and gas, and they will want to export it, like they did one-half of their daily oil production in 1970. After they have done that, they will say there is a shortage. They will say there is a crisis, and they will come back and ask for more money. It is a never-ending circle. It is a Catch-22 situation.

I had to sit here the other night and listen to nonsense from members of the official opposition in their attacks on the government in relation to this bill. Members of the official opposition are inconsistent. According to the Gallup poll, if an election were held tomorrow I suppose members of the official opposition would form the government, but it would be a government with no policy. They would give Petro-Canada away to the oil companies. They would give even more money to the oil companies. Do the Canadian people really want that? I ask the Canadian people, through you, Mr. Speaker, and through the media, to think about that. I ask the Canadian people to think about who wants to give more money to the oil companies because that is what the Conservatives have been saying.

The hon. member for Calgary Centre is the "Chicago Sevener" of this House. The other day he said in this House that he would get rid of Crown corporations, including Petro-Canada. That is his policy. That may be the policy of the blue Tories, but it is not the policy of the red Tories. Perhaps it is the policy of the Leader of the Opposition (Mr. Clark) but not that of Mr. Mulroney. This is a very serious matter and the official opposition should be consistent.

There is another problem, and I have dealt with it in this amendment. The money provided by this bill is to be used to develop the north and offshore, but mainly in the Canadian Arctic. The government is moving out of Alberta, which is a silly policy. We should be developing the heavy oil in the Lloydminster-Wainwright area. That would provide many jobs. I received a call from Mr. Peter Susa, a representative of the steelworkers' union at the Interprovincial pipe plant at Regina. He told me that on July 14, 1982, Ipsco will lay off 516 workers for an indefinite period; 311 at Regina steel, 105 at Regina pipe, 86 at Edmonton, 80 at Port Moody and three at Brooks, Alberta. After September 30, 1982, that number will increase to 1,000. There would not be those lay-offs if the government was operating and helping in the regular industry in Alberta and Saskatchewan rather than going up to the north where American companies will be doing the basic exploration. Small Canadian contractors will not be there.

When the New Democratic Party toured Alberta, we were told at Edmonton by the ESA that its members would not be able to go up into the Canadian Arctic. They want to be close to home; that is where their jobs are.

There is another concern up in the Canadian Arctic when we go—I was about to say "hell bent for development". Perhaps that is unparliamentary. Perhaps I should say "all bent for development". The problem is in relation to the native people there. They live there. It is their home, their land and their country. That is why we are introducing this amendment.

Our Motion No. 2 sets out certain objects and refers to the objects section of the Northern Pipeline Act of 1978, Section 3, which was passed by this House. The purpose of this objects section is to make clear that the petroleum incentives program must serve national and local public interests as well as provide incentives for the development of the oil and gas potential of the Canada lands. The Northwest Territories are singled out in this amendment because the other Canada lands described in Clause 2 of this bill are submarine areas, and the local public interest is accordingly less a matter of local public debate—unless we want to include fish! There are no people there, but there are people in the north. There are native people who are the majority. There are Inuit and Dene people in the Beaufort Sea area, for example. This bill does nothing for them. It does not mention them. They were hardly even consulted about this bill. That is the Ottawa way of doing things. We put one ad in the Yellowknife newspaper to tell the people about this bill and to tell them they could come to the committee. When they came to the committee, at first they had trouble being heard but, thanks to the generosity of the members of the committee, they were able to be heard.

In passing, I want to pay tribute to the hon. member for York East (Mr. Collenette) for his chairmanship of the Standing Committee on Energy Legislation. He did a good job.

Some hon. Members: Hear, hear!

Mr. Waddell: That is the last good thing I will say about those fellows opposite.

Mr. Lalonde: Now you will stop being honest.

Mr. Waddell: Hon. members opposite should be putting this amendment in. The amendment deals with local participation in all aspects of oil and gas. I see the minister over there. We could continue this debate for a long time. I put it to the minister again that one would expect him to understand the interests and desires of a local group fighting for its rights and culture. That is what Canadian people in the north want.

We talked about the issues of the sixties, and I made fun of the hon. member for Calgary Centre. I said he was the Jerry Rubin of this House. One of the issues in the United States in the sixties was the treatment of minority groups, especially black people, with some dignity. The Americans passed a number of civil rights acts. We have never faced up to that in Canada. We have a problem in Canada. We like to talk about how bad South Africa, the United States and other places are, but the way we treat our native people in this country is shameful and we have to change. This House is the place to change. The native people are the majority in the north. This bill deals with giving grants for speeding up exploration in the north, especially in the Beaufort Sea area and the western Arctic, but what do we do about consulting local people? Nothing. This amendment simply says that as part of the statement of objects in this bill, we should try to maximize economic benefits to the people who are there. The amendment reads:

—at the same time minimizing any adverse effect on the social and environmental conditions of the areas most directly affected—

A native chief, Sam Raddi, told a federal government inquiry that there is a story the native people tell. His father told him and his father's father told his father. The story is passed down through the generations. The story is that if the animals ever disappear from the Beaufort Sea area—the cariboo, the whale and the seal—then the people go next.

There is much we could learn from native people. We could gain much wisdom about life from them. If we do not look after our environment, we will disappear because we are part of that environment. That is what we have to learn.

That is why we have introduced a clause like this. It talks about local participation in oil and gas development. It does not require the government to do anything in terms of levying tax. The Crown does not have to spend money. All the amendment says is that the government must consider local development. It must consider the native people and the people who call that area their home. Most Canadians live in the south of Canada along a strip right across the country which is near the United States. Some people still think about the north. There is good will in southern Canada for the north—even in Toronto—because Canadians are a northern people. When we deal with the north in any of these bills we should not forget the people there. I think in southern Canada there is support for northern interests.

• (1600)

All we ask is that the government adopt this amendment which will give firm protection to the north and will show some concern for the native people who call the north their home.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I welcome the opportunity to speak in support of Motion No. 2 introduced by the hon. member for Vancouver-Kingsway (Mr. Waddell) and to express my appreciation for the job he has done in raising what I consider the real issues of this whole energy package.

Our concern with this bill is that it proposes a massive incentive program for the oil companies without any guaranteed benefits for the Canadian people. The idea of an incentive is to give some person or some organization a reason for taking action. By making provision for the payment of some $8.9 billion to the oil companies, the government is giving them plenty of reason to act but is rather vague about the actions it requires from them, other than simply that they should spend money on petroleum exploration and development of the Canada lands.

The bill sets out the framework for paying $8.9 billion of taxpayers' money to the oil companies so that the federal government can do an end run around the petroleum producing provinces.

In Hamlet there is an interesting situation in which Hamlet, sitting by the graveside, considers the whole cycle of human mortality—how a person can die and rot and become earth that in turn nurtures food that goes into other human beings. Then he says that in this way a king can do a progress through the guts of a beggar. Under PIP, the money of poor people paid out in taxes does a progress through the guts of the bureaucracy and ends up in the pockets of the oil companies.

This amendment sets out the objects which we believe the act should achieve. If we are to have incentives, then they should be directed toward goals that are in accord with our national purpose. Simply shovelling money out to the companies may be a well-established Canadian custom but it hardly constitutes a national goal around which all Canadians of intelligence and good will can unite.

The amendment sets out some objectives which should be an integral part of any incentive program. Some of these objectives have been overlooked. The amendment states, in part, as follows:

> The objects of this Act are:
>
> (1) To provide a petroleum incentive program;

There is no question about that, Mr. Speaker. Providing $8.9 billion to the oil companies will give them plenty of incentive. The remaining five objectives set out the benefits that should accrue to Canadians as a result of this $8.9 billion. Let us consider the merits of these objectives and ask how well the bill measures up to them. Does the bill promote these objectives as well as it promotes giving money to the oil companies? The second objective reads:

> To foster greater self-sufficiency of oil and gas supplies in Canada;

The question of self-sufficiency in oil and gas has been at the centre of Canadian political debate for the last decade. All parties agree that energy self-sufficiency is a desirable objective. Certainly it is one of the standards against which PIP should be measured.

We have serious questions about whether $8.9 billion for the oil companies is the way to achieve self-sufficiency. That $8.9 billion could be used in ways to achieve much more, such as enhanced recovery, an increased program of conservation and putting money into alternate energy. If we consider some of the situations in which we are involved we find, for example, that Dome, in exchange for Japanese financing, has already promised to export petroleum resources from the Beaufort. We have to ask how increased exports will lead to greater self-sufficiency. We know very well that it will not. We travelled this route ten or fifteen years ago and that is why we are facing the present crisis.

The third objective is:

> To promote development of oil and gas fields on Canada lands.

The act will indeed do this by providing up to 80 per cent of drilling and exploration costs. This is one of the objectives of the act and it should be stated as such. We have to ask how desirable this goal is. Is it to the advantage of Canadians to pay $8.9 billion for a program that ignores more accessible petroleum reserves in the western provinces? Is drilling in the Beaufort Sea, with all the attendant environmental risks, the best way to achieve energy security in Canada? We have to ask if it is in our own best interests as a nation to encourage the economic equivalent of a pre-emptive strike on land that is still subject to land claims negotiations. Is it really part of our national character to deal craftily with the aboriginal people of the north, guaranteeing them aboriginal rights in the Constitution but eroding those rights and circumscribing them by this legislation which gives out incentives for development on lands for which claims are under negotiation?

The fourth objective is this:

To facilitate, in relation to oil and gas development, consultation and coordination with the governments of the provinces, the Yukon Territory, and the Northwest Territories;

Canada is a federal state and co-operation should be the hallmark of any energy legislation. Where the government was unable to get along with the producing provinces which have a degree of sovereignty in their own sphere, it simply picked up its marbles and headed for the territories where it hopes it can still reign supreme. No consultation with the territories has taken place. No revenue-sharing agreement has been reached with them. Instead, the territories will be completely dependent upon the largesse and generosity of the federal government—as the 13 American colonies were dependent upon George III. The government seems to be about as stupid and insensitive as George III. Perhaps it should look at history to see what happened there.

The people of the north are tired of exploitation without consultation. They object to the imposition of a form of development that denies their basic right to determine their own future. There is a need to return to co-operative federalism and to include the territories.

The fifth objective reads:

To maximize the social and economic benefits from the oil and gas developments on Canada Lands, including the maximizing of the opportunities for employment of Canadians while at the same time minimizing any adverse effect on the social and environmental conditions of the areas most directly affected by the oil and gas developments;

The question "What's in it for me?" may not be satisfactory as a total human philosophy, but it is a pretty important question for most Canadians today. We know that each of us will have to pay a pretty hefty chunk of that $8.9 billion, at a time when we have trouble raising money for housing, for health care and for higher education. It is important that we ask what are we getting for it in the way of jobs, and how many. Will there be enough for my kids coming out of school, where will they be, how long will they last and how much will they pay? With two million Canadians out of work these are not frivolous questions. Unfortunately, while this should be an objective of the incentive program, there is nothing in the bill which says how it would meet this objective. There are no guarantees, the incentives are only for exploration and development, and there is no requirement for performance in terms of job creation.

• (1610)

The second part of this objective talks about minimizing adverse effects on the people most affected. We have to recognize that oil drilling and exploration in the north will mean major disruption in the lifestyle of northern people. Unfortunately there is nothing in this incentive program which even asks the companies to raise that as a concern. The record of the government is one of dragging its feet on land claims negotiations and cutting back on money for environmental grants.

I am pleased to see the Minister of the Environment (Mr. Roberts) is here today and I would be interested in hearing his comments on the fact that the Beaufort Sea coalition has had its grants cut back by some 62 per cent. How are we going to be concerned about the environment at the same time as we are cutting back on the money? There was a promise of $10 million to help the people of the north deal with the social impact of the Norman Wells pipeline, but none of it has materialized. It is important that this bill recognizes as an objective the need to maximize the benefits and minimize the adverse effects; then we can measure the program to see how well it delivers.

The final objective is:

To advance national economic and energy interests and local public interest in social and economic development by ensuring the highest possible degree of Canadian participation in general, and local participation in particular, in all aspects of the oil and gas development in the Yukon and the Northwest Territories.

Basically we want guarantees to the highest possible extent of Canadian and local participation. The people who suffer the adverse effects should get some of the benefits. But the bill does not do that.

When we were debating Bill C-48 last year and looking at its basic philosophy, the hon. member for Vancouver-Kingsway pointed out time and again that the numbers regarding Canadian ownership could be and would be fiddled. If we look at the first major contract given out under that bill, we see that Esso, with about 30 per cent Canadian ownership, has formed some kind of a paper consortium involving ten other companies so that it will have some kind of Canadian content and be able to get the money from the Canadian people.

This bill, Mr. Speaker, does not really achieve the goals it should. I think we should at least have a statement of our objectives, and we can then see whether or not it measures up. Therefore, I urge the adoption of this amendment.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 2. Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 75(11), the recorded division on the motion stands deferred.

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources) moved:

Motion No. 3

That Bill C-104, An Act respecting petroleum incentives and Canadian ownership and control determination and to amend the Foreign Investment Review Act, be amended in Clause 4 by striking out line 22 at page 4 and substituting the following therefor:

"the applicant has a prescribed interest or has or had".

[*English*]

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion (Mr. Lalonde) agreed to.

Mr. Ian Waddell (Vancouver-Kingsway) moved:

Motion No. 4

That Bill C-104, An Act respecting petroleum incentives and Canadian ownership and control determination and to amend the Foreign Investment Review Act, be amended in Clause 10

(a) by striking out lines 5 to 16 at page 7 and substituting the following therefor:

"for 1981-1986, 50% or more but less than 65%;"

(b) by striking out lines 18 to 30 at page 7 and substituting the following therefor:

"for 1981-1986, 65% or more but less than 75%; and"

(c) by striking out lines 32 to 38 at page 7 and substituting the following therefor:

"for 1981-1986, 75% or more."

He said: Mr. Speaker, the purpose of the PIP grants is to promote greater private Canadian ownership in the industry. The higher the Canadian ownership rate, COR, the greater the grant. When the NEP was first introduced in 1980, presumably after much consideration and determination by cabinet—although I wonder—they agreed to push ahead with Canadianization as rapidly as possible. The COR levels were in three categories: zero to 50 per cent; 50 per cent to 75 per cent; over 75 per cent. Because of intense lobbying by the industry, including Conservative members, the COR levels have been reduced and an intermediate category has been added.

The effect of this amendment will be to institute a 50 per cent to 64 per cent COR for level 2 beginning in 1981, a 65 per cent to 74 per cent COR for level 3 beginning in 1981, and a 75 per cent plus COR for level 4 beginning in 1981, instead of phasing in percentage levels as presently in the bill.

The Liberals, Mr. Speaker, have decided to Canadianize. You know their motto very well: "Don't do anything by half that you can do by quarters." This bill is an example of that. Canadianization is not a yacht race, you do not have to tack and weave and so on. It seems to me that if you have a goal, you approach the goal.

We in the NDP would not Canadianize in this way. It is unworkable, bureaucratic, and a big giveaway to Imperial Oil and its friends. But this is the way the government has chosen to Canadianize. It seems to me that if they are going to Canadianize by way of private Canadian industry, then they should do it in a straightforward way. Do not tack all over the place. The government should have some tough Canadian ownership rates. If we do not have some tough Canadian ownership rates, we will have what the hon. member for Cowichan-Malahat-The Island (Mr. Manly) said a moment ago—that Imperial Oil will be going into the Beaufort Sea involved in a consortium of companies and the paper consortiums will be doing all the work.

• (1620)

During the committee hearings we were told by representatives of Home Oil that Home Oil goes where it can get the best return. Home Oil will go to Australia, the North Sea or wherever. Home Oil is not perhaps as interested in Canadianizing or exploring in Canada as we may want them to be. Home Oil's representatives said they would look at the north but Home would be part of a consortium of companies. We will have the same old gang going up north. It will include Gulf and Imperial, which is the same old gang.

This amendment points out one of the defects in the government's energy program. It shows one of the patterns that has emerged from the government's energy program and that is the pattern of backing off. When there is pressure from the industry, the government backs off. That is why the federal government gave the industry $2 billion the other day. The government then sells out. It has sold out on consumer prices. Along with the Conservatives, the Liberal Party is a high-priced party in Canada. The Liberals are even worse than the Conservatives because the Liberals are not going to give any money back as an energy tax credit to low and middle-income people. Instead the government is going to give $8.9 billion in grants to the oil companies.

This money will be given mostly to the large companies because the large oil companies are the ones that will go north in phony consortiums. That is why we have brought in this amendment. If the government wants to pursue this form of Canadianization, let the government bring in some tough Canadianization rules. As I have said before, the government should not be backing off and doing things by quarters when the government could be doing it in total.

Canadians are ready for leadership in Canadianization. I do not agree with the Conservatives in this debate when they pooh-pooh Canadianization. Canadians are ready for it. I think Canadians want public ownership. They want us to use Petro-Canada. David Lewis, Tommy Douglas and the rest of us in the New Democratic Party dragged the Liberals kicking and screaming into bringing in Petro-Canada. Now that we have it, why do we not use it? Why give $8.9 billion to companies that say, "We are for free enterprise; we want to get the government off our backs."? Let the government get off their backs and not give them this $8.9 billion. The government can give the money to people in my riding in the east end of Vancouver who had trouble last winter paying their hydro bills. Luckily, we had a mild winter in Vancouver.

Mr. Blaikie: We should get the oil companies off the people's backs.

Mr. Waddell: My colleague says we should get the oil companies off the people's backs, but we will not if we give them $8.9 billion. It seems to me it is the other way around.

In any event, this amendment proposes to say to the Liberals "Quit backtracking; get on with the job. Make it tough if you are going to do this, otherwise Canadianization through PIP and COR will simply fall apart." I invite the government to accept the amendment.

Mr. Deputy Speaker: The question is on Motion No. 4. Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed to the motion please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Section 11 of Standing Order 75, a recorded division on the proposed motion stands deferred.

Mr. Waddell: Mr. Speaker, you were good enough to reply to my submission the other night with respect to Motion No. 5. The Chair ruled it out of order. The hon. member for Mission-Port Moody (Mr. Rose) must have passed me his notes because I made mistake when I suggested—

Mr. Deputy Speaker: With all due respect to the hon. member, the Chair yesterday again ruled the hon. member's motion out of order. There is no further discussion on the matter.

Mr. Ian Waddell (Vancouver-Kingsway) moved:

Motion No. 6

That Bill C-104, an act respecting petroleum incentives and Canadian ownership and control determination and to amend the Foreign Investment Review Act, be amended by adding immediately after line 38 at page 7 the following:

"12.(1) Notwithstanding this Act, any aboriginal right, title or interest, or any claim under such right, title or interest that any aboriginal people in Canada may have had prior to the coming into force of this Act, in and to the land which is herein described as Canada Lands, continues to exist until an agreement with that aboriginal people is effected which provides otherwise. (2) In this act, "aboriginal people" means those people described in Section 35(2) of the Canada Act."

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I will be very brief. Motion No. 6 is similar to an amendment that was accepted for Bill C-48. It is necessary to assure the aboriginal people of the north that we continue to regard their rights as being paramount. The guarantee in the Constitution is not something they regard as adequate. I think it is important that we have this amendment accepted. In the native claims policy entitled "In All Fairness", tabled in December, 1981, by the Minister of Indian Affairs and Northern Development (Mr. Munro), we find on page 23 the following:

Lands selected by Natives for their continuing use should be traditional land that they currently use and occupy; but persons of non-Native origin who have acquired for various purposes, rights in the land in the area claimed, are equally deserving of consideration. Their rights and interests must be dealt with equitably.

Other basic access rights must be taken into consideration: rights of access such as transportation routes within and through a settlement area; rights of way for necessary government purposes; rights of access to holders of subsurface rights for exploration, development and production of resources, subject to fair compensation as mutually agreed either through negotiation or arbitration.

This places the whole question of Indian land rights and aboriginal rights on a par with the rights of big corporations that have acquired financial interests in the area. I think it is absolutely essential that there be some protection for the aboriginal rights of the people of the north. This is in accord with previous guarantees. I urge the government to accept this amendment.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I want to speak briefly on this amendment. I will perhaps say something about the other motions afterwards. As we are all agreed to the government motions, perhaps we can proceed with them right away and have the vote before five o'clock.

With respect to what my colleague said, it is important that we put something in this bill to recognize that there are aboriginal rights in this particular area. I am amazed how powerful the Minister of Energy, Mines and Resources (Mr. Lalonde) seems to be in the cabinet. He is nodding and saying how he appreciates that. But the Minister of Indian Affairs and Northern Development (Mr. Munro) and the Minister of the Environment (Mr. Roberts) have completely lost in their dealings on the north. The little white knight of the Department of the Environment has been slain by the dragon of the Department of Energy, Mines and Resources. The Department of the Environment has really been thrown out of the north and the Department of Energy, Mines and Resources has won the battle and has developed the north in every respect.

The Minister of the Environment should pay some attention to what the native people up there have been saying. He should pay some attention to the fact that if there is an oil spill in the Beaufort Sea—as there will be, although I hope not—as we speed up exploration, we will have an environmental disaster of a proportion that we have never seen before. It will be worse than the blow-out in the Gulf of Mexico, because we will not be able to stop it.

Mr. Blaikie: Plug the holes with cabinet ministers. They are sticky enough.

Mr. Waddell: My colleague says we should try to plug the hole with cabinet ministers. In any event, what we have tried to do is consult with the Dene people. I understand that the

native people from Alaska to Greenland have an interest in the development of the north. They had suggested to us that they have a consultative council so they could be consulted at least when the development went ahead and when the minister authorized grants and directed exploration in the north. They felt they were not listened to when we debated Bill C-48. They do not have the kind of lobby which the industry has. They do not have the hon. member for Calgary Centre (Mr. Andre), the pimp of the oil industry here, to raise arguments for them. They do not have money to put advertisements in newspapers. They do not have money to do that kind of thing. There is really no one to speak for the native people of the country. That is why we have put in these amendments and we urge the government to adopt them.

• (1630)

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: Yea.

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

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 75(11), the recorded division on the proposed motion stands deferred. The hon. member for Vancouver-Kingsway (Mr. Waddell) on a point of order.

Mr. Waddell: Mr. Speaker, I rise on a point of order. I think the rest of the amendments, unless I am mistaken, are government amendments. Is that correct?

Mr. Lalonde: Correct.

Mr. Waddell: Then I would have no objection on behalf of my party, whatever is the proper procedure, to agreeing to their being put through now and dispensing with the reading of them. We would be prepared to let them go now, and we could have the vote on our amendments, if possible.

Mr. Pinard: Mr. Speaker, I understand that the remaining amendments are in the name of the minister. If the opposition agrees to them, of course we are willing to accept that. But I would like to know whether the hon. member for Calgary Centre (Mr. Andre) agrees or not. If they still have something to say, perhaps they could say it on third reading. We are openminded.

Mr. Andre: Mr. Speaker, I would like an opportunity to make about five minutes' worth of remarks, and then I would concur with the agreement. First I should like to point out that by last count the hon. member for Vancouver-Kingsway (Mr. Waddell) this afternoon called me a "storm trooper", an "SS", and I think he referred to me as a "pimp".

Some hon. Members: Oh, oh!

Mr. Andre: I have not had a chance—

Mr. Deputy Speaker: If the hon. member used this language, it is unparliamentary. The Chair missed it, I invite the hon. member for Vancouver-Kingsway, if he used the expression just described by the hon. member for Calgary Centre (Mr. Andre), to withdraw such a remark because it is clearly unparliamentary.

Mr. Waddell: Which expression was it, Mr. Speaker?

Mr. Deputy Speaker: The reference to the hon. member as a "pimp", I believe I will have to rule unparliamentary.

Mr. Waddell: Mr. Speaker, I originally read the word when it was used by the previous hon. member for Nanaimo-Cowichan-The Islands, Tommy Douglas. He used it in the House of Commons. He seemed to get away with it, but if Your Honour feels that way, I would be pleased to withdraw it, and I withdraw the reference to the SS. I meant SDS, Students for Democratic Society, which I suspect was the radical group with which my friend was involved in the 1960s.

Mr. Andre: Mr. Speaker, I do not object to the hon. member describing me as a radical student from the 1960s, provided that he does not insist that I grow a beard, let my hair get long and shaggy, wear jeans, sandals and the other accoutrements or parts of the uniform that go along with being in that category!

Hon. Marc Lalonde (Minister of Energy, Mines and Resources) moved:

Motion No. 7

That Bill C-104, An Act respecting petroleum incentives and Canadian ownership and control determination and to amend the Foreign Investment Review Act, be amended in Clause 21 by adding immediately after line 30 at page 11 the following:

"(*d*) requiring notices to be submitted to the Minister by or on behalf of persons who have received incentives that are greater or less than the amounts to which they are entitled, specifying the time limits within which such notices shall be submitted and providing for the extension by the Minister of such times limits;"

and by renumbering the subsequent paragraphs of that Clause accordingly.

Mr. Lalonde moved:

Motion No. 8

That Bill C-104, An Act respecting petroleum incentives and Canadian ownership and control determination and to amend the Foreign Investment Review Act, be amended in Clause 30 by striking out line 4 at page 15 and substituting the following therefor:

"(4) For greater certainty the Federal Court of Appeal has jurisdiction, under section 28 of the *Federal Court Act*, on any ground set out in section 28 of that Act, to hear and determine an application to review and set aside a determination of the Minister under subsection (1) of this section.

(5) Interest referred to in section 24 or"

• (1640)

Mr. Lalonde moved:

Motion No. 9

That Bill C-104, An Act respecting petroleum incentives and Canadian ownership and control determination and to amend the Foreign Investment Review Act, be amended in Clause 35

(a) by striking out line 27 at page 16 and substituting the following therefor:

"equity within the meaning of the regulations, the percentage of the formal"

(b) by striking out line 31 at page 16 substituting the following therefor:

"more than one class of formal equity within the meaning of the regulations,".

Mr. Lalonde moved:

Motion No. 10

That Bill C-104, An Act respecting petroleum incentives and Canadian ownership and control determination and to amend the Foreign Investment Review Act, be amended in Clause 39 by striking out line 41 at page 21 and substituting the following therefor:

"(3) Subject to subsection (6) and section".

Mr. Lalonde moved:

Motion No. 11

That Bill C-104, An Act respecting petroleum incentives and Canadian ownership and control determination and to amend the Foreign Investment Review Act, be amended in Clause 44 by striking out line 14 at page 26 and substituting the following therefor:

"subparagraph 43(1)(*e*)(ii) or (iii), subsection 45(4) or subsec-".

Mr. Lalonde moved:

Motion No. 12

That Bill C-104, An Act respecting petroleum incentives and Canadian ownership and control determination and to amend the Foreign Investment Review Act, be amended in Clause 45

(a) by adding immediately after line 3 at page 27 the following:

"(4) Notwithstanding anything in this Part, where the Minister is of the opinion that the Canadian ownership rate or control status stated in a certificate was not determined in accordance with this Part and the regulations to the prejudice of the person to whom the certificate was issued, the Minister shall redetermine the Canadian ownership rate or control status in accordance with this Part and the regulations and issue a new certificate accordingly."

(b) by striking out line 5 at page 27 and substituting the following therefor:

"subsection (2) or (4) shall replace any certificate in"

(c) by renumbering subclauses (4) and (5) at page 27 as subclauses (5) and (6), respectively.

Mr. Lalonde moved:

Motion No. 13

That Bill C-104, An Act respecting petroleum incentives and Canadian ownership and control determination and to amend the Foreign Investment Review Act, be amended in Clause 48 by adding immediately after line 23 at page 30 the following:

"(7) Notwithstanding anything in this section, the Minister may exempt an applicant for a certificate from the application of this section or any provision thereof in respect of any investor that is Her Majesty in right of Canada or a province or an entity all or substantially all of the formal equity or assets of which are owned, directly or indirectly, by Her Majesty in right of Canada or a province."

Mr. Lalonde moved:

Motion No. 14

That Bill C-104, An Act respecting petroleum incentives and Canadian ownership and control determination and to amend the Foreign Investment Review Act, be amended in Clause 52 by striking out lines 4 and 5 at page 32 and substituting the following therefor:

"nation of the Canadian ownership rate of any person or class of".

Mr. Lalonde moved:

Motion No. 15

That Bill C-104, An Act respecting petroleum incentives and Canadian ownership and control determination and to amend the Foreign Investment Review Act, be amended in Clause 53 by striking out lines 14 and 15 at page 33 and substituting the following therefor:

"Canadian ownership rate of the Canadian ownership rate and control status of the applicant and the effective period".

• (1650)

Mr. Lalonde moved:

Motion No. 16

That Bill C-104, An Act respecting petroleum incentives and Canadian ownership and control determination and to amend the Foreign Investment Review Act, be amended

(a) by adding immediately after line 25 at page 34, the following:

"Judicial Review

59. Notwithstanding subsection 28(2) of the *Federal Court Act*, where a person is directly affected by a determination or redetermination of Canadian ownership rate by the Minister under subsection 39(2), 44(1) or 53(1), he may apply to the Federal Court of Appeal for a review under section 28 of the *Federal Court Act*, whether or not the determination or redetermination is of an administrative nature not required by law to be made on a judicial or quasi-judicial basis, by filing a notice of the application in the Federal Court within thirty days after the determination or redetermination is made or within such further time as the Federal Court of Appeal or a judge thereof may, either before or after the expiration of those thirty days, fix or allow."

(b) by renumbering Clauses 59 to 63 at pages 34 to 37 as Clauses 60 to 64, respectively.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, in regard to the remainder of the motions brought forward by the Minister of Energy, Mines and Resources (Mr. Lalonde), the bulk of them are technical in nature. The last one, motion No. 16, provides for a judicial review of certain ministerial decisions. I should like to indicate frankly that I welcome that addition by the government. It arose from submissions made before the committee by numerous groups, such as the Canadian Bar Association and so on. I offer it as an example of where this procedure in fact worked very well.

The government has indicated that this is an improvement. It has satisfied the very sincere objections of numerous witnesses who appeared before the committee. I would put it down on the plus side as one of the good things which came out of the radical student activist procedures of the early part of March.

Mr. Deputy Speaker: I gather that there is unanimous consent of the House that Motions Nos. 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16 be carried. Is that agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Therefore it is agreed unanimously that these motions be carried.

Motions Nos. 7 to 16 inclusive (Mr. Lalonde) agreed to.

Mr. Waddell: Mr. Speaker, I rise on a point of order. That leaves three of our amendments, Motions Nos. 2, 4 and 6. Subject to what the hon. member for Calgary Centre and the minister have to say, I would certainly be agreeable to having one vote on all three amendments; they could be grouped together. I have not had a chance to talk to my hon. friend. I do not know if he has had time to look at them.

Mr. Pinard: Agreed.

Mr. Andre: Perhaps we can work something out while the bells are ringing. We would support motions Nos. 2 and 6 but not Motion No. 4. Perhaps something could be worked out.

Mr. Deputy Speaker: The House will now proceed to the taking of the deferred divisions at report stage of Bill C-104.

Call in the members.

After the ringing of the bells:

Madam Speaker: The first question is on Motion No. 2. Do I understand that the vote on this motion will dispose also of Motion No. 6? Is that agreed by the House?

Some hon. Members: Agreed.

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

(*Division No. 196*)

YEAS

Messrs.

Althouse
Andre
Benjamin
Blackburn
Blaikie
Broadbent
Cardiff
Carney (Miss)
Clarke (Vancouver Quadra)
Cook
Cooper
Crosbie (St. John's West)
Crosby (Halifax West)
Dantzer
Darling
Deans
Dick
Epp
Fennell
Forrestall
Fretz
Friesen
Gamble
Gass
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hnatyshyn
Hovdebo
Huntington
Jarvis
Keeper
Kempling
Kilgour
King
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Manly
Mazankowski
McCuish
McDermid
McKnight
McLean
McMillan
Miller
Mitchell (Mrs.)
Murphy
Nielsen
Ogle
Parker
Patterson
Riis
Rose
Schellenberger
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Towers
Vankoughnet
Waddell
Wilson
Young—74.

NAYS

Messrs.

Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Gauthier
Gendron
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
McCauley
McRae
Nicholson (Miss)
Olivier
Ouellet
Penner
Pepin
Peterson
Pinard
Portelance
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tessier
Tousignant
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—124.

● (1710)

Mr. Allmand: Madam Speaker, I rise on a point of order. I did not vote on those motions because I came in after the question was put.

Some hon. Members: Hear, hear!

Madam Speaker: The next question is on Motion No. 4.

The House divided on Motion No. 4 (Mr. Waddell), which was negatived on the following division:

(*Division No. 197*)

YEAS

Messrs.

Althouse
Benjamin
Blackburn
Blaikie
Broadbent
Deans
Hovdebo
Keeper
Lewycky
Manly
Miller
Mitchell (Mrs.)
Murphy
Ogle
Parker
Riis
Rose
Skelly
Waddell
Young—20.

NAYS

Messrs.

Allmand
Andre
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Cardiff
Carney (Miss)
Chénier
Chrétien
Clarke (Vancouver Quadra)
Collenette

Petroleum Incentives Program Act

Messrs.

Comtois
Cook
Cooper
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Crosbie
(St. John's West)
Crosby
(Halifax West)
Cullen
Cyr
Dantzer
Darling
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Dick
Dingwall
Dion
Dionne
(Chicoutimi)
Dionne
(Northumberland-
Miramichi)
Dubois
Duclos
Dupont
Dupras
Epp
Erola (Mrs.)
Ethier
Evans
Fennell
Ferguson
Fisher
Fleming
Flis
Forrestall
Foster
Fox
Francis
Fretz
Friesen
Frith
Gamble
Gass
Gauthier
Gendron
Gingras
Gourd
(Argenteuil-Papineau)
Gourde
(Lévis)
Gray
Greenaway
Guilbault
Gurbin
Gustafson
Halliday
Hamilton
(Qu'Appelle-Moose
Mountain)
Hargrave
Harquail
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hnatyshyn
Hopkins
Hudecki
Huntington
Irwin
Isabelle
Jarvis
Johnston
Joyal
Kaplan
Kelly
Kempling
Kilgour
Killens (Mrs.)
King
Lachance
Lajoie
Lalonde
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
La Salle
Lawrence
LeBlanc
Leduc
Lefebvre
Lewis
Loiselle
Lumley
MacBain
MacDonald
(Miss)
MacEachen
Mackasey
MacKay
MacLaren
MacLellan
Malépart
Malone
Maltais
Marceau
Massé
Mazankowski
McCauley
McCuish
McDermid
McKnight
McLean
McMillan
McRae
Nicholson
(Miss)
Nielsen
Olivier
Ouellet
Patterson
Penner
Pepin
Peterson
Pinard
Portelance
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schellenberger
Schroder
Shields
Siddon
Simmons
Smith
Speyer
Stevens
Stewart
Taylor
Tessier
Tousignant
Towers
Turner
Vankoughnet
Veillette
Watson
Weatherhead
Whelan
Wilson
Yanakis—179.

Madam Speaker: I declare the motion lost.

[*Translation*]

Mr. Lalonde moved that the bill as amended be concurred in.

Motion agreed to.

Madam Speaker: When shall the bill be read the third time? At the next sitting of the House?

Some hon. Members: Now.

[*English*]

Mr. Pinard: Madam Speaker, if you seek unanimous consent for third reading to be dealt with later this day, I think you will obtain it.

Madam Speaker: Does the House give its unanimous consent to this proposition?

Some hon. Members: Agreed.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources) moved that Bill C-104, respecting petroleum incentives and Canadian ownership and control determination and to amend the Foreign Investment Review Act, be read the third time and do pass.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Mr. Waddell: Madam Speaker, I propose to speak at third reading. I understand, however, that there is now to be a private members' hour. I would like to know if the private members' hour is between now and six o'clock. If it is not, I will speak at third reading of the bill.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Madam Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. member for Ottawa-Vanier (Mr. Gauthier)—Public Works—Task force report on payments of grants to municipalities in lieu of taxes; the hon. member for Central Nova (Mr. MacKay)—Industry—(a) Quality of rails produced by Sydney Steel Corporation (b) Importation of rails; the hon. member for Surrey-White Rock-North Delta (Mr. Friesen)—Petro-Canada—(a) Acquisition of Petrofina—Collection of tax; (b) Canadian ownership charge.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions (papers), private bills and public bills.

Shall the order under private bills stand?

Some hon. Members: Agreed.

Madam Speaker: The House shall now proceed to the consideration of notices of motions (papers). Shall all items preceding No. 36 stand by unanimous consent?

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

INTERNATIONAL DEVELOPMENT RESEARCH CENTRE

Mr. Ron Stewart (Simcoe South) moved:

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all communications, transcripts or notes of interviews, memos, notes of telephone conversations, applications for grants, bursaries and fellowships between the government through the International Development Research Centre and any other person or group requesting or being considered for financial grants from the International Development Research Centre, particularly relating to financial grants or fellowships or financial sponsorship to individuals who hold or held elected or appointed office in governments of other countries or who were or are members of recognized political parties in other foreign nations.

• (1720)

He said: Mr. Speaker, the most salient point of this debate is freedom of information but there is an underlying point and that is the profligate spending of the Grit government on the other side of the House; in reality, it is the total squandering of taxpayers' dollars and then not wanting to account for it.

The Parliamentary Secretary to the Minister of Regional Economic Expansion (Mr. Maltais) did not wish to tell me, and thus did not wish to tell the Canadian people, on whom, where and why the International Development Research Centre spends Canadian taxpayers' hard-earned dollars. The IDRC has budgeted for 1982-83 to the tune of $59 million but the government does not want to answer questions about it.

There is no open government on the benches opposite; there is no freedom of information with the government and there is no autonomy either. One thing there is, however, and that is moral turpitude. The government does not believe in or have any appreciation for the British democratic system of responsible government. The Freedom of Information Act, Bill C-43, has finally come before a committee but the warped thinking of the Liberals leads them to want to amend it to make the public establish its right to freedom of information. It looks as if the government wants to make a whole list of cabinet exclusions and exemptions to protect cabinet ministers even further and make them even more irresponsible. Bill C-43 could mean that taxpayers seeking information may be subjected to a judicial review before they can obtain information from this arrogant, unbending and unrepentant government.

This is the government that has destroyed our currency, destroyed our international credibility, that has given us the highest interest rates in history, that will not help the jobless, that will not help the mortgage holder and that will not help the farmer or the small businessman. Now it will not give out information on increased aid spending.

I do not think there is a Canadian alive who does not want to give aid to Third World countries if and when that aid is desperately needed, Mr. Speaker. At the moment, however, 1,250,000 Canadians are unemployed. Interest rates are high. A business is going bankrupt every 20 minutes in this country. But do we cut down on foreign aid, the irresponsible spending part of it that does not make sense? No, Mr. Speaker; instead we increase it.

Let us examine the reasoning behind my request for the production of papers, Mr. Speaker. First, there is the fact that the Liberal Party has been infiltrated by a cell of left-leaning demagogues headed by the Right Hon. Prime Minister (Mr. Trudeau). Second, this government is made up of a bevy of profligate spendthrifts throwing taxpayers' money away with abandon, particularly to leftist states. Third, it is a government that was elected to govern, not to rule, but it has been ruling by orders in council and by secrecy for the last 14 years. It is a government which is not responding to the will of the people. It is a government that is not supplying information not only to the people but to the official opposition, of which I am proud to be a member.

The government is bankrupt of new ideas to increase our own productivity. That is what is needed before we can help any Third World countries and before we can help ourselves. If we are to be successful we must increase productivity and our GNP before we can aid the Third World in a constructive manner.

The government, in the guise of helping the Third World, has mismanaged millions of dollars through CIDA and the IRDC and has flagrantly assisted left-wing regimes with Canadian taxpayers' money. All of this is taking place at a time when we could have used this funding. That $59 million could have been pumped into agri-bonds, into small business development loans, into farm credit, used to help people with their mortgages and to stave off bankruptcies.

Canadians want to know where their tax dollars are spent and so do members on this side of the House. They want to know who is receiving the aid. They want to be assured that it does not go to unstable or communist regimes. We want the government to spell out who receives our largesse and why they receive it. As our businesses go bankrupt, as farmers fail and as interest rates go through the ceiling and our dollar sinks to the lowest depths, we want to know. If the freedom of information bill were before us, this debate would probably not be necessary.

In the time that I have been in this House expenditure abuses have only come to light through the brown envelopes that find their way to members and occasionally through the Auditor General's report. The synopsis provided by the IDRC is vague if not incomprehensible. CIDA is a horror story and everyone in Canada knows that. The figures show that.

An hon. member opposite set down question No. 3,515 on the Order Paper asking the Secretary of State for External Affairs (Mr. MacGuigan) how many people work for the Canadian International Development Agency, how many of them work in Ottawa and how many in countries where the agency gives aid, as well as the total salaries for staff outside Ottawa and in Ottawa. The answers are shocking, Mr. Speaker. In Ottawa-Hull 1,003 bureaucrats work for CIDA. In countries where CIDA provides development assistance, 54 people are employed for a total of 1,057 people. For the fiscal

year 1981-82 the salary costs, including overtime and other costs, are estimated at $32,400,000. This is at a time when the government preaches restraint.

I should like to mention a few examples of where our aid money goes, Mr. Speaker. Ethiopia must have the best sorghum crop the world will ever see, because in four separate funding projects we gave that country a total of $1.36 million. In a dozen aid projects to the left-leaning Ethiopia the IDRC invested a total of $3.2 million.

I should like to know why we invested $290,000 to develop the impact of tourism on Asia? Is that very important to Canadians who are losing their jobs? Why did we invest $73,700 in the Cuban lobster fishery? Tanzania, under the dictatorship of Mr. Nyerere, was a favourite target of IDRC. It is one of Canada's favourite aid clients. In the three fiscal years of 1978-79, 1979-80 and 1980-81, Canada gave this Marxist dictatorship $91.541 million. Of this, $78.92 million was in grants—not loans, but grants. If that $78 million had been put into small business or agriculture in this country, we would have started getting back to work again.

We gave that friendly little country of Iran $292,000. We gave Algeria, with its dictator, $380,000. In separate funding and nothing to do with the $100 million we already gave, Mr. Manley of Jamaica received $828,000 for four projects. Mali is another left-leaning country and it received $1.13 million. El Salvador received $385,000. The friendly Belgian Congo received $105,000 for the improvement of nut crops. The biggest crop of nuts is sitting opposite, Mr. Speaker!

All of this money was given to hostile regimes and dictatorships at a time when Canadians are out of work, mortgages are uncontrollable, and interest rates make it impossible for anything to work right—even with all the grease that the government applies.

• (1730)

These are just a few of the giveaways that I wanted to address, which is why I asked for this debate. We would like to know why this money is being spent, where, what the countries are, and we would like to see all the documentation to show that it is nothing but profligate spending. CIDA's budget last year was $1.45 billion, escalating to $1.74 billion this year. This is double the per capita contributions of the United States. What a fallacy! President Reagan has cut foreign aid to $5.1 billion; ours has gone up to $1.74 billion, and the government wants to raise it to 0.7 per cent of the GNP by the end of the decade.

How many more billions will that be to build statues, to build sewage systems which fall into the sea, to help Haiti cancel it because it was not managed property? We are giving the Czechs a $300 million sweetheart loan to build a phosphate pulp mill, the better to compete against our forest products industry. We are helping to modernize Cuba's airports, the better for them to launch bombers and fighters and provide smooth landing for planes from the U.S.S.R. We are lending the U.S.S.R. $1 billion at fire sale interest rates, perhaps as low as 7.8 per cent, for a gas pipeline. It is a litany of trial and error and mismanagement. These are not just my words, believe me. All you have to do Mr. Speaker, is look at the 1979 Auditor General's report which says:

> A significant factor affecting CIDA's Estimates is that it has been obliged to obtain legal authority for its operations through appropriations acts, because there is no act of Parliament establishing the Agency and delineating its authority.

Imagine, they are spending almost $2 billion of taxpayers' money without authority. It goes on:

> For example, in the 1979-80 Estimates, Vote L40 will appropriate $1 to establish authority for a statutory item to purchase shares in the Inter-American Development Bank.

Another one of those dollar votes where you have to be a Philadelphia lawyer to understand the bookkeeping principles of this government. What does that $1 vote mean? It goes on:

> The estimated cost of these shares is $310 million (U.S.).

That is what is hidden in there. The report says:

> The present form of the Estimates is prescribed by the Treasury Board. We found several weaknesses in this format that limited CIDA's disclosure of information to Parliament.

That crew across the way goes on and on. Mr. Speaker, let us look at Volume I of the Public Accounts of Canada for the year 1981 and really get into it and see what is going on over there, and why we are in the trouble we are in. It says:

> Loans to national governments consist mainly of the loan to the Government of the United Kingdom under the authority of the United Kingdom Financial Agreement Act, and special loan assistance to developing countries.
>
> Table 6.8 presents a summary of the balances and transactions for the various types of loans and advances that were made to national governments including developing countries.

It makes very interesting reading. For instance, the first item is "China—Finance $49,426,118". A little later on it says:

> An interest-free loan to China was authorized under the Export Credits Insurance Act.

We borrow money at 17 per cent or 18 per cent and give $750 million to the Governor of the Bank of Canada to prop up our dollar, but we can lend money to China interest free. Then there is Greece, March 31, 1981, $6,525,000. Then it says:

> An interest-free loan to Greece was authorized by PC 1932-2630.

We know what they are, those little orders in council. Parliament does not get to hear about them. Then it says:

> Partial settlement has been negotiated as at April 1, 1981, and parliamentary authority to write off the balance during 1981-82 is being sought.

It says "partial settlement" and "write off the balance". Write it off, boys! We have all kinds of money. We can go out and borrow more and put some more people out of their homes. Then there is Jamaica, $25 million as of March 31, 1981. This was extended August 9, 1981, with interest at 8.875 per cent.

I can go on and on with this absolutely damning litany, Mr. Speaker. Governments do not make money, governments spend money. When they spend it in this way, they should be turfed out. It is a sin.

Then there is the heading "Developing Countries—Special Loan Assistance". How many Canadians know what this government is doing with their hard-earned tax dollars? It says:

> Special loan assistance is given to developing countries. During the year, additional loans to Turkey were authorized by votes—
>
> The terms and conditions of loans to developing countries, with their year-end balances, are categorized into seven main groups:
>
> (a) 20-year maturity, 5-year grace period at 5% interest per annum, maturing September 2000, $18,958,697;
>
> (b) 25-year maturity, 5-year grace period at 6% interest per annum, maturing March 2001, $1,673,789;
>
> (c) 30-year, maturity, 7-year grace period at 3% interest per annum, maturing at various dates between March 1997 and September 2011, $168,538,287;
>
> (d) 30-year maturity, 7-year grace period interest-free, maturing March 2010, $1,960,057;
>
> (e) 35-year maturity, 5-year grace period interest-free, maturing at various dates between April 2001 and November 2005; $3,820,444;
>
> (f) 40-year maturity, 10-year grace period interest-free, maturing March 2008, $861,654; and,
>
> (g) 50-year maturity, 10-year grace period interset-free, maturing at various dates between March 2003 and March 2031, $1,953,618,922.

Interest-free, isn't that interesting? We sure have a lot of money in Canada. We cannot help home owners, small business or the farmer, but would you believe it, we can give 30, 40, even 50 year interest-free loans to other countries. When you look at those countries it makes very interesting reading to see the way they lean, because the ones that get the most attention are the ones that are the farthest to the left. Chile, Cuba, Algeria, Argentina, Belize, and on and on down through this litany of horrors until you come to a total of $2,149,431,850. That is what the government is doing with the hard earned taxpayers' money, borrowing it and giving it away.

As I said before, Mr. Speaker, there is no one who does not want to help the Third World. But before anyone can help anyone else they have to be able to help themselves. That means pouring money into Canada for jobs and increased productivity, until we get our GNP up and then we can start to give it to the people, but only those who need it. These countries I have just mentioned certainly are not the people who need it. Take a look at the 1982-83 estimates. The government expenditure plan says:

> Canada has traditionally been regarded as a country with a high level of active concern for international development.

That is true. It goes on:

> The government has announced its intention to increase its level of Official Development Assistance with a view to achieving a target of 0.5 per cent of GNP by the mid-1980s and 0.7 per cent of GNP by the end of the decade.

In the last three months our GNP has gone down 1.8 per cent. Where is the sense? It says further:

> Planned ODA levels of $1,724 million for 1982-83, $1,946 million in 1983-84, $2,270 million in 1984-85, and $2,631 million in 1985-86—

If half that were spent on creating jobs, on small business and agri-bonds, on reducing interest rates, what would it do for this country and our unemployed? It is very interesting, Mr. Speaker, to see what CIDA's budget is for 1982-83. It is going to be a nice tidy $1.296 billion, up $188.8 million from 1981-82. This in a time of restraint, as the government talks about it. Tighten your belts. What a laugh! We will build another statue in Algeria, give a little more money to Belize and the skindiving buddy of the Prime Minister.

• (1740)

Let us take a look at the rest of it here. There is $896 million in bilateral loans, $299 million in investment and advances to international financial institutions and $332 million in reserves for new initiatives—I would love to see them—including Petro-Canada International. That is another beauty. We have a finance minister who is now the patron saint of Belgium for buying Petrofina stock at twice the price it should have been. As I said before, $59 million is going into the IDRC.

The questions I put on the Order Paper to have answered are: Who gets that money; what parties do they belong to; what countries do they belong to; and are they communist states? We on this side of the House want to know. The people of Canada want to know. People want their interest rates brought down. People want their mortgage rates brought down. But this government does not seem to be interested in that whatsoever. All of this came about because I asked the Prime Minister a simple question in the House one day.

Mr. Roy MacLaren (Etobicoke North): Mr. Speaker, in presenting his ideas about development assistance today, the hon. member opposite has polarized his argument. He calls upon Canadians to choose between assistance to the needy at home and to the needy abroad. There is no need for such a choice. There is nothing mutually exclusive about providing assistance to those in our own society who require help and providing assistance to those in other countries who also need help. The great majority of Canadians support both such activities. We are not a people so devoid of a sense of responsibility for our fellow man that our sense of responsibility, that our sense of compassion, abruptly ends at our own borders. We are working at home to help ourselves but we are also working abroad to help others in need.

The hon. member opposite has directed our attention particularly to the activities of the International Development Research Centre. I welcome the occasion to say a word about the remarkable accomplishments of the centre during the decade since its inception. The IDRC unfortunately is not an institution well known to the Canadian people. I say unfortunately because it represents one of the real success stories in the continuing and often difficult, complex saga of international development. Were more Canadians aware of the accomplishments of this unique and imaginative organization, they would share the pride that many of us in the House have in that institution. Many of us have watched with admiration its growth, its evolution and its extraordinary success.

The centre was created some 11 years ago in response to a need articulated by the late Right Hon. Lester B. Pearson and a major World Bank study group which involved some of most distinguished experts in the field of development assistance. That commission found that of all research undertaken

throughout the world, less than 3 per cent was in developing countries. Of even greater concern, some of that research, dictated by traditions of former colonial powers, was centred on activities not of direct interest to the developing countries themselves.

The commission accordingly recommended that urgent steps be taken to enhance the capacity in developing countries for indigenous research. The accuracy of the commission's assessment was amply borne out a decade later when the prime request of the developing countries at the United Nations Conference on Science and Technology on Development in Vienna asked the industrialized countries for assistance in enhancing their own indigenous research capacities. I recall that the Canadian government spokesman at that conference, the Hon. Martial Asselin, pointed out many of the accomplishments of the IDRC. The government of the day pledged additional resources to permit the centre to undertake a new program of linking needs of developing countries with Canadian research capacity. That new program has now been launched with the provision of funds by the present government scheduled to begin this fiscal year. It was, incidentally, at the Vienna conference that the International Development Research Centre was held up as an example for other industrialized countries capable of providing assistance to the developing world.

In short, from the time of its creation in 1971 until the present, IDRC has enjoyed all party support in this House and the continued confidence of Canadian governments. From the outset, the IDRC has been directed by an international board of governors as provided in its statutes and has concentrated its efforts on what has come to be called the "basic needs" sector. The centre consists of four major program divisions, the largest of which is devoted to agriculture and related nutritional sciences. Another of the divisions deals with health sciences. A third deals with social sciences and the fourth deals with information sciences. In all four divisions, concentration is on those persons living in rural areas of developing countries. In the agriculture sector, for example, emphasis is on the production of food crops indigenous to the area and not to cash crops planted for export, as was frequently the policy of colonial governments.

The International Development Research Centre has assisted through its efforts improvements in such crops as cassava, sorghum, millets and a variety of grain and legumes of sometimes exotic but always of a nutritious nature. Additionally, the centre is active in forestry and agroforestry, aquaculture, animal production and in post-production systems, including harvesting, drying, storage and milling of grain. In this respect, the centre was a charter member and continuing contributor to the consultative group on international agricultural research. For a lengthy period, the first president of the centre served as the Canadian member on the technical advisory committee of that group. The current president serves as a member of the board of trustees of the International Food Policy Research Institute.

In the health sciences, the centre's activities deal with such areas as health care delivery services, co-operation with the World Health Organization tropical disease program, and with sanitation and water purity questions. In the social area, the centre has concentrated on funding of research in a broad range of sectors, including science and technology policy, economics, education and associated problems. These studies have assisted developing countries to formulate wise policies leading to the design of more effective development strategies.

The information sciences division, the fourth which I noted, was created to assist developing countries in the accumulation, storage and retrieval of invaluable research information. It has done so in several successful ways, including the design of a bibliographic data management system for a mini computer which has proved to be highly sought after not only by developing countries but, on a licensing basis, by institutions in developed countries.

During its continuing evolution, the centre has kept two objectives in mind. One is to assist developing countries in the solution of their particular problems, but always to do so in a fashion that enhances the indigenous research competence of scientists and technicians in those countries. Accordingly, the research is chosen by experts in the developing countries and almost in its entirety carried out there by them. Hence, the experience gained stays primarily in the developing countries. The problems dealt with are best known to the scientific communities in those countries.

There is every reason to understand, therefore, why so many other countries have emulated the lead of Canada and have created institutions similar to the IDRC. I speak of the United States, of Sweden and of Germany. I am delighted that some Canadian publications have recently begun drawing to the attention of Canadians the accomplishments of this little known but highly effective organization.

• (1750)

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I am happy to say a few words today about the International Development Research Centre and about development in general. Of course, development is a word which is difficult to understand. I have difficulty understanding it; practically everyone has a different understanding of the word. I am sure my understanding is somewhat different from that of the hon. member for Simcoe South (Mr. Stewart) who introduced the motion which is before the House today.

The hon. member for Simcoe South made quite a scathing attack on the whole program of development which is being sponsored outside Canada. I do not share his ideas. I am sure he realizes that we have quite different views about development in the world.

When a recession begins in a country such as our own, the step below us in the developing world has already reached total depression. If the country is ready to help at a time when it is in good financial circumstances, it is probably helping a group already faced with a recession. The factor we use to indicate recession, 8 per cent to 14 per cent unemployment, is often 30

per cent to 60 per cent unemployment in countries which are recipients of development aid.

The word "aid" is also very difficult to come to grips with. I personally believe that the most difficult action for a human being, a group of people or a country, is to aid in a positive manner. How do we aid someone? How do we aid a friend, a wife, a husband or anyone? Almost invariably when someone is in the position of being able to aid, a relationship is established which is at least difficult if not impossible. The question of how and when aid should be given should be studied in great detail, particularly when it comes to international questions.

The present situation is such that there are now four billion people in the world, which perhaps will grow to six billion by the end of the century. How do we feed, clothe, help and house those numbers? How do we help cure the economic problems with which these numbers of people are faced? This is why I believe the IDRC in itself is an instrument, a tool or a possibility to bring about a study to discover how aid can be given.

The International Development Research Centre is located very close to the House of Commons. It is approximately a five minutes' walk from our front door. I suggest to all hon. members of the House, and in particular the hon. member for Simcoe South, that they should visit this centre to see what takes place there.

Back in 1975-76 I had the privilege of receiving a fellowship from the IDRC. Ten such fellowships are given each year to Canadians who are middle-aged and are not working full-time in the area of development. I met those qualifications, and I happen to be one of the ten who received a fellowship in 1975-76 prior to coming to the House of Commons. I did not even have a thought of entering politics at the time.

Also at that particular stage of my life I had the advantage of studying an area with which I was personally concerned. I am referring to the question of aid, in particular, aid given by volunteer groups in Canada, non-governmental organizations such as church groups, service groups, CUSO and other such organizations. I believe this form of aid is closest to the hearts of Canadians. I studied how such aid influences the development process in other parts of the world. It involves a very difficult series of steps.

After the period of a year I wrote a book on the subject. I will give a copy of it to my friend, because I attempted to describe the difficulty of the process in it. One of the greatest problems associated with aid is that sometimes there is too much good will and not enough know-how. This is why I turn to the IDRC which has the know-how to learn the process of bringing qualified people from around the world to study particular situations. To my mind this is really necessary and has been very, very well done by the centre.

I have also had the privilege of visiting some of its secondary centres in South America, Colombia, Singapore and Asia where they experiment with the development process to find ways to produce food and to help people to provide for themselves. For example, I saw fish experiments when I travelled with the North-South committee to Singapore. The experiment involved the production of protein from shellfish, not in tonnes per acre but in tonnes per square foot. They were finding revolutionary ways of producing food. For that reason the North-South parliamentary task force recommended to Parliament that the government increase the funding of IDRC in order that it may more fully realize its very considerable potential.

The task force was represented by all three parties of the House. I am glad at the way in which the centre is involved in aid, and I am glad that aid is continuing to grow. The report of the task force indicated that another major problem in Canada was the question of education in the area of international aid. How do we bring about the education of our people to ensure that aid is not thrown away, as my hon. colleague said?

In reality most aid never leaves Canada. Most of the money goes to CIDA and remains in Canada. In fact, the statutes indicate that 80 per cent of bilateral aid must remain here. It is called tied-in aid. It is money used to buy things in Canada for other countries. The notion that nothing is brought into the economy in this area, as my hon. colleague said, is just not true. I do not believe it is so. Most of the money stays right in the country.

In the few moments remaining, I should like to tell a story about my colleague and I when we were at the United Nations a year ago. He suggested that we should go out to dinner together in New York and that I should recommend a restaurant at which to eat. I said, "Let us go to a Brazilian restaurant", and I suggested that we should order feijoado. He, his wife and I enjoyed this dish, at which point I told them that it was comprised of sheep's stomach, sheep's entrails, beans and rice. If I had told them before we started that it was sheep's guts, they probably would not have gone. But the point is that we learned a little about another people, which is important in the entire process of development. We must learn how other people do things so that we can help each other around the world.

The Acting Speaker (Mr. Ethier): Order, please. The hour provided for the consideration of private members' business having expired—

Mr. Taylor: Mr. Speaker, I rise on a point of order. We started at 5.20 o'clock; surely we are entitled to one hour.

The Acting Speaker (Mr. Ethier): I am sure hon. members are aware that as a result of a House order we are to resume consideration of Bill C-104 at this point. We are sitting extended hours. Therefore, this has become a government order. I do not have the date here, but it was given unanimous consent.

• (1800)

Mr. Taylor: I rise on a point of order, Mr. Speaker. Surely every other time we have started late we have gone the full

hour on private members' hour. That is why it is called private members' hour.

The Acting Speaker (Mr. Ethier): Order. That is done on occasion with unanimous consent of the House, but unanimous consent has already been given—I do not have the date—that we sit extended hours during debate on energy legislation. This is energy legislation that we are concerned with now and that is the House order. I cannot see how we can break the unanimous consent we had previously.

Mr. Taylor: Mr. Speaker, the Standing Orders say that we are entitled to one hour of debate. That is a Standing Order of the House.

The Acting Speaker (Mr. Ethier): Order. I do not want to carry on a dispute with the hon. member. The Standing Orders say private members' hour is between the hours of five o'clock and six o'clock.

GOVERNMENT ORDERS

[*English*]

PETROLEUM INCENTIVES PROGRAM ACT

MEASURE RESPECTING INCENTIVES

The House resumed consideration of the motion of Mr. Lalonde that Bill C-104, respecting petroleum incentives and Canadian ownership and control determination and to amend the Foreign Investment Review Act, be read the third time and do pass.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like to speak on the third and final reading of Bill C-104. I hope that what I have to say on this matter will be heard by the Canadian consumer. This long debate is coming to a close tonight in the House of Commons, but I think it is the ordinary consumer of Canada who has suffered and will suffer as a result of these energy bills. They will suffer in the pocket because they will be paying for this legislation. The beneficiaries will be the Government of Canada, the Governments of Saskatchewan and British Columbia, and particularly the Government of Alberta. The oil industry, which always seems to be there to get part of the benefits, will also be beneficiaries.

I used the word at the beginning of the debate that the consumers of Canada were being hosed. They are still being hosed and they will be hosed in the future. Some day in Canada the consumers will get together and rebel against this hosing.

We are told that Bill C-104 is a government bill which is designed to give $8.9 billion in the form of petroleum incentive program grants to oil companies—Canada oil companies we hope. It is only a hope because one can see by looking at the details of the legislation that it contains flaws which will allow Imperial Oil and its friends to benefit indirectly from these grants. The bill will give money to these oil companies to go to Canada lands in the Arctic and on the offshore of the east and west coast. However, it will mainly be in the Arctic. The companies will go to those Canada lands to explore for oil and gas.

I would begin my criticism of the bill by referring to a recent article in *The Globe and Mail* dated June 4. It is headed "Tarsiut Wellflow is Disappointing". The article states:

> Not only did oil flow at a much lower rate than expected, but some analysts thought the well is only "marginally" economical.

It goes on to say:

> "The results are encouraging, but they still fail to prove that oil can be produced economically from Tarsiut . . . Many investors had hopes for this well, partly because of recent comments made by senior executives of Dome Petroleum Ltd. of Calgary, one of the key partners in the exploration program.

Tarsiut is a well up in the Mackenzie. The government has pinned high hopes on the Mackenzie delta and the Beaufort Sea. Its hopes are so high that a large part of the $8.9 billion it is giving to the oil companies in grants will go to this area. Yet not a drop of oil has ever been produced from the area. It seems to me that there have been no real commercial finds in this area so far.

The government is taking a big gamble. It is gambling with the taxpayers' money, it is gambling with the environment and with the lives of the native people who live up there. One wonders why the government is taking that gamble. Would it not make more sense to spend this kind of money on the conventional industry or in the heavy oil of Alberta and Saskatchewan? I suspect that the Minister of Energy, Mines and Resources (Mr. Lalonde) wants to go up to the north in order to move around the provinces of Alberta and Saskatchewan. We are back to the old story of the federal government fighting the provincial government.

Mr. Lalonde: Nonsense.

Mr. Waddell: That is the guiding thrust of this program. It is a power thrust which is perfectly in keeping with the style and substance of the Minister of Energy, Mines and Resources.

What will happen if oil is found up there, which I hope it is? It is my hope that it will be found in commercial quantities. We need oil in Canada since most of our oil surplus was exported in the 1970s. At one point half of our daily production was exported and that is why we now need to give $8.9 billion, according to the government, to Imperial Oil and its friends to go up to the north to explore for oil.

"The Journal" is a program which comes on after "The National" on CBC. Mr. Jack Gallagher, chairman of Dome Petroleum, was being questioned on "The Journal" on February 9, 1982. His remarks are in the transcripts of that program. He was asked what will happen if oil is found up in the Beaufort Sea. He replied:

> Canada has lived and continues to prosper as an exporting nation, and there's nothing very different about oil or gas or wheat or anything else. If we can prove

that Canada has a major surplus of oil, then there is no reason why we won't and can't export a part of that.

There is the thinking. More government money to find oil, and if we do find it it will be exported.

Mr. Kelly: More jobs.

Mr. Waddell: My hon. friend opposite says there are more jobs. Can you imagine how many jobs in Toronto, in your riding, you could create by putting in $8.9 billion? I imagine that you could retrofit every house in Toronto. You would not need the Beaufort Sea resources if you put that kind of money in Toronto. Every small construction firm in Toronto could be put back to work.

However, this is the kind of policy option that the government is taking. It is opting for the big megaprojects and concentrating on the supply side while ignoring the demand. This is not a new idea. It has been said for the last 10 years that there are more jobs in small scale energy, in alternatives and conservation than there are in these big projects. You can create a lot of jobs for $8.9 billion.

Let me explain how the system works. A Canadian company can get an 80-cent grant from the taxpayer on each dollar it spends. If the company is paying some income tax—this is a problem because many of the companies do not pay income tax like you or I—it has another 13 cents taken off. Therefore, the Canadian public is paying 93 cents on every dollar for this grant. This is the heart of the Liberals' Canadianization program. They propose to encourage small Canadian companies by providing Canadian petroleum incentive grants, PIP grants.

• (1810)

The government has a very complicated and basically unworkable bureaucratic structure to decide what is a Canadian company. It is called COR, Canadian ownership rate. It is very complicated. It will be difficult for it to work, because the oil companies, which are pretty good at this, have literally hundreds of accountants and smart lawyers who will plan to go around these Canadian ownership requirements—

Mr. Blaikie: Good corporate citizens that they are.

Mr. Waddell: —just like Shell, Imperial and Gulf have done all over the world, and they will do it here.

I want to quote what the Consumers' Association of Canada said to us. For one brief moment in the committee we actually did hear from a consumers' group instead of hearing from an oil company group. In its brief the Consumers' Association of Canada stated:

> Bill C-104 and the philosophy behind it perpetuate the failed energy policies of the past—namely, that future oil security can be bought through higher prices and subsidies for oil companies.

It warns us about the advertisements we will face, and states:

> That is why we see full page newspaper advertisements and multi-million dollar television campaigns sponsored by the petroleum industry.

Do hon. members know of the ad where the hockey player skates on a kind of glass with Gulf Oil, or of an ad where someone is out on the rigs on the Beaufort Sea, or of ads with a message like that? This is the message the Canadian Petroleum Association is taking to Parliament today. And it refers to energy security.

Mr. Blaikie: More money.

Mr. Waddell: It wants more money, as if $8.9 billion is not enough. It wants more money. The Canadian Petroleum Association is big oil. It is Imperial, which is owned by Exxon, the largest company in the world; it is Gulf in the United States, and it is Shell. That is the kind of people who are directing policies in Canada. They are perfectly right to conduct business in Canada. There are some very good people, such as engineers and so on, who work for those companies, but Canadian energy policy should not be directed by those particular organizations. Beside them, the consumer does not have a chance.

The government is backing off its National Energy Program. Day by day, it is backing off, and I predict that it will back off more. A year ago we said that it would back off and, sure enough, two weeks ago it announced another $2 billion for the oil industry.

I want to tell Your Honour a little about how the program works. The PIP program in this bill, these grants which will possibly amount to 93 cents on every dollar, will replace the past giveaways, the superdepletion allowances. The only real difference from the past, however, is that the beneficiaries will be privately Canadian-owned companies instead of multinational oil companies.

We are hearing many arguments from the oil companies on how they are risking their money to find oil in Canada. But I say, on behalf of the consumers of Canada, that these companies have been drilling and have struck it rich, but they have not struck it rich in the Beaufort Sea, not at Tarsiut. They have struck it rich in Ottawa; that is where they have struck it rich. They have struck it rich in Alberta as well. The Alberta government is administering the Petroleum Incentive Program for Alberta. That was part of the deal with Ottawa.

The PIP grants are only the latest aspect of the supply and demand roller-coaster, it seems to me, which has typified the historical pattern in Canada. I think we all understand that the goal of the oil companies is to maximize profits. They do it by demanding higher prices and more tax incentives in order to find more oil and gas. When it is found, they tell the National Energy Board that there is a surplus and that it must be exported to keep their cash flow going.

After the export permits are granted, that 300-year surplus suddenly threatens to run out in seven years. There is a crisis. There is a shortage. Then the oil companies say, "We must have energy security for Canada." "Energy security" is interesting wording. It is basically oil company wording. How do we get energy security for Canada? The oil companies say, "You give us higher prices and you give us more money." It is a Catch-22 situation. It would be amusing if it were not costly

to the taxpayers of Canada. It amounts to $8.9 billion. Just think what we could do with that money in the fields of medicare and education.

In my province of British Columbia people are lining up for hospital beds because we apparently do not have enough money for health care. Students are having difficulty as their loans are being cut back. The government is making it more difficult for students to live. However, we can find $8.9 billion for the oil industry.

I am attacked as being a radical socialist who suddenly, according to my critics, does not understand the industry. Well, I will tell Your Honour that there are a couple of things I do not understand about the industry. One thing I do not understand is when I hear my Conservative friends and the industry say, "We are in favour of private enterprise. Get the government off our backs." Then they want $8.9 billion of the taxpayers money to explore for oil, and they call it their money! We heard a good submission by Home Oil Company, a Canadian company, which was very instructive. It pointed out that Australia does not have a grant system. Why does Canada need this system? It needs this system because it is part of the Liberal Canadianization goal.

The hon. member for Calgary Centre (Mr. Andre) was perhaps radical in the 1960s, but now, in the 1980s, as he is older, he thinks that this is a bureaucratic and unworkable system, as he said in the House. That is the only thing we have agreed upon in these last two months of debate. It is a bureaucratic and unworkable system.

There is one other thing I do not understand, and I am sure some of the Liberal members will correct me if I am wrong. Why does it seem we are in such a hurry to go to the frontiers when there is still action and there are still oil plays in Alberta and Saskatchewan? I point that out to the hon. member. As well, are there not small Canadian companies in the Lloydminster-Wainwright area? That is what I am told in Calgary. I am told that that would be a good area to work.

In Edmonton the Energy Services Association told us that they will have trouble supplying services way up in the Arctic, because they feel that the big oil companies will go to their big American contractors and therefore the spin-off jobs will not go to Canadians.

Why are we going to the Arctic so quickly? I know that there has been a decline of conventional oil in western Canada, but it seems to me that there is a Saudi Arabia of oil in the heavy oil in Alberta. I think we could go there. We are going to the Arctic because the government does not want to deal with provincial powers. It does not want to deal with Alberta or Saskatchewan. It wants to deal with the Northwest Territories or the Yukon because they are colonies.

Today in this House we introduced an amendment to protect the native people. It was not a radical amendment. Our amendment would have ensured consultation with them to get their views and involve them a little bit in this development. Its purpose was not to exploit them. However the government just rejected it out of hand.

The government is intent on falling into a trap, the trap of a rather strange Canadianization. I think the Canadian people want Canadianization. As a matter of fact the Committee for the Canadianization of the Petroleum Industry came before the Energy Committee and submitted a statement dated January 24, 1982, after a conference in Ottawa, which stated:

> These governments should use much of their increased revenues from oil and gas to benefit Canada by increasing public ownership of the industry.

What is the effect of the PIP program and the Liberal Canadianization program? The effect is to increase private ownership. Therefore the Rockefellers are replaced with the Gallaghers of Dome and the Blairs of Nova. It is no wonder that Dome and Nova are so subservient and interested in the federal Liberal Party and so very uncritical of the government's National Energy Program. They are so clearly uncritical of the program. Where does it get us to replace the large American oil companies by the large Canadian oil companies?

• (1820)

Mr. Speaker, do you know what the largest Canadian oil company is? We found this out in committee. The largest oil company in Canada is Imperial Oil. The largest Canadian company is Dome Petroleum, not Petro-Canada. The Committee to Canadianize suggested, and I quote, "That Canada's goal must be increased"—that is, Canadian ownership—"to at least 75 per cent in Canadian ownership of the vital petroleum industry by 1985, with Petro-Canada as the largest oil company in the country."

As most Canadians know, we have an oil industry that is, or at least was, about 75 per cent foreign owned. In the last year or so, $6.5 billion has been spent, and the Canadian ownership rate has increased only by about 6 per cent.

It is a beginning, I admit that, and in many ways the minister has had a certain degree of courage in bringing in a program, albeit a small program, to try to do something about it.

The hon. member for Calgary Centre, the opposition critic, my counterpart in the Conservative Party, also expressed an interest in Canadianizing the industry. He pointed out, contrary to what I sometimes say about him, that he was a member of the Committee for an Independent Canada, in Calgary. So we all want to Canadianize the industry. How would we do it? I am not sure how the Conservative Party would do it. I have trouble understanding them or getting them to state how they would do it. It seems to me that they say it is going to happen naturally.

The government has said: "We are going to do it by PIP grants, we are going to do it by this Canadian ownership rate." It seems to me that there is another way of doing it. This is what the Committee to Canadianize said, and I quote, "We strongly urge the federal government to acquire one of the four major foreign-controlled companies as a new Crown corporation or as a component of Petro-Canada." In other words, if you really wanted to Canadianize, if you really wanted to get 50 per cent control of this industry by 1990, or indeed by 1985,

you could do it. But it would take some political courage. Instead of giving $8.9 billion in PIP grants, you could introduce a bill in this House of Commons to acquire the majority interest in Imperial Oil, or Gulf, or one of the other companies. There is support for that amongst the Canadian people out there.

The Committee to Canadianize said they did a poll and the poll indicated that Canadians, by and large, favoured such a takeover. They took a Gallup poll on the question of public ownership. It showed that 55 per cent of Canadians were in favour of taking over one of the big four oil companies, while 28 per cent were opposed. As to increasing the Canadian ownership rate more quickly than the government would like, Canadians were away up in the high 60 per cent region in favour of that. So there is support out there. The government could do that. But instead the government will throw $8.9 billion at the industry. That is the problem.

There are other things the government could do to help this industry, and to stop it from being an export-oriented industry. Let us take natural gas, for example. When the minister was in opposition, before he became known as "Old Ironclad," he suggested that there should be iron-clad guarantees, that we should not pre-build the Alaska pipeline before we had financial guarantees that the whole line would be built. The reason for that, as he correctly saw, was that if we built a large export pipeline, he or some other energy minister would be under all kinds of pressure to export natural gas. And that is what is happening right now in Alberta.

There are other things that we could do, Mr. Speaker. We could broaden the gas market, and the minister has tried this and he should continue doing this, by getting people in Ontario and Quebec to convert to natural gas. We could throw some of that $8.9 billion at further conversion, and we could pay the money more quickly to the people and we might get further conversions to natural gas. Then we could use Canadian gas in Ontario and Quebec and in the Maritimes, rather than export it to the United States.

Also, we could get a proper marketing system of gas, a proration in Alberta, so that some of the little companies would get a better shot at the market rather than the big companies.

You could also put some money into the heavy oil sector through smaller projects. I know that in the recent update the minister has agreed to give certain tax advantages in that area. But a lot more could be done in that area. And it would benefit the small producers rather than the larger oil companies. If it works, you could give some money for oil upgrading.

I do not think that Canadians understand why a government would give $8.9 billion in grants to oil companies. Dome Petroleum told us in the committee that they did not pay any taxes; but they are going to get one third of the grants. That is how we thought the grant was $6.5 billion. They would get one third of these grants in the next three years, which was about $600 million. A lot of the money was being used in that bill in a crazy bid to take over other companies. What are we doing in this country? The banks are financing oil companies and other companies to take over companies, when we have so much need of capital in other aspects. In my province the forest industry is in depression. We will have to consider ways of directing bank investments so that money will be invested in housing and manufacturing and some of the areas where it is needed. What does this bill do? It does not do anything like that.

What do other countries do, Mr. Speaker? Australia does not give grants. In Mexico the industry has been nationalized long ago. In Britain the industry is 50 per cent owned by the British National Oil Corporation, which has the first claim, and a 51 per cent share of oil production. They participate in joint ventures, but they retain control over all the projects.

To whom are we giving control here in this bill? We are giving it to Canadian private firms like Dome Petroleum, which appears to be on its last legs. We are going to give $600 million in grants to a company that is having financial difficulties now. I hope it does not collapse but, if it does, the last remnant of the National Energy Program will collapse with it. I know that those men had some dreams for the Beaufort Sea. Why are we putting all this money into that? It seems incredible to me.

In Norway, StatOil, the government oil company, can take up to a 70 per cent interest in any block of land it does not already hold, and it is an active participant in controlling things. They have learned, in the other countries, not to knuckle in every time the oil industry cries out. We have not learned that yet. We still have these advertisements in the newspapers and we still have the consumers getting hosed. Mr. Speaker, I said it was inconsistent for the companies to argue that they needed $8.9 billion in PIP grants when they also said they wanted the government off their backs. If they do not want corporate welfare, then don't take it.

It is also inconsistent, I might say, of the party on my right, the Conservative Party. On second reading they voted against this bill. Apparently they are still against this bill. Yet, on December 21, 1981, the opposition critic, the "radical Harv" as they call him now, the member for Calgary Centre, wrote to the Minister of Energy, Mines and Resources (Mr. Lalonde):

> The parts of the proposed bill dealing with the Canadian ownership rate and the Petroleum Incentive Program are long overdue.

So there is the Conservative Party saying; "Let us get on, let us give the $8.9 billion."

An hon. Member: Right on!

Mr. Waddell: Every day in this House of Commons the Conservative Party stands up and asks for more money for the oil companies. They also want to get rid of Petro-Canada. What kind of program is that? If we are to believe the latest polls, there could be a future Conservative government, and perhaps the hon. member for Calgary Centre will be the minister of energy, mines and resources. What would he do? We should read his speeches. He would give Petro-Canada away.

• (1830)

The philosophy of the industry seems to be: "Pay me now, pay me later, and keep paying me."

I want to conclude—

Mr. Lalonde: Hear, hear!

Mr. Waddell: I do not know about the minister's constituency, but the people in my constituency are ordinary people. The people in the east of the Vancouver-Kingsway constituency are having some tough times right now. My colleague, the hon. member for Winnipeg-Birds Hill (Mr. Blaikie), represents a city constituency. The hon. member for Kootenay East-Revelstoke (Mr. Parker) represents rural areas. My colleagues represent farmers and native people in the north, but we all represent consumers. It is the consumer who has to pay, and the price of gasoline has risen. The average cost of heating a home in my riding has increased from approximately $800 to $1,100 in a very short time. The cost of putting gasoline into a car and driving it for a year has risen from $700 to approximately $800. As statistics tell us and as any senior in Vancouver-Kingsway could tell us—and they have told me—the price of energy has risen 30 per cent in the last year, and it will continue to rise.

If the Minister of Energy, Mines and Resources is really concerned about the consumer, let him not come into this House with $8.9 billion in PIP grants. Let him go to Premier Lougheed and Premier Devine of Saskatchewan and say to them, "Let's give the consumers of Canada a break." Let the minister and his provincial counterparts forgo the scheduled $2.25 a barrel increase in the price of oil on July 1. For a change let them give the consumers of Canada a break.

We in the New Democratic Party oppose this bill. We oppose giving $8.9 billion to one of the richest industries in Canada. Some small companies are having bad times now, but there are measures we could take to help them. We do not need to give $8.9 billion in relation to the Canada lands. Let us develop some of the heavy oil in Alberta and Saskatchewan. In the next scheduled increase let us give consumers a break at the pumps. Let us see if we can do something for the seniors of this country by way of grants or tax credits. Those are the kinds of things we can do but, instead, the government brings this bill forward and proposes to give the oil companies $8.9 billion. It proposes to pay 93 cents of every exploration dollar and to do that without taking a corresponding equity position.

There is an answer. We can be positive. The answer is to put that money into Petro-Canada, the government oil company, and to put money into conservation, alternate energy, insulation and so forth. That would change the mix. That would be a policy the people of Canada would welcome. The people of Canada are looking for leadership. It looked as if the Minister of Energy, Mines and Resources finally would start to provide leadership through the National Energy Program and get control of our industry—a vital industry—but instead we have a phony, unworkable Canadianization. It is a sham. It is a bureaucratic scheme. It proposes to give by way of grants what used to be given by way of tax advantages. It repeats all the mistakes of the past.

I quoted Gallagher in relation to exporting oil. I spoke about exporting gas. We are going to make the same mistake. We must be a pretty dumb country to export half our oil.

Mr. Blaikie: Dumb government.

Mr. Waddell: It is a dumb government. It would have to be crazy to repeat the same mistakes in relation to natural gas, yet that is what this government is doing. For all those reasons we in the New Democratic Party oppose Bill C-104.

The Acting Speaker (Mr. Ethier): Order, please. Earlier when the Chair intervened to end private members' business so the House could revert to government business, the hon. member for Bow River (Mr. Taylor) questioned the decision of the Chair. He said he accepted it, but under protest.

In order to eliminate any doubt in the hon. member's mind I wish to bring to his attention Standing Order 15(4), which refers to private members' business—not private members' hour—on Thursdays between 5 p.m. and 6 p.m. It was 6 p.m. when I intervened.

I invite the hon. member to consult *Votes and Proceedings* for March 22, 1982, which records a motion put, by unanimous consent, by the President of the Privy Council (Mr. Pinard) and seconded by the hon. member for Yukon (Mr. Nielsen), which provides in part:

> When the House is considering any of the said bills, Standing Order 31(1) shall not apply and notwithstanding any Standing Order the House shall sit between 6.00 p.m. and 8.00 p.m. on Mondays, Tuesdays and Thursdays.

This is in relation to the consideration of energy business.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I will not take up too much of the time of the House. I just want to correct a few of the remarks made by the hon. member for Vancouver-Kingsway (Mr. Waddell). To correct them all would take a great deal of time indeed.

The hon. member for Vancouver-Kingsway has never let consistency or facts get in the way of a good argument. For example, near the end of his speech he was talking about giving consumers a break. That is a sentiment with which I am sure everyone in the House would concur, but nowhere in the hon. member's remarks did he acknowledge that when a consumer fills up his tank with gas, two thirds of the cost is taxes. If the hon. member wants to be consistent in his concern for the consumer, he should be suggesting that governments cut back on their taxes because it is government taxes to the extent of two thirds which are penalizing the consumer.

The hon. member suggested in his speech that what we need to do is let Petro-Canada take over another big oil company. Petrofina was not enough. The takeover of Petrofina is being paid for by means of a tax paid by consumers. The hon. member for Vancouver-Kingsway should make up his mind. Does he want to tax consumers more in order to provide Petro-

Canada with more toys to play with, or does he want to protect the consumer? Try as he might, he cannot have it both ways.

Consistency or intellectual honesty will not get in the way of the hon. member's arguments. He thinks it is terrible that all those takeovers occurred last year. I agree with him. I think they contributed nothing to the country. They contributed not one job and not one barrel of oil. Canadianization was the hallelujah chorus of the government. That was a marvellous thing, but in the process many very good companies have been decimated, and nothing has been gained for the country in terms of jobs. The hon. member for Vancouver-Kingsway agrees that all those takeovers were terrible.

Mr. Waddell: Private takeovers.

Mr. Andre: Then he turned around and said Petro-Canada should take over some more companies. He can have it one way or the other, but he cannot on the one hand say takeovers are terrible because they do not create new jobs or find any new oil—they just use up valuable capital—and on the other hand say, "I want Petro-Canada to do that thing which I have just described as a terrible activity." Yet that is the gist of the argument of the hon. member for Vancouver-Kingsway. It is unfortunate he did not feel the necessity to be a little more intellectually honest in his arguments. He is a socialist, a social democrat, or whatever name they apply to themselves these days. That is fine. That is a legitimate political point of view. It is a philosophy which has succeeded nowhere in the world in terms of bringing better standards of living to the people who have lived under it.

• (1840)

Mr. Waddell: What about Germany and France?

Mr. Andre: Both those countries were doing a lot better when they were under Christian Democrat governments or Gaullist governments than they are doing under socialist governments. Under the Christian Democrats, Germany had one of the highest growth rates in the world. Since the socialists took over they have one of the highest unemployment rates in Europe. If the hon. member wants to use Germany as an example, he will find it performed marvellously under the Christian Democrats and not so marvellously under the Social Democrats.

The one country that has had a consistently outstanding economic performance in the last two or three decades is Japan. It has had a conservative government through all that time.

Mr. Waddell: It has had a little economic planning as well.

Mr. Andre: If the hon. member were being intellectually honest, as opposed to reflecting the left-wing prejudices he learned in university, he would have to acknowledge that economies around the world work better under conservative governments. What bothers me is the distortion of the position of this party as put forward by the hon. member, and the distortion of things that we have said regarding this program. Intellectual dishonesty is not a capital crime in politics or the hon. member would have been decapitated long ago. It is not playing by the rules, however, to distort the position of another person or party deliberately. I have said repeatedly, as the hon. member knows although he refuses to accept my argument, the whole thrust of this program is a disaster.

The National Energy Program dreamed up by those geniuses in the Department of Energy, Mines and Resources—who, according to *Maclean's* magazine, describe themselves as the "enfin" group, that bunch of PhDs that was turned loose to find a way for the government to control the oil and gas industry—proposed the petroleum and gas revenue tax, the natural gas and gas liquids tax, the incremental oil revenue tax, excise tax and sales tax—you name it. It was an increase in taxes in the order of $6 billion per year. To promote Canadianization they proposed giving $2 billion back to the oil industry, biased toward Canadian-owned companies.

That kind of program sounds great if one's only experience is time spent at the University of Toronto under Mel Watkins. If that is your economic training, then it is a great program. But the real world does not work the way Mel Watkins would like it to work and his students are no smarter than he is. They produced a disastrous program.

I see that the hon. member for Vancouver-Kingsway has left the House. The truth must be hurting him.

As I indicated in my letter to the minister and to his parliamentary secretary privately, the government has hit the industry severely with these taxes. They affect the junior Canadian companies in particular. As the government's figures show, in the first six months of 1981, Canadian-owned oil and gas companies suffered a 52 per cent drop in income over the previous year. Foreign-owned multinationals suffered a 28 per cent drop in income, so they were hurt. The Canadian companies were devastated by the taxes brought in under the National Energy Program, however. To help ameliorate that somewhat, the government proposed another stupid plan, which will fail, but if that is what it is going to do—then it should at least do it. That was the thrust of my letter, and the hon. member for Vancouver-Kingsway knows that.

All I was saying to the government was, if that is what you were going to do then at least do it. Don't just load on taxes and kill these companies—and a lot of junior Canadian companies were killed, but not the multinationals. They will last longer than the minister or the government or any of us. A lot of junior Canadian companies were killed. PIP grants were one way in which a little bit of activity could be restored to the industry to get the service companies and drilling companies back to work. Perhaps some of the small towns in Alberta which rely on the oil industry and now are dying as a result of the National Energy Program, will have some vigor restored.

That was the reason for suggesting to the minister last December that if this part of the program, to match the taxes he was already collecting, were brought forward we would treat it with dispatch. We certainly would not support it. We certainly would not vote for it, because it is a disaster and it will collapse within two years. I guarantee that. The reason it

will collapse is because people like the hon. member for Vancouver-Kingsway are, unfortunately, not alone. A lot of pressure will be brought to bear with simple-minded approaches like his, asking how grants can be given to the industry while hospitals are closing—how $2 billion can be given to the industry when there is a desperate need for a home for unwed fathers or some such thing! That is the kind of statement that will be made, forgetting about the taxes. The pressure will be overwhelming, and the program will collapse.

Another reason is that the program has created a bureaucratic nightmare. It would need a Philadelphia lawyer to read the regulations and fill out the application forms. As the Canadian Bar Association indicated, the whole program may be in violation of the Canadian Charter of Rights and Freedoms in any case.

For those three reasons we are passing a program today that, in all likelihood, will die within a year or two. All of this will have been in vain and it will be left to someone else to try to clean up the mess and restore sanity to the energy sector of the Canadian economy.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I cannot resist the temptation to respond to a few of the things the hon. member for Calgary Centre (Mr. Andre) had to say about intellectual honesty. I was particularly amused and amazed that he cited the Japanese government as a conservative government which he has reason to admire. One of the reasons that the Japanese have fared so well over the last 30 years is because of the very close relationship between government and industry. This is because of extensive economic planning and the fact that investment decisions have to be cleared by the government. In fact the opposite of what this Conservative Party most often advances is the case in Japan. In his sermon about intellectual honesty I think the hon. member for Calgary Centre would do well to examine his own position, as Socrates said, before he attacks the intellectual honesty of others.

Mr. Andre: How many Crown corporations do they have in Japan?

Mr. Blaikie: Mr. Speaker, of course the monarchy in Japan was disbanded to all intents and purposes some time ago. Whether there are things called Crown corporations or not, it remains true that in Japan there is economic planning of the sort that this Conservative Party has often criticized. That is the reason Japan has the kind of economy it does. And, of course, Japan has been having the best of both worlds as far as international trade is concerned. All countries of the western world are concerned about that, but the hon. member for Calgary Centre did not mention it.

We are talking about the National Energy Program today. The NEP is a failure. It is a failure for a number of reasons, the biggest of which is the Liberal Party, which, in its customary way of not wanting to make hard philosophical and political decisions, has tried to go what I suppose they would call themselves—when they are trying to be positive about themselves, which must be difficult these days—the middle way. And what they have ended up with is the worst of all possible worlds.

• (1850)

The Conservatives and the New Democratic Party have radically divergent but nevertheless internally coherent views of how we are going to develop our energy resources. The Conservative view is that you give the multinationals and others as much money as they say they need in order to find the oil. We say that for too long that particular scheme, which the Liberals have relied upon up until the creation of PetroCan, saw the public interest being sold out time and again. We want to see these resources developed by the public sector through a PetroCan enlarged by the purchase of Imperial Oil, so we can go about developing our energy resources in a way that is entirely different from what we have been used to until now.

The Liberals, Mr. Speaker, could not make that kind of decision because they have certain economic loyalties to the oil companies and the private sector and because, in the final analysis, they are not that much different from the Conservatives on this issue. The Liberals want to appeal to that growing body of public opinion which says these resources must be regarded as a public utility and not be managed in the interests of the profit-motivated private sector.

In this respect I give the Progressive Conservative Party credit. They know public opinion is against their position on PetroCan and in favour of more public ownership in the energy industry. Yet they persist in this criticism of Crown corporations; they persist in pouring out venom in this House day after day about PetroCan and other Crown corporations. I can only say that if this suicidal passion of that party arises out of a deep-seated principle and objection to Crown corporations, then they have my admiration. I personally believe that is one of the reasons why the government of the Right Hon. Leader of the Opposition (Mr. Clark) fell so quickly. Their position on PetroCan helped create the political context for their defeat. They could not come out and say, "I guess this is what the Canadian people want". It is not communism, statism, or all the boogeyman things that so many of the Conservative backbenchers want to make it out to be. But no, the Conservatives, being the sort of principled lot that they are, to this very day still get up and pour abuse on what the Canadian people obviously want.

What about the Liberals? I often say the difference between the liberals and the Tories is the difference between smart capitalists and stupid ones. What we have over here are people who want to give the impression that they are doing something about Canadianization, while at the same time making sure their traditional friendships with the multinationals and private Canadian oil companies is kept well lubricated. How do you do that, Mr. Speaker? With lots of money, $8.9 billion worth in this one energy bill alone. So we have this money going out to the private oil companies, and what have we got? We have a national energy policy which does not work.

Instead of public ownership and having our resources developed in an alternative way, we have this huge bureaucracy which—the Conservatives are quite right—does not work? Why? Because the Liberals do not have the guts to go out and set up a truly Canadian energy sector and begin to develop these resources as they should be developed.

As you know, Mr. Speaker, Judas sold his soul for 30 pieces of silver. What we see here is a government spending $8.9 billion on the so-called private sector, when it was unwilling to leave in the established programs financing the $2 billion which would have enabled the government to negotiate improved national standards of medicare. For $2 billion this government sold down the river the future of medicare and gave the provinces a club with which to beat the Minister of National Health and Welfare (Miss Bégin) every time she opens her mouth about extra billing. But we have $8.9 billion to give to the private oil companies, these great entrepreneurs.

I get a charge out of the Conservative Party; they are always going on and on about entrepreneurship, free enterprise and risk taking, yet the private sector oil companies and others cannot get their nose in the public trough deep enough and fast enough. Then they go out and lecture people about self-reliance, pulling yourself up by the bootstraps, and all this rhetoric. Socialism for the rich and free enterprise for the poor, that is what it amounts to. If you are big enough and strong enough you can get yourself into the public trough with Progressive Conservative approval. But God help you if you are poor, or on welfare, or unemployed, because helping you is demoniacal and evil government spending. When it is government spending to help out the private sector, the oil companies, that is something the government should be doing more of, and indeed the hon. member for Calgary Centre, as far back as December last, was encouraging the minister to get on with the job of providing this money to the oil companies.

I have said, Mr. Speaker, a couple of times now in the energy debate, and I am going to say it again because no one seems to have picked it up yet, that the argument we are having about energy in this country is very limited indeed. It is really about who will preside over the last days of the prevailing energy model; will it be the private sector, the public sector, or will it be this bureaucratic nightmare called the Liberal government? Which of those three will preside over the last days of the energy model we have been living in for decades? Sooner or later we must all wake up to the fact that the energy model which now exists will have to be transcended.

• (1900)

We live in a finite world. As long as our energy policy is directed toward the infinite expansion of supply without seriously addressing the demand side of the question then we are living not in a fool's paradise, but a difficult paradise, because you have to spend all this money trying to find that last drop of oil. You have to drill holes irresponsibly all across the Arctic, taking the chance that we may have one of the greatest ecological disasters of all times on our hands. As the hon. member for Vancouver-Kingsway (Mr. Waddell) said earlier today, what can happen up north will make the spills in the Gulf of Mexico and in other places look like kindergarten play compared to what we will have on our hands if we get a blow-out in the Arctic. Yet we are prepared to do that rather than to face up to the fact that we will have to change our way of life. It is as simple as that.

We will have to redirect the kind of money this government is now willing to spend in a desperate attempt to find the last reservoir of non-renewable resources. We will have to begin to redirect substantial sums of money, not token little bits of money for Enertech and that sort of thing, into the development of renewable resources of alternative energy technologies and conservation technologies and of the "will" to conserve. We must have the will to conserve. That is something that will not come easy. We have been taught in this country that we are able to consume, consume, and consume. There will be some difficult transitions because it will not be an easy task. But in that area we are not getting any leadership whatsoever from this government.

People are much more ready than politicians give them credit for to face up to some of these difficult issues. But people want to know that somebody is there who is willing to manage that difficult transition in their interests, not just in the interests of those who happen to own or control our energy resources. We are pouring so much money into the last days of this energy model, and the last days may go on for some time. The resilience of certain mistakes in ways of doing things never ceases to amaze me. Nevertheless, we are at the end of an era. The amount of money which this government, and particularly this minister, who otherwise seems to be an intelligent man, is willing to pour into these last days is astounding. The money that goes into the nuclear industry to keep that Canadian dream alive that somehow we will be the people who will fill the earth with nuclear reactors! To keep that dream alive, we spend millions and millions and millions of dollars to keep our domestic nuclear industry alive and to finance the export of Candu reactors to whomever is willing to pay the price regardless of what they intend to do with the possibilities that having our nuclear reactors on their soil enables them to do.

In this respect I must say, Mr. Speaker, that sometimes those of us who are in favour of Crown corporations realize just how much we need to make Crown corporations more accountable to Parliament, the people and to the political process than they have been under the Liberal government. I am thinking of the nuclear industry in particular. Here we have Atomic Energy of Canada in Manitoba which is doing environmental impact studies on its experimental laboratory for underground disposal of radioactive waste. What has Atomic Energy said? Atomic Energy has said it will not harm the environment. But I did not expect Atomic Energy to say anything else. It is in the business of selling nuclear reactors. That means Atomic Energy is in the business of creating nuclear waste. That means Atomic Energy also has to be in the business of pretending this stuff can be disposed of safely. The same people are involved in all three areas, and some very

serious questions have to be raised about Atomic Energy of Canada as an example of we do not want when we talk about Crown corporations.

A little while ago somebody across the way said something about jobs. Apart from the consideration that the kind of alternative energy development that we are talking about I think, in the final analysis, will produce more jobs, and more long-term jobs at that, it will produce clearner, less dangerous jobs and it will provide more meaningful work than the kind of boom and bust employment situation which the kind of development the government is talking about creates. In spite of all that, I want to say a word about the whole question of jobs, and development, of jobs and the environment, and jobs period.

We are in a time when a lot of people are unemployed in this country which is an underestimation when over 1 million people are unemployed. Therefore, anything that is critical of job creation has to be very carefully said. But I think one thing needs to be said, and I will say it now. Just because something creates jobs does not make it right. It is as simple as that. There is no moral axiom anywhere that says simply because something creates employment, that makes it right and it makes it wrong for people to attack and criticize a project and say that it should not be happening.

I will use a biblical example to back up my argument. Recall that when St. Paul came to Rome and converted Rome to Christianity, one of the first things that happened was that he put a lot of people out of work. He put a lot of people out of work, those who were making idols. They used to make graven images which had to do with local religion. St. Paul didn't say, "No, We can't Christianize Rome because, by God, it puts people out of work. Jobs come first. Jobs come before morality. Jobs come before the right and jobs come before everything." He said "No, we are going to do this anyway."

I think we have to decide what kind of society we want, what kind of energy development we want and what kind of an economy we want. We have to have the confidence that we will find ways within that framework go give people meaningful work. That is the kind of leadership the Canadian people are seeking. I think my colleagues and I are able to provide that kind of leadership and we are going to be doing that in the weeks and years ahead.

Mr. Gordon Taylor (Bow River): Mr. Speaker, the hon. member who just spoke talked about loyalty. I want to say the loyalty of the Progressive Conservative Party is to the people of Canada. Our policies would be fair to the people in every part of Canada with special privileges for none. I think that is the type of policy the people want.

As for the national energy policy, it has been a disaster for Canada. It is a disaster now. I have just a few comments on that and why this bill should not proceed. Action is being moved from parts of Canada into the north land. I have no objection to the development of our north. It is a very worthwhile endeavour. I do object to the fact that it is being done with a view to discriminating against conventional oil in other parts of Canada. There is no reason at all why some of this money should not have been spent on conventional oil in Alberta, Saskatchewan and perhaps other places. To move it out entirely ignoring conventional oil has destroyed a large number of small Canadian companies. It is not fair and it is not a sound policy. I think the policy should be fair to native people, and it does not appear to be.

• (1910)

A few months ago Bill C-48 placed the ownership of all land in the north in the hands of the Canadian government. Consequently, the opportunity for provincial status for native people in the northwest territories or northland has almost vanished. Once the Canadian government obtains control of the resources and takes off the cream, there is little hope of provincial governments having sufficient finances to operate. It is not being fair to native people.

Also the government is not being fair to native people in connection with land claims. Native people have been in those areas for a long time. They have been through hard times, they have been through difficult times; they have been through some good times and some times of famine. When an opportunity comes for them to have a break, then they should get it. With the work which is going on in the north, I think there should be a definite policy in terms of hiring northern people. This would give them a fair chance at being employed close to their homeland, which I do not think is contrary to the Charter of Rights and Freedoms.

The National Energy Program has taken money out of the pockets of people. If all the taxes which have been enumerated a number of times already could be totalled and were left in their pockets, we would find that consumers would be doing all right. If the money which has come out of the pockets of oil companies had been left there, they would have been able to make it on their own rather than go bankrupt. If the government continues to extract and extract from companies, whether small or big, and to expect them to stand on their own, it will simply defeat the purpose and drive them into bankruptcy. This is exactly what the national energy policy has been doing. They have penalized consumers through taxation on their heating oil. Not only have they penalized those who are working, but those people who are unemployed, crippled, or senior citizens. These people are being penalized because of excessive taxation. Every pocketbook in the country is affected by the National Energy Program, the disastrous budget and high interest rate policies.

I will not make comments about others who believe differently than I do. One's argument is not very good when one starts to ridicule, to call other people stupid, and so on. The country was built by free enterprisers and the vast majority of Canadians today are free enterprisers. I make no apology for being a free enterpriser. Free enterprise, without the shackles of government through excessive taxation, can give the people of the country the highest possible standard of living. In fact, it

has given Canadians a high standard of living and can continue to do so, if the government does not continue to shackle it and prevent it from working. Of course that responsibility is on the government.

I hope there will be no ecological disaster in the great north. I do not agree with the current policy, but public money is being spent and I do not want to see a disaster in the north. The government should have realized that the money would have been safe and would have almost immediately brought in returns if it had been used in the area of conventional oil. The situation is entirely different when one looks at the far north. In the area of the Arctic islands tankers are faced with 20 feet of packed ice. No way has yet been found to extract the oil. There might be icebreakers which are big enough, but they have not yet been invented or found. I think they can be found if we are given the time. The industry must find a technical way of raising the oil to the surface, of putting valves in place and keeping them there; of protecting the valves when the ice moves so that the well is not wiped out, of getting the tankers in to load them and of getting them through the northwest passage to market. There are some gigantic problems. I do not begrudge the spending of this money in the north, but some of it should have been spent on conventional oil. It would have kept thousands of people working and scores of companies from going bankrupt both in the oil industry and others.

As I see it the policy has been a disaster for Canada. The effects of the National Energy Program will be felt for a long time before people can start producing and have faith in the government again.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I am pleased to rise to speak on Bill C-104. First I should like to compliment the hon. member for Vancouver-Kingsway (Mr. Waddell) who worked very hard in committee. Also I should like to refer to exactly what is happening in regard to this energy debate. We are talking about billions of dollars going to the oil companies. We know at election time that the oil companies give equal amounts to the Conservative Party and to the Liberal Party. We know the oil companies have directors sitting on various boards of banks across Canada. Let us not fool anyone as to who is representing whom and who will be given the biggest grants in the programs offered to the oil companies.

I am pleased and proud of the approach of the New Democratic Party in this matter. On behalf of the almost two million people unemployed across Canada, I should like to indicate to the House that they are finding it very difficult to obtain jobs, to save their homes or the environment around them. The Minister of Energy, Mines and Resources (Mr. Lalonde) came into the House and presented a statement which gave an additional $2.5 billion to the oil companies. This was at a time when there were real needs in the lumber industry, in the mining industry and in the automobile industry across Canada. I hope the minister is paying attention to what I am saying this evening. I should like to refer to a letter I wrote to him on April 29, 1982, to which I have not received the courtesy of a reply. First, I should like to build up to the reason for writing this letter. On February 10, 1981, Bill C-60 received first reading in the House. On March 6, 1981, it received second reading, was considered in Committee of the Whole and received third reading in the House. Then it went to the Senate where it was amended, and the Senate actually held up the bill with the approval of the minister from April 8 to December 11, when the minister finally had the courage to bring the bill back to the House. On December 11 the House unanimously agreed to the amendments, and then the bill returned to the Senate. On December 18, 1981, Bill C-60 received royal assent. To this day the minister has not given my constituents the privilege of using the provisions of the bill.

Therefore, on April 29 I wrote the following letter to the minister:

> During the past year and a half, some constituents in my riding have been trying to negotiate a settlement with the Foothills Pipe Line Ltd. for trespass and damage to their property during the construction of the pipeline in southeastern British Columbia.
>
> I have raised this matter in the House and you are aware of these grievances which the residents wish to pursue through the provisions of Bill C-60.
>
> Bill C-60 received royal assent in December 1981, and I feel it is imperative that your government proclaim this bill so that my constituents can have the opportunity to have their cases heard through its provisions.

If the minister is so concerned about oil companies and ongoing programs, he should take a look at the provisions of Bill C-60 and ensure that the grievances of my constituents, whose property was trespassed and damaged by this company, will be settled. They should be given an opportunity to be heard and to put their case. I urge the minister to proclaim Bill C-60, which amends the National Energy Board Act, so that my constituents will have their day to present their case in a fair manner. I think it is unfortunate that the minister sits on this bill when not only has it been approved by the House but by the Senate. It is now just waiting for the will of the minister to proclaim it and have it gazetted, so they will be given the opportunity to use it.

• (1920)

I also want to say something on behalf of our senior citizens on fixed incomes who have seen their energy bills increase. We have heard some of the proposals presented by the minister with regard to assistance under the conversion program. While he is doing this we are seeing electrical costs in British Columbia going up by as much as 40 per cent. I believe if we are to look at programs that will be of assistance to various groups, we should look at their incomes so that the assistance to be provided can be created by better policies of this government.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I am happy to have a few moments to make a few remarks about the energy debate and the energy problems which face Canada and the world. For almost the past year, many hours have been spent in the House on the energy debate. There have been many opinions expressed, many ideas and suggestions developed, which I am sure each member delivered with the truth as he saw it.

Since it will only be a matter of minutes until this debate is finished and the whole energy question will be settled for this

session, I would like to go on record as speaking about the future. I do not mean the future six months, six years or even 600 years from now, I am talking about the future of our planet and of the people who will live on it. I feel that as we vote on this energy bill tonight and then proceed with our lives for whatever number of years each of us has left, we must remain concerned about energy. Let us think for a few moments about the people who are to follow us generations from now. What we are doing tonight will affect the lives of all those billions of people to come.

This week I received a petition from a group of people in my riding. The petition began, "We are parents and grandparents—." That petition asked that I present to the House their concerns about the lives of their children, grandchildren and great-grandchildren, and I have presented that petition. These people did not want their future generations wiped out or destroyed by atomic war. Of course, I am totally in accord with this.

Let us put into perspective this $8.9 billion we are considering handing out to the oil companies in order to preserve, in a sense, the future with respect to energy. I do not believe that $8.9 billion will accomplish that or that all the oil companies in the world can do that unless the people of this planet, including people like myself, all hon. members, every Canadian and the rest of the world, decide that we do only have a limited amount of energy available. Let us not kid ourselves when we talk about new oil and old oil. Relatively speaking, all oil is old. It takes 500 million years for our planet to process and evolve one drop of oil. Oil which is now being formed on our planet will evolve 500 million years in the future. Yet there seems to be almost a madness which, I must confess, I share myself about using it all up as quickly as possible. There seems to be a feeling of unconcern about future generations and a feeling that we are entitled to use it all ourselves. I was born into a society which felt that there are no limits. I realize now that there are limits.

The oil industry in Canada has evolved during my lifetime. I can remember Leduc and the first pipeline across the prairies. I worked on it. It has not been that long since the industry began to develop. Oil in Canada is a new commodity.

This morning, as I came to the House of Commons, I drove my car. It is a small one.

Mr. Andre: Japanese?

Mr. Ogle: Not a Japanese car, a small Canadian car. The fuel which went into that car was refined from a process which began almost 500 million years ago. It was burned up and no one will ever use it again. Tomorrow, when many hon. members return to their ridings in an airplane they will see the vapour trail left behind. The fuel which takes us home tomorrow will be finished and never used again. Therefore I must ask myself the moral question of how much energy can I or anyone use if we are to concern ourselves with the plea of those parents and grandparents to look after the future of their children and to leave something for them.

The idea that was common when I was young—although I am not that old yet—that there are no limits to resources is being challenged today. The confidence that there were no limits to resources was prevalent not so long ago. I have seen forests that seem to have no end. However, if one visits the Amazon forest today one realizes it has a limit and an end and is being chopped down very, very fast.

The purpose of my small interjection into this energy debate, which I want to share with my colleagues and anyone else who is interested, is to somehow bring myself to task and to ask others to realize the need to conserve a little bit of what is on this planet for the people who have not yet been born. New sources of energy are just not evolving fast enough. It may not be the most significant interjection in a debate which is to decide how to spend this money, but I would like to see some that $8.9 billion being spent to encourage a company to find more gas to create more traffic jams put to better use. It is said that the world will end in a traffic jam. I am inclined to believe that. As you drive on the road today you see one person sitting alone in 2,000 pounds of steel. There are thousands of people who sit in their cars by themselves. Everyone is stopped at a red light with their motor running. It is the beginning of the end.

I would like to end on a slightly different note. I had the privilege to represent our party when a Canadian delegation went to Rome for the beatification of Brother André and several other people. The leader of our delegation was the Minister of Energy, Mines and Resources (Mr. Lalonde). Although we did not discuss energy, it was an experience which I think we can share. It concerns the city of Rome, one of the great and beautiful cities of the world. I have been to Rome many times in the last 25 years. Rome has changed. There is now a perpetual traffic jam there. People no longer park their cars in single rows. Every street now has a double row of parked cars. You cannot go anywhere in Rome without being in a traffic jam. The beautiful skies of Italy are now smog, and the same situation is true in Rio, Tokyo, New Delhi and Lagos. That is what has happened to the world. While the automobile and the use of its fuel has given us the service which we all appear to want to sustain, we must see what it has done to the planet and our environment at the same time.

Those were a few of my thoughts which I wanted to give the House before we come to the final votes on these bills tonight. Whether we like it or not, these pieces of legislation will influence the lives not only of Canadians today but of their children, grandchildren, great-grandchildren and all our future generations in the centuries to come.

• (1930)

[*Translation*]

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: On division.

Motion agreed to and bill read the third time and passed.

[*English*]

NATIONAL ENERGY BOARD ACT (NO. 3)

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-108, to amend the National Energy Board Act (No. 3), as reported (with amendments) from the Standing Committee on Energy Legislation.

The Acting Speaker (Mr. Blaker): The House may now wish to consider Bill C-108 and motions with respect to the amendments thereto.

Mr. Harvie Andre (Calgary Centre) moved:

Motion No. 1

That Bill C-108, An Act to amend the National Energy Board Act (No. 3), be amended in Clause 11 by striking out line 27 at page 7 and substituting the following therefor:

"of the Governor in Council and subject to relevant provincial laws and regulations, make regula-"

Mr. Waddell: Mr. Speaker, I rise on a point of order. Just so that we can clarify this situation with regard to Bill C-108, I would like to seek the unanimous consent of the House to enter another two amendments. I understand that the mover of the first motion will get the chance to speak first, and then I suspect the minister may be speaking. Perhaps what I could do is to speak to my amendments when it is my turn to speak. However, those will be the only amendments, other than the ones printed here. I understand that there is Motion No. 1 standing in the name of the hon. member for Calgary Centre (Mr. Andre), then Motions Nos. 2 and 3 standing in my name. I would like to move two other amendments which would really follow Motion No. 1. As a matter of fact, the first one really deals with Motion No. 1.

Mr. Andre: Mr. Speaker, I rise on a point of order. Perhaps it might be appropriate and in keeping with what we have done concerning other bills, as I understand it, if the minister would seek unanimous consent for his motions and the hon. member for Vancouver-Kingsway (Mr. Waddell) would do so, then we could have all the motions before us.

Some hon. Members: Agreed.

Mr. Andre: As I understand it, the number of hon. members who will speak is relatively limited in terms of the parties concerned. It may be more expeditious to follow the procedure of general report stage debate and then deal with motions seriatim at the end.

The Acting Speaker (Mr. Blaker): The proposal of the hon. member for Calgary Centre (Mr. Andre) sounds very reasonable.

Mr. Lalonde: I would like to support the proposal of my friend the hon. member for Calgary Centre (Mr. Andre).

I would like to indicate that I also have two amendments which I would like to propose, with unanimous consent, and which could be debated as part of the general report stage debate. So if that is agreeable, we will put these amendments forward together with the other amendments of the hon. member for Vancouver-Kingsway (Mr. Waddell).

The Acting Speaker (Mr. Blaker): The hon. minister seeks unanimous consent to put forward two amendments. Is that agreed?

Some hon. Members: Agreed.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources) moved:

That clause 32 of Bill C-108 be amended

(a) by striking out line 31 on page 20 and substituting the following:

"33. (1) Subject to subsection (2), this Act or any provision thereof shall"

(b) by adding, after line 33 on page 20 the following:

"(2) Sections 12, 13 and 32 shall come into force on a day to be fixed by proclamation but no proclamation issued under this subsection may purport to have been issued on a day that is prior to the day that is six months after this Act is assented to."

He said: I also propose the following:

That Clause 31 of Bill C-108 be amended by striking out line 15 on page 20 and substituting the following:

"province."

32. The said Act is further amended by adding thereto, immediately after Section 90 thereof, the following heading and section:"

The Acting Speaker (Mr. Blaker): Order, please. The Table officers will consider the admissibility of the two amendments proposed by the Minister of Energy, Mines and Resources (Mr. Lalonde), and one presumes that, in all probability, they will be in order.

The hon. member for Vancouver-Kingsway (Mr. Waddell) has stated that he wishes to renumber certain of the motions standing in his name. I believe he indicated that Motions Nos. 4 and 5 ought to be placed for consideration after Motion No. 1. I do not think the House wants to discuss which motions ought to be placed in which order, but if any hon. member or minister wishes to indicate that some of these motions should be considered in a certain order, the Chair will be pleased to listen to that advice. If there is no intent on the part of hon. members to renumber motions, the simplest solution would be to take them as they now stand, and Motions Nos. 1 through 5 and the two amendments suggested by the minister would become Motions Nos. 6 and 7, and we would debate them seriatim.

Shall we agree to this, or do we have other suggestions from hon. members?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): Accordingly, Motions Nos. 6 and 7, attached to Bill C-108, will be two amendments proposed by the Minister of Energy, Mines and Resources. As I have indicated earlier, we will check the admissibility of the motions which, I presume, will be in order.

Therefore, the Chair will hear those who wish to enter into debate on Motion No. 1, standing in the name of the hon. member for Calgary Centre (Mr. Andre).

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Mr. Speaker, as I understood my hon. friend, we will consider this first stage as a general debate at report stage on the various amendments, with Your Honour's indulgence. I listened with great interest to the previous debate that took place and to the exchanges that flew between the Conservative, and the New Democratic Party members in the House on the previous bill. I followed it with great interest when I saw those two extremes on the political spectrum shooting at each other. If we on this side did not intervene much in that debate, it was because, as we say in Latin, *in medio stat virtus*. We can easily come to the conclusion that the policies pursued by the government stood between those extremes. They were not for absolute, unbridled free enterprise which could exploit people, but, at the same time, we were not out to nationalize the oil and gas industry. We believe that in this country there is room for both a public and a private sector and that the private sector must be kept in a position where it can do what is required in the oil and gas field to ensure that this country will have the security of supply that it needs.

The hon. members of the NDP spent a lot of time referring to $8.9 billion. What they did not mention is that those amounts, spread over a period of five years, are in substitution for tax concessions which existed before. In effect, these figures illustrate a system whereby we will be able to encourage the growth of Canadian enterprises in the oil and gas industry. Moreover, we will not put it all into the Canada lands, as the hon. member for Vancouver-Kingsway (Mr. Waddell) suggested. As a matter of fact, as he well knows, I spent much time referring to the heavy oil industry in Saskatchewan and all of that, and the PIP grants will go to Saskatchewan and will go to the hon. member's native province of British Columbia. They will not be reserved for the Canada lands.

These are some of the points we could have gone into at great length, but I thought I should at least point out to my hon. friend that he is certainly not adequately representing the reality of the situation by talking as he did, but I am sure that energy is a constant subject of reflection and debate. We will have other opportunities to debate these issues. Obviously I am looking forward to other opportunities to debate with my friends issues with regard to the National Energy Program, the objectives we are trying to achieve, and the assurance that we want to give the Canadian people in regard to fairness of prices and security of suppiy, and full participation.

• (1940)

Some hon. Members: Hear, hear!

Mr. Waddell: Is that when you are minister of finance?

[*Translation*]

Mr. Lalonde: Mr. Speaker, we are discussing Bill C-108. This bill has been considered in committee and has been the subject of representations and testimonies by a number of people, including the Newfoundland Minister of Energy, Hydro-Quebec, the Independent Petroleum Association and several other persons and groups. It has been the subject of debate within the committee and has been amended on a number of points, following representations made before the committee and proposals that were put forward. I believe we now have a bill that is a considerable improvement over the bill we introduced initially, and I wish to thank those who appeared before the committee to express their views, and I also wish to thank committee members for their contribution to the debate on these bills and especially on Bill C-108.

I may recall that one of the basic objections raised, and I am thinking especially of the president of Hydro-Quebec, concerned a provision that would have allowed the National Energy Board to modify existing export licences if public convenience and necessity so requires. The case against this provision was examined very carefully, and we reached the conclusion that the point raised by Hydro-Quebec was a valid one, and that in view of this very serious objection we should amend the bill accordingly. I feel that the subsequent amendment, which removes the electric power matter completely from the purview of the National Energy Board, will settle this particular contentious point.

A more emotionally and politically charged question was also raised, namely, the provisions in the bill that allow the National Energy Board to authorize construction of power lines for interprovincial transmission and which provide new authority with respect to international transmission lines. I referred to the debate as being emotionally and politically charged, because without wishing to give these adjectives a negative connotation—they are a fact of life—I am especially reminded of the testimony given by the president of Hydro-Quebec who appeared before the committee and was asked by my colleague from Vancouver-Kingsway what he thought about this feud between the Government of Quebec and the Government of Newfoundland. Very wisely, President Bourbeau said in his testimony on May 26, 1982, before the committee, as reported on page 2715 of the proceedings, that as far as the so-called power corridor was concerned, he could not care less, implying that it was not a real problem, and that for all practical purposes, it was not a matter of any concern at all to Hydro-Quebec.

Understandably, there have been some wild and wonderful things said on the subject. In Quebec, the Parti Québécois presented a motion in the National Assembly. There was a long debate and an attempt to raise public sentiment by telling everyone who would listen that Quebec's territory was being violated and that Quebec's autonomy and the inviolability of its borders were in danger. Fortunately, I think the vast majority of the people kept a clear head throughout this debate, and realized that the whole discussion really could not be taken seriously, when the Parti Québécois claimed that attempts were being made to violate Quebec's borders, to take

over its territory or to extend Newfoundland's territory across Quebec, and so forth. Those were, if I recall correctly, some of the expressions being used. As I said in my speech when we first considered this bill, there is no legal difference between the construction of an oil or gas pipeline like the ones being built right now across Quebec and the construction of an electric power transmission line.

These are two techniques for transmitting energy, and following representations which included those by Calgary Power in Alberta and by the Newfoundland government, we had to deal with what the Premier of Newfoundland qualified as flagrant injustice, namely, that we did not put the transmission of electric power on the same level as gas and oil pipelines. In fact, in conferring powers on the National Energy Board, we did not go as far as we did with respect to the transmission of gas and oil. That being said, we still wanted to take into account the actual situation, since we had to deal fairly with the citizens of Newfoundland and Alberta who made representations on the subject, but at the same time, as I said before, the Government of Canada is generally in favour of a negotiated solution and feels that the only valid solution to the differences separating the government of Newfoundland and the government of Quebec is a negotiated agreement between the two governments, and that any other solution, though theoretically possible, would be an absolute last resort, and only if all other avenues had failed would the Government of Canada, the National Energy Board in this case, be called on to intervene, and that all things considered, if the provincial governments were able to reach some kind of agreement, the government would certainly prefer this arrangement to any other kind.

In recent months, I had a number of meetings with my Quebec colleague, Mr. Duhaime, and with my Newfoundland counterpart, Mr. Marshall. I had an opportunity to explore this question with them in detail and I tried to persuade them to come back to the negotiating table and try to reach an agreement. In fact, my colleague, the hon. member for Joliette (Mr. La Salle), urged me to do so, and pointed out that we had to persuade both provincial governments to settle their differences. I understand the hon. member perfectly, because having seen the attitude taken by his own colleagues from Newfoundland, who refused to vote either for or against this bill when the Progressive Conservative Party voted against it on second reading, it is clear that there are considerable regional differences of opinion in Canada on this subject. As the Government of Canada, we felt that we had to recognize our responsibility in this area, and that we did not have the right to hide behind the curtains or remain seated when there is a real and serious problem that is causing Quebecers and Newfoundlanders to lose hundreds of millions of dollars every year and also thousands of jobs which would otherwise be created by construction projects for dams on the Churchill River or on the North Shore rivers.

During the debate in committee, the hon. member for Joliette urged me to try to get the parties together and to give them time to settle down to negotiations. At second reading he had already suggested a six-month postponement, and in committee he asked whether it would be possible to allow for more time, so that the parties would have another chance to meet and carry on negotiations. Mr. Speaker, in the proceedings of the Standing Committee on Energy Legislation, May 27, 1982, on page 2921, I said, and I quote:

> If you agree, I will consult my cabinet colleagues and the caucus; we will propose the amendment you have put forth, namely, to postpone enforcement of this part of the bill for six months.
>
> Is your party ready to support such an amendment?
>
> MR. LA SALLE: Yes.
>
> MR. LALONDE: Are you ready to support such an amendment?
>
> MR. LA SALLE: Yes.
>
> MR. LALONDE: I want that to be recorded.

• (1950)

Then, on page 2922, I stressed my point when I said:

> My question was quite clear: an amendment which would provide that that part of the bill would only come into force six months later.
>
> MR. LA SALLE: Yes.
>
> MR. LALONDE: Yes, that was it.

We must add to this the discussions which I had with my colleague, Mr. Duhaime, during the weeks before and after the report stage of this bill, that is during these last few weeks. Once again, Mr. Duhaime asked me to postpone if possible the coming into force of this bill so that he and his Newfoundland counterpart could sit down and negotiate. In view of these representations and as evidence of the wish of the Canadian government to promote an agreement between the two governments on this issue, we decided to introduce an amendment which I hope will receive the support of all the parties in this House so that, when this bill is proclaimed, if it is approved by Parliament, the provisions relating to power transmission lines would come into force only six months after proclamation to allow the two provincial governments additional time to sit down and make a genuine effort to come to an agreement, because as I have noted, the Canadian government is convinced that it is through a negotiated settlement of all the problems which now oppose these two governments on this issue that this matter can be settled the most effectively.

Obviously, if the two provincial governments cannot come to an agreement after a new effort and a further attempt at negotiation, we shall not indefinitely let billions of dollars' worth of hydroelectric power which is greatly needed by the people of Newfoundland and Quebec flow into the ocean, we shall not indefinitely allow people to remain unemployed when they could be put to work building dams on rivers, we shall not indefinitely deprive the Canadian economy of the very substantial economic benefits this could entail.

I therefore wrote today to my two counterparts, Mr. Duhaime in Quebec, and Mr. Marshall in Newfoundland,

telling them of the government's proposal and informing them that the government was giving them another six months to come to a definite agreement. We believe that, with good will from both sides, the two provincial governments could find a beneficial solution. Indeed, it would appear that the two governments should meet to discuss all the aspects which now divide them, and this includes the Churchill River and the rivers on the Quebec North Shore. Mr. Speaker, I shall be happy to table immediately copies in English and in French of the letters to Mr. Duhaime and Mr. Marshall with the consent of the House.

[*English*]

The Acting Speaker (Mr. de Corneille): Does the minister have unanimous consent to table the letters?

Some hon. Members: Agreed.

[*Translation*]

Mr. Lalonde: Mr. Speaker, once again, our position is clear. We are willing to take our responsibilities as the Canadian government, but, on the other hand, we want to make every effort so that the two provincial governments involved will use the time available to them to settle this question themselves. I can assure the House that if those provinces come to an agreement, we shall be the first to applaud and to rejoice since, unfortunately, this issue is now causing great divisions between two provinces which both have a very high rate of unemployment and a great many financial problems generally and which could reap great benefits from an economic development such as that which could result from such an agreement.

[*English*]

I would like to say that in proposing this particular amendment today the Government of Canada will ensure that the provisions of Bill C-108 concerning electrical transmission will not come into effect until six months after the passage and the proclamation of the bill. This is being done in order to give one more chance to negotiations during those six months. We favour a negotiated settlement between the two provincial governments. We believe that for technical as well as economic reasons a negotiated settlement for the integrated movement of power from Labrador through the Hydro-Quebec system is infinitely superior to any system of dedicated line transmission of power through Quebec.

From the discussions I have had with the Quebec minister in the last few weeks, I have had a very strong perception that Quebec is ready and willing to show flexibility and good faith in those negotiations. I have had an indication from the Quebec minister that as part of negotiations on the development of the lower Churchill River as well as the Quebec northshore rivers the Quebec government would be willing to improve appreciably the payments related to the upper Churchill power. In addition, the Quebec government would be willing to discuss arrangements under which Hydro-Québec would not be the exclusive buyer of additional electricity produced in Labrador.

I think these proposals from the Quebec government indicate that that government is genuinely interested in proceeding with dispatch to serious negotiations of the issues dividing the two provinces concerning the production and distribution of electrical power.

As I have indicated, we also believe that the only truly satisfactory way of resolving this dispute between the two provinces is through negotiations covering a broad range of issues dealing with the production and transmission of electricity. We are therefore giving some time—not an infinite amount of time, obviously—to the two governments to resolve the issues which are dividing them at the present time.

I regret that the opposition parties have opposed this bill at second reading. I hope upon reflection—and in view of this particular amendment—they will revise their position and agree to support this bill which, I hope, we will be in a position to pass tonight, including the provisions concerning electrical power transmission. As I have indicated, in order to encourage both provincial governments to return in good faith to the bargaining table, the Government of Canada is asking Parliament to amend Bill C-108 so that any part of the legislation concerning lives for the transmission of electricity would come into effect six months after proclamation.

• (2000)

The spokesman for the Conservative Party in the Standing Committee on Energy Legislation stated quite clearly and categorically that his party would support such an amendment, and I hope that the New Democratic Party will see fit to do so as well.

Finally, Mr. Speaker, while we are encouraging both governments to return to the table and resolve their disputes, we have also indicated that if the two provincial governments feel that the Government of Canada can play any useful role in resolving the issue, we will be available to them.

These are the main points I wanted to draw to the attention of the House. I urge the House to give favourable consideration to these amendments and to support them and pass this bill with dispatch.

Mr. Waddell: Mr. Speaker, I rise on a point of order. Would the minister permit a question?

Mr. Lalonde: Yes, Mr. Speaker.

Mr. Waddell: Mr. Speaker, I want to ask the minister a double-barrelled question. The first part is, why did he sit around all evening in the House listening to the speeches without giving us a copy of this amendment? It is a significant and important amendment. This is an important issue, so why did he spring it on us at the last moment?

The second part of the question is what happens after six months under the minister's proposed amendment? Will this bill automatically go through with the corridor expropriation powers in it, or will it come back to Parliament for Parliament to decide?

Mr. Lalonde: First of all, Mr. Speaker, if the hon. member and the NDP would stop using a lot of the time of the House to make histrionic speeches on Bill C-104 we would be further ahead. I was waiting to get to Bill C-108 so that I could introduce the amendments. I would remind the hon. member that I did not get any notice of the amendments he has introduced. I have not seen them.

Mr. Waddell: I am sorry, Mr. Speaker. I have a point of order. The parliamentary secretary got the amendments. They were sent to his office this evening.

Mr. Lalonde: I apologize. If they were sent to my parliamentary secretary's office this evening—

Mr. Waddell: Sent to him.

Mr. Lalonde: What time was it?

Mr. Waddell: A couple of hours ago.

Mr. Lalonde: There it is, Mr. Speaker. As far as the question raised by the hon. member is concerned, as I indicated in my comments in committee when we debated this issue, I asked the hon. member for Joliette (Mr. La Salle), as is reported at page 29:22 of the proceedings, if the amendment would provide that that part of the bill would only come into force six months later. The hon. member answered yes. So that is clear.

The Acting Speaker (Mr. Blaker): The Chair is in possession of seven amendments to Bill C-108. I want to indicate that the two amendments proposed by the Minister of Energy, Mines and Resources (Mr. Lalonde) have been found to be in order. For the purpose of making matters go forward more easily hon. members have agreed that rather than alter the number of the motions and attempt to relate them to one another, we would simply take them seriatim.

I think it is incumbent upon the Chair to indicate that hon. members need not feel that they must address themselves to the particular amendment which may be before the House. General reference to the bill will be considered adequate in terms of the rule of relevance.

That being the case, any hon. member may seek to speak at any time on any amendment without feeling he would be in any way out of order. I am therefore, if the House so wishes, prepared to put the question to the House on motion No. 1.

[*Translation*]

Hon. Roch La Salle (Joliette): Mr. Speaker, I should tell you at the outset that I was pleased to hear the suggestion made by the Minister of Energy, Mines and Resources (Mr. Lalonde) concerning the amendment which had been discussed in committee. I am delighted to see that the government will implement a recommendation which I had made personally in this House and I would be even more delighted of course, as the minister pointed out, if there had been no need for this amendment and if the two governments were to agree to set their sights on the best effective and profitable objectives for both provinces, namely Quebec and Newfoundland. Once or twice the minister has reminded this House of the remarks I made in committee to the effect that my party and I would support such an amendment. We said so ten days ago already and we are quite pleased to support the amendment this evening.

Mr. Speaker, I should like to say that as an elected member from Quebec I am especially interested in this bill. I know that the minister, who comes from Quebec, spoke twice, on second reading and earlier this evening, but I do not know of any other Quebec members having taken part in this debate, although I expect they will have an opportunity tonight to give us their views on this bill. I too would like to commend and thank the president of Hydro-Quebec who appeared before the committee and tabled a very interesting brief which caught the attention of the minister and enabled him to see some of the drawbacks of his bill. Indeed, with respect to Clause 25, the minister agreed to amend his bill to avoid the pitfalls which became apparent after the very relevant documentation presented by Hydro-Quebec. I might add that we on this side have deemed appropriate to introduce an amendment since the president of Hydro-Quebec was praised for his knowledge of the subject and since he was the one who pointed out another danger. I hope the government will support our amendment as readily as we are prepared to approve the minister's amendment.

It would seem that Clause 10 might generate conflicts with respect to the new provisions, having in mind the provincial legislation applying to the agricultural sector, that is the environment legislation. Besides, in light of the remarks, the know-how and the evidence submitted by the president of Hydro-Quebec concerning the technical aspects, it must be recalled that in his brief he did state that Clause 10 might conflict with the provincial statutes. Nobody has yet raised that issue. Finally, Hydro-Quebec is concerned over the fact that Clause 10 authorizes the National Energy Board to set environmental standards which differ from those of the provinces with respect to international power lines. The construction of those lines is already fully covered by provincial laws and regulations on environmental protection. According to Hydro-Quebec, Clause 10 will open the door to the establishment of different and conflicting systems and the utility company is afraid that certain line sections may be needlessly subjected to requirements which are totally alien to the entire network. That is why, considering that very relevant remark, the people in charge have shown their competence and deserve our full respect. This has prompted my colleague from Calgary Centre (Mr. Andre) to move that amendment to force the governor in council or the National Energy Board to respect existing provincial legislation, considering the new provisions contained in this bill. I hope this amendment will gain support, if only to show respect for the true principle of

co-operative federalism, if only to show respect for provincial jurisdictions and provincial legislation. This amendment applies to all provinces, of course, not only to Quebec, let us not think for a moment that it is aimed solely at Quebec. I hope that my colleagues opposite will show no hesitation in supporting this amendment which would greatly improve this measure.

• (2010)

I listened to the minister who tried once more to reassure people by stating there was absolutely no danger of conflict with provincial laws, and I must refer again to his statement on second reading. The minister said that if we looked at the current pipeline experience in Quebec, for instance, we could see that the Trans-Quebec and Maritimes pipeline is now under construction and should reach Three-Rivers before the end of the year, and hopefully Quebec in the next year, and therefore, that the Trans-Quebec and Maritimes company who were building the pipeline under the National Energy Board licence were now expropriating to build that pipeline, and also that the Trans-Quebec and Maritimes company was operating in accordance with provincial legislation now applicable in Quebec, whether it be legislation on environment or protection of farm lands, and so forth. The case of the Trans-Quebec and Maritimes company over these last few months, over last year was used as an example. That company had to comply with applicable provincial acts regulating some forms of activity within the Province of Quebec. The same thing happened when a pipeline was built, whether in Quebec or elsewhere. When lines were extended, the corporation involved complied not only with federal laws but also with provincial laws that might be applicable. What was involved here, and I am still referring to the minister's comments, was that there was a proposal for granting in respect of transmission lines the same authority that now lies with the National Energy Board for pipelines. This meant that the practice followed in Quebec as I said for the gas pipeline by Trans-Canada and Maritimes was the same as in the case of an international interprovincial transmission line, and I shall come back to this.

I remind hon. members that the minister in respect of transmission lines referred to the same power that now exist. There was no problem when the minister spoke on second reading, and once again when he spoke last night before the proposal was accepted. He is now referring to existing authority. Mr. Speaker, under the existing authority the National Energy Board must comply with provincial laws. The legislation would enable the National Energy Board to ignore them, as proposed under Clause 10, which would become Section 11 of the amended act. Therefore, the minister is not quite honest when he states that the authority granted the National Energy Board in respect of hydroelectric power transmission is identical to the existing one.

The minister knows full well that the National Energy Board will have powers that will extend beyond those existing now and the House of Commons will not be in a position to discuss whatever regulations the National Energy Board will establish. For that reason, and this is a point I feel members will understand, Section 11 of the amended act would enable the National Energy Board to regulate and make its own regulations on environment and farm zoning. Therefore, I will not be made a party to that kind of argument. As stated by Hydro-Québec in their submission, this might lead to conflicts and will give the National Energy Board the power to establish new environment and farm zoning criteria. Therefore, if the government have any respect for the provinces they will have no hesitation in accepting an amendment to that clause to ensure that the governor in council complies with existing laws, whether in Quebec or elsewhere. This means that any project that might be implemented would need the agreement of the province where it is undertaken. Such an amendment is extremely important for any province and since the project involved concerns Newfoundland and Quebec, I believe that the six dozens of Quebec members will understand the importance of this amendment and will not hesitate to stengthen the powers of this House, because it has become increasingly clear that every piece of energy legislation which has been discussed here would give additional powers to the National Energy Board and therefore reduce the powers of the legislators. I therefore hope, Mr. Speaker, that the members from Quebec especially will understand the situation in this case, and I am also aware of the interest shown by my Newfoundland colleagues in this issue. The Minister of Energy, Mines and Resources (Mr. Lalonde) recalled earlier that some of my colleagues from Newfoundland were not here to vote on the amendment which I had moved. I shall certainly not criticize the position taken by my Newfoundland colleagues about this project, but I would invite the members from Quebec to have as much courage and integrity concerning the interests of their own province as my colleagues from Newfoundland, and if they do, I am not worried about the results concerning this bill, Mr. Speaker.

I do not want to delay the proceedings on this bill. Once again, I have had the great pleasure to hear the minister move an amendment which could allow the governments of Newfoundland and Quebec to come to an agreement. The minister has repeated many times that the best solution would be a negotiated settlement between the two provinces. For our part, we, of course, ask the governments of Quebec and Newfoundland to come to an agreement as quickly as possible and to tax this great wealth for the benefit of the people of the two provinces. There can be no doubt that we agree in principle. Of course, we blame the government for forcing the provinces to do something which normally should be left to the provinces themselves. We have too much respect for provincial priorities and the provinces themselves to give them instructions and set deadlines for them. In the absence of a negotiated settlement, we now have an amendment which could allow the two governments to negotiate diligently, and I believe that both governments have expressed the wish to do so.

As I said before the amendment moved by my colleague from Calgary Centre (Mr. Andre) would mean that provincial laws would be obeyed. I honestly believe that the members of this House should not hesitate to reflect on the purpose of this amendment which simply aims at bringing about the equity often mentioned by hon. members opposite and which would result in a truly just society concerning the respect of our rights and the system in which we function. I hope that hon. members will have no hesitation in supporting this amendment which would bring about the equity justly claimed by Quebec and which would be equally available to the ten provinces which make up this country. I do not believe this is a special situation. This is not a special condition or a special status; it simply recognizes the wish of all the provinces to have their views respected. I hope, Mr. Speaker, that we shall have positive votes in this regard and that my friends from Quebec will give me their support, especially regarding the amendment moved by my colleague from Calgary Centre this evening. I repeat that I shall not hesitate for my part to support the amendment moved by the minister. I shall now give the opportunity to some of my colleagues to make their own comments.

[*English*]

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, coming from British Columbia I thought I understood Alice in Wonderland politics. But when I hear Newfoundland and Quebec politics, I wonder if British Columbia isn't simple.

Some hon. Members: Careful.

Mr. Waddell: Mr. Speaker, there has been a substantial amendment to this bill tonight and I really do not understand the minister and the way he presented it. His problem is that he is too clever by half. He sat in this House for three hours listening to speeches with a substantial amendment to this bill in his back pocket. He then springs it on the opposition at the last moment, gives a speech and leaves the House. That is permissible. You can do it. Maybe it is good politics, but I do not think it is the proper way of working, and I think that is the reason the minister gets into a lot of trouble, whether with the oil industry in the west, with consumers in Ontario, with the Péquistes in Quebec City or with the Newfoundlanders in St. John's.

• (2020)

When this bill was introduced in the House the minister spoke and said that it did not affect the existing contract between Newfoundland and Quebec. That is what he said. He put out a press release to that effect. If it does not affect it, why is the minister now bringing in an amendment to postpone the applicable provisions for six months? There is something strange and inconsistent there. I am glad that he has postponed it, however. I would like to see Quebec and Newfoundland make a deal. I have been afraid from the beginning that this was an inopportune time to bring in a bill like this. I am not a Quebecer. I am from as far away from Quebec as you can get. Maybe that makes me objective. Maybe it is an advantage. I have been listening to Quebecers and I have been reading this bill very carefully. It seemed to me bad timing to bring in a bill like this, given what went on between the government of Quebec and the constitutional accord. This bill could possibly inflame Quebec. I do not know whether Quebec is grandstanding, as the hon. member for Louis-Hébert (Mr. Dawson) said: "Un gros show—" I know I met with some of the Quebec MNAs when they could not meet with other members.

An hon. Member: That is a lie.

Mr. Waddell: That is what I understand. Hon. members will get their chance to reply. I do not understand whether or not they had a chance to meet with them. I know I met with them and I listened to some arguments on the bill. I listened to the minister tonight. He almost gave the impression that he and the Quebec minister of energy were in agreement. But that is not what I got from the Quebec minister of energy.

Mr. Dingwall: What did you get?

Mr. Waddell: I will explain in a few moments what I understood was Quebec's point of view.

The minister hopes the opposition parties will support this amendment. He asked for certain good faith. But he did not come in with good faith tonight in the way he introduced the amendment.

I see the minister is now entering the House. I will repeat what I just said. I did not think the minister showed good faith in the way he introduced this amendment tonight without giving us any notice. He is too clever by half in my opinion. He is often inconsistent. He originally gave the line that it would not affect existing contracts. Now he says it may. If he wants to do a proper job with respect to this matter—and he is right, we should have a deal between Quebec and Newfoundland—why does he not bring in an amendment to postpone the matter for six months and then come back to Parliament after six months with a bill? That was the motion moved by the hon. member for Joliette (Mr. La Salle) on April 27. It is slightly different from this one.

I asked the minister what happens after six months. The answer he gave was that it was obvious from reading the text that the bill will just be proclaimed in six months, so it will not come back to Parliament. If the minister really wanted to be fair, reasonable and consistent, he would come back to Parliament. I think he is trying to put something over on us. I think—I say this as an outsider and I hope I am wrong—that the federal government is trying to play games with Quebec. It is like a continual battle or a blood feud between the minister, the Prime Minister (Mr. Trudeau) and the Premier of Quebec. I hope for the sake of Canada that they will all cool it. I am sure I will hear from some of the Quebec members who will indicate the situation. Maybe I have missed something.

I see a number of problems with respect to the bill. I will tell you what they are, Mr. Speaker. One is that Quebec is concerned that the bill will not respect Quebec laws on environment and on agriculture. We offered an amendment to try to get the bill to respect Quebec laws on environment and agriculture. Our amendment is a little different from the amendment offered by the hon. member for Calgary Centre (Mr. Andre). If you look at our amendment, we say that where there is a conflict they have to look at provincial laws. If there is an overriding conflict, then they have to look at the law dealing with property and environment. A good example would be Ontario Hydro exporting power to the United States when it does not put in scrubbers in a coal-fired generator. Many Members of Parliament signed a petition with respect to that issue.

There is an issue respecting Quebec lands. We offered an amendment to help, and I think we should consider it. The minister quoted the chairman of Quebec Hydro. But he did not quote the chairman completely, he quoted him selectively. The chairman of Quebec Hydro said there is a difference between a pipeline and a hydro line. The difference is this: a pipeline goes through a province and you do not need other facilities, but a hydro corridor has to be part of a grid. That is the key difference. I think that is what the chairman of Hydro-Quebec meant when he said he is *ni chaud ni froid*, that is neither hot nor cold about the sovereignty issue. That is what he meant because he thought it would be impossible to build the corridor. If it is impossible, and if there is a difference between a pipeline and a hydro corridor, as hydro said, but which the minister does not agree with, why do we have this bill? As Alice in Wonderland said , "It gets curiouser and curiouser" why we have this bill.

[*Translation*]

Mr. Speaker, I should like to make a few comments on Quebec's concerns about the impact of Bill C-108. I have met quite recently with representatives of the Quebec government. I also listened carefully to the comments made by the chairman of the board of Hydro-Quebec, Mr. Joseph Bourbeau, when he appeared before the Committee on the Energy Legislation. Quebec has therefore stated its objections against this bill and I feel that those objections are worth considering by government members. Indeed, it is unfortunate that the Liberal members from Quebec, those self-styled champions of their fellow citizens' interests, persist in disregarding those concerns about the disastrous consequences of some provisions of the bill. For example, this bill would empower the federal government to build a hydro corridor on Quebec territory at the request of the Newfoundland government but without Quebec agreement. The Liberals may feel that they could thus settle the hydro dispute between Quebec and Newfoundland. We believe on the contrary that such action would not only go against co-operative federalism, but would only delay the resumption of negotiations between the parties involved. Obviously, such a dispute can only be settled through negotiation. Moreover, the bill gives a new regulatory power to the NEB. Quebec is concerned that such power might make it more difficult to enforce the provincial laws on environment and agricultural zoning. In his speech on second reading, the Minister of Energy, Mines and Resources (Mr. Lalonde) said he would respect Quebec laws. I hope then that he will support our amendment to that effect, which would give Quebec the assurance that its powers relating to conservation of the environment and farm lands will be safeguarded.

• (2030)

[*English*]

I apologize for my pronunciation, Mr. Speaker.

Some hon. Members: Well done.

Mr. Waddell: Basically there is the issue of trying to follow what the minister said on second reading, that as far as possible he was respecting the Quebec laws on territory, on environment and on agriculture. Perhaps it does not bother anglophones that the National Energy Board has these powers, but apparently it bothers the people of Quebec. Thus, why do we not respect them? It seems to me that that would be co-operative federalism.

My other amendment deals with the matter of deleting the words "public interest" from the power of the National Energy Board. The Liberals made a major amendment in committee. They tried to please hydro by changing the act so that it could raise money and obtain export contracts to the south. Hydro felt that the wording was dangerous, that the National Energy Board could change a contract on the grounds of public convenience and necessity. The government eliminated those words, so why can it not eliminate the words "public interest"? They are of great interest to hydro as well.

I have proposed two other amendments on which I would like to speak now and perhaps shorten the debate. The bill dropped the provision in the draft bill and the National Energy Program which promised that a degree of Canadian ownership of energy companies wishing to export oil and gas would be a factor in whether or not an export licence was issued. In other words, they were to consider whether a company had Canadian ownership before it exported gas. It seems to me that this is backtracking from the National Energy Program. It is not in the bill, and I have made the appropriate amendment to include it.

My other amendment concerns the fact that the bill still allows export licences for oil and gas to run for 25 years. In view of the dismal record of the National Energy Board supply projections, we think the maximum is too high. We think ten years would be more appropriate. We still have oil contracts which we are honouring when there is a shortage of oil. I may be wrong but I think there are still some. When we have these long-term contracts and we suddenly discover that the National Energy Board made a mistake in the amount of natural gas which we have, for example, we may not want such long contracts. Therefore I made an amendment on behalf of the New Democratic Party that we reduce the length of the contracts.

I should like to put on the record a telegram which was received from British Columbia Hydro. It is dated June 10 and is addressed to the Standing Committee on Energy Legislation. Since the committee has concluded its work, I thought I would read it into the record of the House of Commons. It reads:

Re: Bill C-108, an act to amend the National Energy Board Act (No. 3).

British Columbia Hydro and Power Authority is greatly concerned with the provisions of this bill as they would affect the control, use and ownership of its land and other resources. I refer particularly to Section 90.1 and related sections which would authorize discriminatory treatment of interprovincial facilities and the press release which accompanies the predecessor bill entitled, "Energy Security Act" which clearly identifies British Columbia and inferentially B.C. Hydro as a reason for the legislation. There can be no justification for federal intervention and interference to require access for a private utility in one province through another province to an export market in a country which has a common boundary with both provinces or by so doing interfering in interprovincial and inter-utility transactions based upon mutual support and recognition of respective interests. Everyone should be equally concerned with the constitutional and interpretive difficulties created by the drafting device used in treating a power line as a pipeline to justify the legislation in order ostensibly to base the amendments on political precedent. British Columbia Hydro also adopts and shares the concerns of Hydro-Quebec in its submission signed by its secretary and dated 7 May 1982 directed to "clauses" (sections) 25, 13 and 10 dealing with the uncertainty this legislation will introduce into export contracting.

It was signed by R. W. Bonner, chairman of B.C. Hydro and Power Authority.

We have come full circle. We have B.C. Hydro asking why we have this bill, and we have the government saying that it is to solve the problem in western Canada. Then we have the minister coming in and saying that it will not affect Quebec and that he will respect Quebec's rights and laws. Now he is bringing in an amendment which admits that it will affect Quebec, or at least it gives the illusion to Newfoundland and Quebec that this bill will affect the status quo. That is the danger with this bill, that is the problem with it. It is a most confused piece of legislation. I know hon. members will say that it is the hon. member for Vancouver-Kingsway who is confused, but there are many inconsistencies in the bill.

Mr. Kushner: You said it first.

Mr. Waddell: I am not confused about the bill. It is a strange bill and it has other ends in mind; it is an unnecessary bill. Why do we have Quebec ministers and Quebec MNAs visiting Ottawa? They are obviously worried about the bill. Perhaps they are grandstanding, but they seem worried about it and they seem to have made a couple of good points. This is why we offer the amendment tonight and we urge the government to support it.

In conclusion I should like to say that the people in Quebec near Labrador share many things in common with the people in Labrador. It seems to me that they are both alienated from the government in Quebec City and the government in St. John's because they are in the frontier and away from the centre. They experience ups and downs, booms and busts. They do not need a fight between Quebec and Newfoundland. They need some regional plans and some help. Representatives from Quebec have told me that there are some local programs in that province such as Reynolds Aluminium at Baie Comeau. There are regional developments but they are having problems because these are difficult times. The people in that area need some development. I think Quebec and Newfoundland would do better to get on with the job of development and to solve this particular problem. I do not think they need the federal government, least of all the Minister of Energy, Mines and Resources, sticking its nose into the situation. They need the federal government to stay out of it.

• (2040)

If the minister were really serious about adjourning or postponing this for six months to let the parties negotiate, he would not just make a proclamation, he would make an amendment to bring it back to Parliament so we could deal with it in Parliament.

[*Translation*]

Mr. Dennis Dawson (Louis-Hébert): Mr. Speaker, I heard a while ago my colleague apologize for the poor quality of his French; I can assure him that if all members of the House, including those in his own party, in the official opposition and in my own party were trying as hard as the hon. member for Vancouver-Kingsway (Mr. Waddell) does to learn French, Canada would be a better place to live. I suggest that there is no need for him to apologize, for he is doing just fine. Unfortunately, Mr. Speaker, I am afraid he is extraordinarily naive about the province of Quebec and its government, because when he refers to what Quebec and Quebecers want, he does not differentiate between what Quebecers want and what the PQ government wants. But I will come back to that in a little while, Mr. Speaker.

In view of the fact that this is probably the last or next to last day of debate on the energy bills, I should like first of all to thank all the people who have worked on this legislation for nearly eight weeks, the members of the Official Opposition, the New Democratic Party and the government, my colleague the hon. member for Gatineau-Labelle (Mr. Lefebvre), who devoted a lot of time and energy to this committee, and all the members of the opposition for their contribution to these eight energy bills. I should like to pay a special tribute to the chairman of the committee, who has done his utmost to ensure that the legislation was considered and returned to the House as expeditiously as possible, so that we may be able to pass these bills in early June instead of by June 30, as scheduled. Finally, I should like to pay tribute to the Minister of Energy, Mines and Resources and his officials for the work they have done during committee meetings and also for their willingness to consider the proposed amendments. During this process, Mr. Speaker, amendments by the dozens were presented in the House, including several from outside the House, I mean by organizations involved in the oil industry or by financial institutions, as well as members from both sides of the House.

As to the lobbying by the PQ government, I should like to say that these people oppose federal Bill C-108. The hon.

member for Vancouver Kingsway indicated that he had the opportunity to meet members from the PQ government this week, and also Mr. Duhaime a few weeks ago. I congratulate him, Mr. Speaker. He is certainly more lucky than we are, even if we represent the government and the majority in the House, because they never came to see us. I see that the hon. member for Joliette (Mr. La Salle) and the hon. member for Vancouver-Kingsway are having a little conversation, but I suggest that they had better listen, especially the very naive member for Vancouver-Kingsway. As for the hon. member for Joliette, everybody knows that he is a lost cause anyway.

Mr. Speaker, when representatives of the PQ government come on a pilgrimage to Ottawa, they are not coming in good faith, for if they had wanted any changes in the bill, they would not have been dealing with members of the opposition, but with members of the government. Considering that we are not permitted to say that a member of the House is a liar, Mr. Speaker, we may nevertheless say that about a member who sits elsewhere; and it is a fact that the member—

Mr. La Salle: I rise on a point of order, Mr. Speaker. Perhaps the hon. member for Louis-Hébert (Mr. Dawson) means well when he says that the representatives of the PQ government should have met members from the government as well as members from the opposition. I should like him to know that these representatives tried to meet the Chairman of the Liberal caucus, the hon. member for Longueuil (Mr. Olivier), but they were told that he was too busy to receive them.

Mr. Dawson: This is not a point of order, Mr. Speaker; the hon. member for Joliette is again making representations on behalf of his PQ friends. I am not surprised, but I should like to tell the hon. member for Joliette that Mr. Ouellet discussed the matter with me. In fact, I offered to meet him but Mr. Ouellet asked if it would be possible to meet us before the standing committee ended its hearings on Bill C-108. Mr. Speaker, the hon. member for Joliette made a bit of a scene in committee; he should know that the hon. members who sat regularly on that committee completed their work on Thursday last, and that Mr. Ouellet did not call from Quebec until Thursday morning asking me if we could wait for them before completing the deliberations of the standing committee on the energy legislation. I am sorry but I must say to the hon. member for Joliette that I had to tell him that we should have been pleased to meet them but that unfortunately the committee would be completing its work within the hour. So as far as that meeting goes, I must say that once again the hon. member for Joliette, considering his provincial aspirations and his friendship with the provincial government, is more concerned with pleasing the Parti Québécois than fighting for the interests of his constituents.

Mr. La Salle: They asked for a meeting!

Mr. Dawson: Indeed they did, Mr. Speaker, and we agreed to meet them. They came last Tuesday, and met the hon. member for Joliette. Big deal! They met with the hon. member for Vancouver-Kingsway. What good does that do to them. Mr. Speaker? There are 74 Quebec members. We would have been pleased to meet them rather than see them make a show in the House, give press conferences and speak to reporters. They could have come and discuss with the Quebec representatives and not with the member for Joliette. They could have come and meet the 74 Quebec members. Mr. Speaker, as far as the matter is concerned, certain things must be said. The PQ members have made a big fuss over the corridor issue and for the most part it will be settled through the minister's amendment which gives them six months to negotiate, but those were not the real Quebec claims. Those claims, Mr. Speaker, among others dealt especially with clause 25 which will probably jeopardize their exports and contracts abroad. In connection with the corridor, I would like to quote Mr. Bourbeau:

[*English*]

"I think that you mean corridor that could be built according to this law." I will say it in French.

[*Translation*]

Cela ne me fait ni chaud ni froid.

Is that clear? Such is the position taken by the president of Hydro-Quebec, as opposed to that taken by the PQ MNAs. It is not the position taken by the hon. member for Joliette, obviously. But since when does anybody think the hon. member for Joliette will do differently than the Parti Québécois? Under the headline, "The Churchill Falls issue does not worry Duhaime, the newspaper *La Presse* published an item on May 31 in which Mr. Duhaime is reported as saying that whichever way the case goes, Quebec has nothing to worry about even if the Supreme Court of Canada rules in favour Newfoundland.

Of course, Mr. Speaker, the minister and the president of Hydro-Québec say so. Of course, there are three or four PQ MNAs who want a little publicity, who want to make a show, as I said to the hon. member for Vancouver-Kingsway. But our purpose was to meet the needs of Hydro-Quebec and Quebecers, and this is why the Quebec caucus proposed changes, with the co-operation of the Minister of Energy, Mines and Resources (Mr. Lalonde). A second amendment has been moved this evening, and this will fully satisfy Quebecers. Of course, Mr. Speaker, I have no desire to satisfy the PQ MNAs, it is a lost cause. Neither am I trying to satisfy the hon. member for Joliette, he is a lost cause. Our concern is with Quebecers, and if the PQ members really were sincere when they came here Tuesday night, they would have approached Liberal members, they would have approached one of us, we were two: the hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre) and myself were sitting on the Committee on Energy Legislation. But they never met us. They told us: Delay

the bill for us, delay the development of Canada because we, PQ MNAs are extremely concerned with the quality of life in Canada. Of course, Mr. Speaker, everyone knows this is a farce.

Mr. Speaker, as far as the corridor as such is concerned, the minister referred earlier to conditions, the impact on Trans-Alta, the fact that we are simply trying to have uniform responsibilities in respect of both pipelines and the hydro corridor, on the environmental aspect, Mr. Speaker, at the Canadian government level. I listened to the Progressive Conservative member who referred to his amendment on environment. I am looking at the Minister of Environment (Mr. Roberts). Again, the federal government has absolutely no lesson to take from the Quebec government on environmental protection matters, whether Parks Canada, federal institutions under the Minister of Transport, or others. We have always respected environmental needs, and not only those of Quebec. We have much more severe restrictions because, for all practical purposes, we have no lesson to take from them.

Why an amendment to Section 25? I referred earlier to the representations made by the Quebec caucus. I also referred to the information we obtained, for instance from PASNY and the New York Hydro Power Pool, which were concerned that the export license might be withdrawn. However, further to the representations made by Mr. Bourbeau in committee, and I quote Clause 25 of Bill C-108, "Section 83 of the said Act is repealed", etc. he went on to state, we feel the phrase "public convenience and necessity" has a meaning that is difficult to measure or define, it can be interpreted in all sorts of ways. Clause 25 will complicate our export negotiations, especially excess power sales negotiations, in a situation where this is more and more a buyers' market. Mr. Speaker, the amendment put forward in committee on that aspect simply solves the problem and, for all practical purposes export licences are no more covered by the amendment. For all practical purposes, that was our objective.

• (2050)

Mr. Speaker, if we consider a little more closely the over-all question of the Quebec-Newfoundland negotiations on the development of the Lower Churchill, we find that once again the Quebec government, which for six years now has proved it is totally incapable of negotiating in good faith with anyone, has met with failure. It has proved its weakness during the constitutional negotiations. It has set aside the interests of Quebec and dwelt only on those of the Parti Québécois. It has failed in its negotiations with its civil service, and we see what such a failure is forcing them to do now, Mr. Speaker. It has failed in all its endeavours, whether interprovincial or international, over that six-year period. Once again, I feel that neither the Liberal nor the Union Nationale governments which preceded them in power have any lesson to learn from that rump of a government. Mr. Speaker, we have seen it fail in its relations with the anglophones of the province of Quebec, where once again in bad faith, instead of striving towards solutions to please the people, to achieve compromise, it acted in an arrogant fashion. We see this arrogance in the way they negotiate with the municipalities, the Quebec Urban Community, the Montreal Urban Community. Mr. Speaker, it is obvious they do not know how to negotiate in good faith.

What is important with regard to the Newfoundland issue taken as a whole, as the minister pointed out a while ago, is the fact that Quebec and Newfoundland workers want jobs and if no agreement is reached, those jobs will be lost. To my mind, Mr. Speaker, Quebec cannot afford to lose them. It is also true, with all due respect to my colleagues from Newfoundland, that their government has nothing to teach us as far as its negotiating talents are concerned. I think the Quebec government was every bit as flexible as the one in Newfoundland; unfortunately, the two governments have never been able to agree, not only with us, but amongst themselves and with their own employees.

Mr. Speaker, I trust that with the six-month extension the Minister of Energy, Mines and Resources has granted them, they will now manage to come to an agreement, because the major concern here is not the interests of the Parti Québécois, as the hon. member for Vancouver-Kingsway and the hon. member for Joliette would have us believe nor the three or four members who came to Ottawa on a bit of a pilgrimage to visit with them, but rather the interests of Quebecers in this area, Mr. Speaker, as in all other areas, and the fact that those interests are best served by negotiating an agreement in good faith, and not by means of petty demagoguery.

[*English*]

Mr. Scott Fennell (Ontario): Thank you, Mr. Speaker. That is the first time I have heard applause from the other side for this side, and I turned to find out that it was the parliamentary secretary.

Mr. Lalonde: Infiltration.

Mr. Fennell: I hope the hon. minister listens to what I have to say. First of all, I would like to point out that it was in second reading that the hon. member for Joliette (Mr. La Salle) brought in an amendment for a six months' delay respecting the interprovincial power lines. That is on the record. No one can deny that. The next point I will be proving to the minister is that he had to make this change, this delay, and that he may have to make some more changes arising from what I am going to bring forward, because he must get provincial agreement.

Our amendment, which refers to subsection 39(2) of the NEB, would be amended by clause 11, which was clause 10 in the first reading, giving powers over the environmental and safety concerns, public and construction workers, for oil and gas lines. Section 41 extends this to international power lines and, by clause 19.1, would include the interprovincial power lines.

Hydro Quebec expected conflict between provincial standards and those standards to be set by the National Energy Board. Under this act, the provinces have extreme concern over the National Energy Board standards versus their own standards. Our amendment would have required the National Energy Board, when formulating regulations under subsection 39(2), to take into account any relevant provincial regulations or law. That is what we are discussing.

This amendment must be considered in the light of the means by which the NEB will exercise its new-found authority. Its main concern is environmental. The electrical fields omitted from power lines and how they affect car radios when cars travel under them should be considered, as an example. The National Energy Board has long been exercising a passive role in this area. International power lines have always been assessed by the National Energy Board experts to see if they meet prevailing standards. The problem is that the National Energy Board did not foresee the need to hire any new people for its new, over-all responsibility in the area of construction safety where our concern is being raised.

The National Energy Board has given no thought as to how it will implement and enforce its standards. It is hiring no additional people. It has taken all these new power lines and the responsibility for them. It does not see the requirement to hire any more people at this time. Even today, it does not employ any construction safety people. The provinces have had that jurisdiction until now. They will be able to apply existing standards, safety equipment and construction procedures, but they do not have the facilities to enforce these standards.

Once this bill has passed into law, the provincial authorities will have absolutely no jurisdiction. They will have no jurisdiction over the construction site of international and interprovincial power lines. At that point there will be an enforcement vacuum. This is something that we raised in committee. We tried to bring it to their attention, but we did not get down to the final point because the government kept ducking around it.

What is happening in this bill is exactly what happened in 1976 when the government put through the Atomic Energy Control Act. The federal government's responsibility was for the health of Atomic Energy workers, but no one considered the uranium miners. The minister will be aware of that. Those people were floating through the gaps in the floorboards. No one looked after them until, finally, the Atomic Energy Commission set the standards and reached an agreement with the provincial governments which enforced those standards. The National Energy Board has admitted that it did not take this into consideration when drafting the bill. It is a mistake and must be changed.

That brings me back to the first point I was making, that it needs those six months to clean up the mistakes and to sit down with the provincial governments and come to some understanding. This bill is another example of the federal government taking more and more power and intruding, more and more, into provincial rights. In this case, Mr. Speaker, they have left the construction workers at bay with no protection from anybody. They have made a serious mistake in this bill and they must do something about it. The National Energy Board should already have the know-how today before this bill is passed, if they are going to enforce on-site standards. They do not have anyone employed to protect the safety of the workers; they have given no thought to the workers.

• (2100)

This is pretty common with all Liberal legislation. They do not care about the Canadian workers. This National Energy Program has put many of them out of work. Now they are bringing in legislation that will not protect the workers, and the National Energy Board does not have one person available today to look after that problem. The federal government has avoided this because it did not want confrontation with the provinces. Well, Mr. Speaker, they are going to have their fair share of confrontation with the provinces. They have made the mistake and they have left the employees of the provincial Crown corporations unprotected.

They could have had their agreement a long time ago, if this minister had had any belief in co-operation. They could have had the agreement with all the provinces, but the minister is bullying this bill through. It may be that it is his swan song, Mr. Speaker, but when he leaves I hope he remembers that all the electrical construction workers are totally unprotected by this bill. I will be supporting this, and I plead with the other side to support our amendment. I think it is very important. I believe that we must respect the provincial authorities, we must respect their rights, and I urge the hon. members opposite when we vote on this amendment to vote with us.

Some hon. Members: Hear, hear!

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, I will not be taking up too much time of the House.

An hon. Member: That is long enough.

Mr. Andre: I guess that shows that my remarks get through.

Some hon. Members: Hear, hear!

Mr. Andre: The amendment in Motion No. 1 that we have proposed at this stage of the game is asking, in a sense, that the law reflect the reality, because the reality is that federal-provincial agreement is necessary to accomplish anything. In the last analysis, it really does not matter who has the upper hand in a legal constitutional sense, because both levels of government have within their capability the legal authority, the constitutional authority, to frustrate the other level of government, if that becomes the course of action that is decided on. Therefore, what we suggest by this motion is that when the federal government makes orders in council in regard to the provisions of this act, they be subject to provincial laws and regulations.

It is really asking that the law reflect the reality of Canada. I think that having the law reflect that reality and having this House express that opinion will contribute to better harmony between the two levels of government, better responsiveness by

the government to the needs of Canadians and better government for Canadians.

The minister proposed a couple of amendments, one of which is fairly technical. One relates to a six months' hoist. That one is exactly the same as the amendment our party proposed on second reading, which the Liberals voted against. I am pleased to see that they can learn, albeit slowly, and have come around to recognize the wisdom of putting in at this point in time that period of six months during which it is hoped that sincere negotiations can occur between the provinces of Quebec and Newfoundland and that that question of the Labrador power can be resolved in the way things must be resolved in this country—by way of agreement and not by the use of legal muscle, or electoral muscle, or otherwise.

The great preponderance of concern about this bill has dealt with the question of electrical power transmission, the export of electrical power and so on. That has been the issue which has dominated the public and private debate. There has been the expression in the House and elsewhere that the issue was one of the province of Newfoundland wanting a corridor across Quebec so that they could export Labrador power, and the province of Quebec resisting that. That really is not the truth, Mr. Speaker. The reality is otherwise. I have in my hand a copy of a telegram from British Columbia Hydro, which says that the British Columbia Hydro Power Authority is greatly concerned and objects to the provisions of this bill.

We had before the committee, tabled with the committee, a letter from the government of New Brunswick, indicating that the government of New Brunswick is concerned and opposed to this bill. We had representations—

Mr. Lalonde: Not from the government of Nova Scotia.

Mr. Andre: —from Hydro Quebec expressing their concern. So we have a situation where we have the government of Quebec, yes; the government of British Columbia, yes; the government of New Brunswick, yes; all opposed to this bill. So it is simple minded, and I do not think it contributes to better understanding, to say that somehow this bill has to do on the electrical side exclusively with this Quebec-Newfoundland problem, and that the government is trying to respond to one of the legitimate concerns of the Province of Newfoundland in its attempts to develop its hydro-electric potential.

In all of this debate about the electrical power aspects of this bill people have missed the fact that this bill also affects the oil and gas industry very substantially. There are some provisions in this bill which, in my view, are undesirable, if not offensive.

Clause No. 17 in the bill as reported by the committee indicates that decisions of the National Energy Board under Sections 52, 53 and 54 to change the tolls or pipeline tariffs can no longer be appealed to the federal court. Up to now, when the National Energy Board made decisions respecting the tolls that a pipeline may charge for transportation of its gas or oil, there was the ability to appeal the decisions to the federal court as part of national judicial system of the country. This bill would amend that and remove that right of appeal. Why, Mr. Speaker? We never received any adequate reason for that. Of course, if you are big brother, it is nice to know that your decisions are final and that no one can appeal your decisions to another body and have them overturned.

Clause No. 18 would allow the National Energy Board to order a pipeline or gas distributor to transport someone's gas on a common-carrier basis. That could be a desirable thing, but it could be abused, Mr. Speaker. There are situations where, because of the way the legislation is drawn, a municipal distribution company, for example, could find itself in the position of being ordered to transport someone's gas, to its own detriment. One can envision a large industrial consumer pruchasing its gas supplies directly from a gas producing company and having the National Energy Board order a distributor to distribute it. That could be very detrimental to the distribution company, other consumers and so forth. There should be some better definition of that part of those changes. It is not there.

• (2110)

Clause 26 of this bill contains provisions which can only be described as exceedingly offensive. The original bill given first reading in this House on April 7 of this year stated in Clause 25 that it would amend Section 84 of the old National Energy Board Act. Clause 25 says:

> Subject to subsection (2) and the regulations, the Board may by order, with the approval of the Governor in Council, revoke or suspend a licence if
>
> (*a*) any term or condition thereof has not been complied with or has been contravened; or
>
> (*b*) in the opinion of the Board, the public convenience and necessity so requires.

This bill says that the governor in council can in fact cancel an export permit when the public convenience makes it necessary. What is the public convenience?

Mr. Deans: What is it?

Mr. Andre: That is going to be defined by—

Mr. Deans: I would like to know because I do not know. Nobody does.

Mr. Andre: That is right, nobody does. The public convenience will be defined by the minister and his minions. It can mean whatever they want it to mean. Understandably, there was a great deal of concern expressed about that provision that a contract could be cancelled. A company could get a contract to export some electricity or some natural gas and invest, these days, billions of dollars on the facilities to transport those energy commodities and then find that that export contract could be cancelled when the public convenience dictates. How can a company justify that kind of expenditure when a contract can be cancelled on the basis of what the minister and his minions decides is the public convenience? Ontario Hydro, Hydro-Quebec, the New Brunswick hydro utility company, the Canadian Petroleum Association and the Independent Petroleum Association of Canada all said this was a terrible provision. Showing how responsive it was, the Liberal Government of Canada amended that provision to read:

—in the case of a licence, other than a licence for the exportation of power, the Board is of the opinion that the public convenience and necessity so requires.

The government exempted electrical power. On the one hand that, frankly, is an example of a responsive government. It is an example of another success as a result of the bell-ringing incident. If we had not had separate bills and opportunities for these utilities to make their views known in the committees, we would not have this improvement, which certainly is an improvement for electrical utilities. However, on the other hand, it is offensive, because it does not exclude natural gas. For goodness' sake, why in blazes can this government not be as responsive to the concerns of western Canadian gas producers as it is to central Canadian electricity producers? That is not to criticize the government for being responsive to the power utilities. That is an example of good government, but if we are to keep this blooming country together, and if this government is to be a national government for the whole nation—all of it from Newfoundland to Vancouver Island—at some point in time it must start to be as concerned about the problems and concerns of natural gas producers in British Columbia, Alberta and Saskatchewan as it is about electricity producers in Ontario, Quebec and New Brunswick. We applaud the change but for goodness' sake why could the change not reflect the fact that this is the Government of Canada, all of Canada and not just central Canada or eastern Canada?

Clause 27 would allow the governor in council—again the minister and his minions—to set the prices for oil and gas exports. Again, how is the producer going to be able to negotiate an export sale of gas or oil when the governor in council can set the price? The United States has a deregulated oil and gas industry.

Mr. Lalonde: Not gas.

Mr. Andre: Not gas yet. I am sorry. The minister is right, but oil is certainly deregulated, and soon gas will be. That means there is a marketplace. The price a producer can get for what he has to sell is the market price.

Mr. Lewis: And it is getting lower.

Mr. Andre: Incidentally, it is coming down, while ours is going up.

Mr. Lalonde: Not gas.

Mr. Andre: We will see. We will see. There is a marketplace. The price at which a commodity can be sold is the market price, so why in blazes put into law that the governor in council or the cabinet—the minister and his minions—will set the price? They might as well put it into law that the governor in council has the right to order that there shall be no rain on weekends. That would be a nice law and we would all approve, but the government is not capable of doing that. It is not capable of doing this either, but it can frighten potential buyers and make it more difficult for potential sellers. Of course, that is what the government is doing.

Clause 29 is even better in terms of big brother gone mad. This clause would set up a whole new part to the National Energy Board Act which would give the National Energy Board the right to regulate all aspects of interprovincial oil and gas trade. Since 1980 and 1981 there have been various spokesmen for the government saying we have to change the Constitution of Canada so that we are at least a common market; if it is nothing else, Canada at least has to be a common market. No one argues about that. We should be a common market, but if we are a common market, then why in blazes do we have to have big brother regulating interprovincial trade in oil and gas through the National Energy Board? Is it trade when Saskatchewan Power buys gas from Alberta, or is that just persons in the same common market doing business with each other in the normal way? Is big brother going to treat Canada as some sort of collection of ten independent states which are to be regulated by the National Energy Board? Why is that in there? Why in blazes do we do that? The government will never admit it, but I think it has to do with federal-provincial conflicts. Big brother—the federal government—would like to have the legal authority to say to any province: "By cracky, if you want to sell your gas or your oil or if you want to buy some gas or oil, you are going to have to come through us." The federal government wants to control that. It wants to be in control of all aspects of interprovincial trade. That is offensive to my definition of Canada. That is offensive to any reasonable definition of Canada.

• (2120)

Hon. members opposite are getting a little bit impatient. I recognize that it is not their role to read and understand the legislation before they cast a vote. That would be an intolerable burden for backbenchers of the Liberal Party.

If I might be permitted an aside, Mr. Speaker, it is for that reason that we will probably never see electronic voting in this House so long as that party is in power. Could you imagine the chaos if hon. members opposite had to come up and vote electronically all by themselves without the example of their leader saying, "This is what to do; follow me."? They would have to think whether to vote for or against a particular motion. The situation would be chaotic if backbenchers opposite had to come here and listen to speeches now and again to know what is going on. That is, those who can read might have to do that.

In conclusion, Mr. Speaker, may I say that through the amendment the government brought in tonight—which was our amendment on second reading—calling for a six months' hoist it shows responsiveness by exempting electrical power from the cancellation of contracts on the basis of public convenience. However, by failing to show the same responsiveness to the concerns of oil and gas producers it has shown it is still not a Government of Canada in a complete sense, but a government of a very narrow part of Canada.

Before I sit down, Mr. Speaker, I want to correct a statement that the hon. member for Vancouver-Kingsway (Mr. Waddell) made. He spoke about 25-year licences for the

export of oil. If he knew anything about the industry he would know that oil is sold on a monthly nomination basis and not by 25-year contracts. I keep trying to educate him. He is not in the House at the moment but I will keep trying and perhaps eventually he will learn a little bit about this part of our economy.

We will support the government's amendment, Mr. Speaker, and will look for a vote on our amendment. In total, although the bill is somewhat improved, it is still not sufficiently improved to justify our voting for it.

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): The Chair has motions Nos. 1 through 7 in hand. I will watch in the event that any hon. member wishes to speak on a particular motion. The question is on Motion No. 1. All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Pursuant to Standing Order 75(11) the recorded division on the proposed motion stands deferred.

The question is now on Motion No. 2. Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

An hon. Member: On division.

The Acting Speaker (Mr. Blaker): The motion is lost on division.

Motion No. 2 (Mr. Waddell) negatived.

The Acting Speaker (Mr. Blaker): The question is on Motion No. 3. Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

An hon. Member: On division.

The Acting Speaker (Mr. Blaker): I declare the motion lost on division.

Motion No. 3 (Mr. Waddell) negatived.

The Acting Speaker (Mr. Blaker): The question is on Motion No. 4. Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

An hon. Member: On division.

The Acting Speaker (Mr. Blaker): I declare the motion lost on division.

Motion No. 4 (Mr. Waddell) negatived.

The Acting Speaker (Mr. Blaker): The question is on Motion No. 5. Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

An hon. Member: On division.

The Acting Speaker (Mr. Blaker): I declare the motion lost on division.

Motion No. 5 (Mr. Waddell) negatived.

The Acting Speaker (Mr. Blaker): The question is on Motion No. 6. Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the yeas have it.

Motion No. 6 (Mr. Lalonde) agreed to.

The Acting Speaker (Mr. Blaker): The question is on Motion No. 7. Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

I declare the motion carried.

Motion No. 7 (Mr. Lalonde) agreed to.

The Acting Speaker (Mr. Blaker): The vote on Motion No. 1 (Mr. Andre) and the deferred divisions will be taken presently.

Call in the members.

The House divided on Motion No. 1 (Mr. Andre) which was negatived on the following division:

● (2130)

(*Division No. 198*)

YEAS

Messrs.

Althouse	Blaikie	Cooper
Andre	Cardiff	Crosbie (St. John's West)
Benjamin	Clarke (Vancouver Quadra)	Darling
Blackburn		
Deans	Jarvis	Murphy
Epp	Keeper	Nielsen
Fennell	Kushner	Oberle
Forrestall	La Salle	Ogle
Fretz	Lawrence	Parker
Friesen	Lewis	Patterson
Gurbin	Lewycky	Riis
Gustafson	MacDonald (Miss)	Schellenberger
Halliday	MacKay	Shields
Hamilton (Qu'Appelle-Moose Mountain)	Malone	Skelly
	Mazankowski	Stevens
Hargrave	McKnight	Taylor
Heap	McLean	Towers
Hnatyshyn	Miller	Wilson
Hovdebo	Mitchell (Mrs.)	Young—55.
Huntington		

NAYS

Messrs.

Allmand	Dionne (Northumberland-Miramichi)	Lapointe (Charlevoix)
Appolloni (Mrs.)	Dubois	LeBlanc
Axworthy	Duclos	Leduc
Bachand	Dupont	Lefebvre
Baker (Gander-Twillingate)	Dupras	Loiselle
Beauchamp-Niquet (Mrs.)	Erola (Mrs.)	Lumley
Bégin (Miss)	Ethier	MacBain
Berger	Evans	MacEachen
Blais	Ferguson	Mackasey
Blaker	Fisher	MacLaren
Bloomfield	Fleming	MacLellan
Bockstael	Flis	Malépart
Bossy	Foster	Maltais
Breau	Fox	Massé
Burghardt	Francis	McCauley
Bussières	Gauthier	McRae
Caccia	Gendron	Nicholson (Miss)
Campbell (Miss) (South West Nova)	Gingras	Olivier
	Gourd (Argenteuil-Papineau)	Ostiguy
Campbell (Cardigan)	Gourde (Lévis)	Ouellet
Chénier	Gray	Penner
Chrétien	Guilbault	Pepin
Collenette	Harquail	Peterson
Comtois	Henderson	Pinard
Corbin	Herbert	Portelance
Corriveau	Hervieux-Payette (Mrs.)	Reid (Kenora-Rainy River)
Cosgrove	Hopkins	Roberts
Côté (Mrs.)	Hudecki	Robinson (Etobicoke-Lakeshore)
Cousineau	Irwin	Rompkey
Cyr	Isabelle	Rooney
Daudlin	Johnston	Rossi
Dawson	Kaplan	Savard
De Bané	Kelly	Schroder
de Corneille	Killens (Mrs.)	Simmons
Demers	Lachance	Smith
Deniger	Lajoie	Tessier
Dingwall	Lalonde	Tobin
Dion	Landers	Tousignant
Dionne (Chicoutimi)	Lang	Turner
	Laniel	Veillette
	Lapierre	Watson
		Weatherhead
		Whelan
		Yanakis—123.

[*Translation*]

Mr. Lalonde moved that the bill as amended be concurred in.

Motion agreed to.

Madam Speaker: When shall the bill be read the third time? At the next sitting of the House?

Some hon. Members: Now!

Madam Speaker: By unanimous consent, now.

Mr. Lalonde moved that the bill be read the third time and do pass.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five members having risen:

Madam Speaker: Call in the members. Shall we dispense with the ringing of the bells?

Some hon. Members: Agreed.

The House divided on the motion (Mr. Lalonde) which was agreed to on the following division:

(*Division No. 199*)

YEAS

Messrs.

Allmand	Daudlin	Guilbault
Appolloni	Dawson	Harquail
(Mrs.)	De Bané	Henderson
Axworthy	de Corneille	Herbert
Bachand	Demers	Hervieux-Payette
Baker	Deniger	(Mrs.)
(Gander-Twillingate)	Dingwall	Hopkins
Beauchamp-Niquet	Dion	Hudecki
(Mrs.)	Dionne	Irwin
Bégin (Miss)	(Chicoutimi)	Isabelle
Berger	Dionne	Johnston
Blais	(Northumberland-	Kaplan
Blaker	Miramichi)	Kelly
Bloomfield	Dubois	Killens (Mrs.)
Bockstael	Duclos	Lachance
Bossy	Dupont	Lajoie
Breau	Dupras	Lalonde
Burghardt	Erola (Mrs.)	Landers
Bussières	Ethier	Lang
Caccia	Evans	Laniel
Campbell	Ferguson	Lapierre
(Miss)	Fisher	Lapointe
(South West Nova)	Fleming	(Charlevoix)
Campbell	Flis	LeBlanc
(Cardigan)	Foster	Leduc
Chénier	Fox	Lefebvre
Chrétien	Francis	Loiselle
Collenette	Gauthier	Lumley
Comtois	Gendron	MacBain
Corbin	Gingras	MacEachen
Corriveau	Gourd	Mackasey
Cosgrove	(Argenteuil-Papineau)	MacLaren
Côté (Mrs.)	Gourde	MacLellan
Cousineau	(Lévis)	Malépart
Cyr	Gray	Maltais
Massé	Pinard	Schroder
McCauley	Portelance	Simmons
McRae	Reid	Smith
Nicholson	(Kenora-Rainy River)	Tessier
(Miss)	Roberts	Tobin
Olivier	Robinson	Tousignant
Ostiguy	(Etobicoke-Lakeshore)	Turner
Ouellet	Rompkey	Veillette
Penner	Rooney	Watson
Pepin	Rossi	Weatherhead
Peterson	Savard	Whelan
		Yanakis—123.

NAYS

Messrs.

Althouse	Hamilton	McKnight
Andre	(Qu'Appelle-Moose	McLean
Benjamin	Mountain)	Miller
Blackburn	Hargrave	Mitchell
Blaikie	Heap	(Mrs.)
Cardiff	Hnatyshyn	Murphy
Clarke	Hovdebo	Nielsen
(Vancouver Quadra)	Huntington	Oberle
Cooper	Jarvis	Ogle
Crosbie	Keeper	Parker
(St. John's West)	Kushner	Patterson
Darling	La Salle	Riis
Deans	Lawrence	Schellenberger
Epp	Lewis	Shields
Fennell	Lewycky	Skelly
Fretz	MacDonald	Stevens
Friesen	(Miss)	Taylor
Gurbin	MacKay	Towers
Gustafson	Malone	Wilson
Halliday	Mazankowski	Young—54.

[*Editor's Note: For correction of Divisions Nos. 198 and 199 see page 18385 of June 11, 1982.*]

• (2220)

[*English*]

Madam Speaker: I declare the motion carried.

Motion agreed to, bill read the third time and passed.

Mr. Forrestall: Madam Speaker, I have a question of privilege. Because of the importance of this bill to Atlantic Canada and the fact that it deals with the corridor it had been my intention—and I withdraw that intention—to vote in favour of this measure, not against it. I was not recognized, and I simply want to record the fact that I am in the chamber to speak out for Atlantic Canada.

Some hon. Members: Hear, hear!

Mr. MacKay: Madam Speaker, the same situation pertains to me as that which my colleague just expressed.

Some hon. Members: Hear, hear!

Mr. Crosbie: Madam Speaker, my vote was properly recorded against this abominable piece of legislation.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

PUBLIC WORKS—TASK FORCE REPORT ON PAYMENT OF GRANTS TO MUNICIPALITIES IN LIEU OF TAXES

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, on Monday, May 31 last, I directed a question to the Minister of Public Works (Mr. Cosgrove). If you remember, my question dealt with Bill C-4, the Municipal Grants Act, 1980.

In evidence brought before the Standing Committee on National Resources and Public Works, it had been suggested that the minister set up a task force whose reference would be to consider the key factors having an impact on municipal budgets, especially as far as the payment of grants in lieu of taxes was concerned. The minister had undertaken to submit to a task force the issue of the right of appeal in cases of differences of opinions on the real property assessment. In addition, an important matter, the use of the minister's discretionary power was to be considered by the task force chaired by Mr. Pollack. We know that in several clauses of Bill C-4, especially in Section 3, it is provided that the minister will have an absolute discretionary power. This, according to several witnesses heard before the committee, would give rise to some considerable problems with respect to municipal revenues.

• (2225)

Mr. Speaker, in almost all Canadian municipalities, we find several buildings for which the Minister of Public Works (Mr. Cosgrove) pays grants in lieu of taxes. It can be easily understood under the present circumstances that those municipalities whose budgets are more restricted are especially sensitive about that issue. For some of them, a relatively substantial part of their budget is based on those grants and it seems essential that a consultation or appeal process in case of differences of opinions be set up to provide them with some assistance.

Besides, we have seen this week, Mr. Speaker, that economic matters were the main concern of municipalities. Indeed, everyone knows that the Canadian Federation of Municipalities held its 45th convention right here in Ottawa and that the theme of the convention was precisely "The municipalities and the economy". Various economic themes were discussed during the convention, including the financial imputability of municipalities, the drawing up of municipal budgets, housing, employment and energy conservation as well as technological change.

That is why, considering the concerns of the municipalities, I asked the minister last week, before the convention was held, whether the task force had made its final report and whether the minister would table or make public, before the convention in Ottawa this week, what seemed to me as being the rather significant findings of that report. The minister replied that indeed the task force had completed its work and that he was looking into the recommendations. Since then, he has said that the report will be made public in the near future.

As the committee has already completed its work, if the minister could table the report shortly, the participants to this convention would have been able to read this report and return to their respective regions to study its content. Since the representations made by the municipalities to the Pollack committee dealt with increased consultation in the decision-making process on matters concerning them, I suggest the minister would be well advised to let them express their views on the final recommendations of the task force before they are implemented. That is why I urge the minister to make public this report which is of tremendous importance for municipalities as soon as possible. This would contribute to a healthy dialogue between the parties and result in a happy agreement between the federal government and the municipalities concerned.

• (2230)

Mr. Henri Tousignant (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, first of all, I shall, if I may, congratulate my hon. colleague from Ottawa-Vanier (Mr. Gauthier) on his foresight in raising this very important matter of grants in lieu of taxes. I shall now take this opportunity to provide a detailed answer to the question he put on May 31.

During the hearings held by the Standing Committee on National Resources and Public Works early in 1980, before the new Municipal Grants Act was passed, many representatives from the provinces, municipalities and various associations submitted briefs criticizing the absence of an appeal procedure—as the hon. member mentioned—which would make it possible to resolve differences of opinion, and also the minister's discretionary powers. At his suggestion, the minister set up a task force that would analyse the situation and submit a report to the minister. The task force, chaired by Mr. Isidore Pollack of Quebec City, had a work plan which included the following elements: a documentary research program on key factors affecting grants to municipalities, the development of various possible appeal procedures, an intensive program of field trips including meetings with recipients of grants and evaluating authorities, and finally, the drafting of a report to be submitted.

I have been informed that the task force has completed its mission and will submit its final report to the minister within the next few days. As the minister noted in the House on May 31, he will make this report available to members of the Standing Committee in due time. However, I can say at once

that this report will probably recommend, subject to certain provincial mechanisms, the setting up of some type of a review board to which the recipients of grants, including municipalities, will be able to submit their case. This board will then make recommendations to the minister.

According to information available to me, the Pollack Report will be substantial. I have to hurry, Mr. Speaker, since it is getting late. This report will deal with this issue and other related matters in detail and will provide all the facts, all the motives and every possible alternative. As I have already mentioned, this report will be made available to the members of the Standing Committee, where it can be the subject of an in-depth examination. In closing, Mr. Speaker, I want to say that in my opinion, this is an excellent initiative on the part of the hon. member for Ottawa-Vanier (Mr. Gauthier), and I am convinced that the speedy action taken by our Department will meet with his approval.

[*English*]

INDUSTRY—QUALITY OF RAILS PRODUCED BY SYDNEY STEEL CORPORATION. (B) IMPORTATION OF RAILS

Hon. Elmer M. MacKay (Central Nova): Mr. Speaker, sometimes it is very difficult to get any degree of accurate information around this place concerning matters involving transport. We have seen this with respect to Mirabel and with respect to a number of issues, but the one I wish to discuss tonight is the situation involving orders for the Sydney Steel Corporation in Sydney, Nova Scotia.

On May 11, I attempted to raise some questions in the House. The Minister of Transport (Mr. Pepin) in his usual way, seemed to, as Allan Fotheringham would say, "fuzzify the modification". First, the minister said quite clearly that there was a problem with Sydney Steel as far as the quality of the rails was concerned. When outside of the House he said that, of course it was a mistake. There was nothing wrong with the rails. What has happened recently is that the people of Cape Breton and Nova Scotia are getting terribly concerned at what precisely is going on for the future of this vital regional industry. It is quite clear there is a certain amount of responsibility upon the government, whether it is on the basis of regional industrial expansion or whether it is on the basis of simply good transportation policy, to make certain that an institution, which is what Sydney Steel is, that over the years has received so much help and assistance from various political parties and levels of government is maintained in a reasonable way so that the 2,000 people who reside in that area can continue to earn a decent living.

The impression has been given, whether rightly or wrongly, by certain members and by the minister that indeed the matter is under control and that there is an order imminent for SYSCO from the CNR. I learned, much to my shock today, in the Standing Committee on Transport when I had a chance to speak and question directly the chief executive officer of the CNR, that, despite the impression that has been left in certain quarters, the Minister of Transport has not, and I repeat, has not in any way given a direct order or a directive to tell CNR to buy any amount of rails whatsoever from Sydney Steel. I think it is time this was clearly put on the record, and that is why I am doing this tonight.

In answer to his own colleague on June 7, 1982, the minister indicated, in his own inimitable style, that a contract is a contract is a contract. It reminds me of some of the statements he made about Mirabel. He cannot make a decision there either. The problem is that he wants to be all things to all people. He is sort of a parliamentary push me-pull me. He wants everyone to love him and to think he is great, but he never makes a decision. As far as Sydney, Nova Scotia, is concerned, there are many people—municipal leaders and ordinary working people—who are tired of misinformation. On June 7 he said that a contract is a contract is a contract, but that having made a commitment he was willing to press CN to honour it.

• (2235)

I found out in the Standing Committee on Transport today that he has not done a damn thing. He has not said a word to top management of CN. CN used to advertise itself as a business as well as a responsibility. I have no quarrel with that at all. If CN wants to run a hard-nosed business operation, that is fine. But it is a Crown corporation, it is ostensibly owned by the people of Canada, and it is controlled by the government. The Minister of Transport has the authority, as Dr. LeClair conceded today, to order CN to do something, and CN will do it.

The point is that the minister has not yet done a damn thing as I said, and an impression has been created in the House and in the province of Nova Scotia that something is being done. I fail to see why in the past it was necessary to import rail from outside of Canada when Sydney Steel Corporation had the capacity to do it. I fail to see why at the present time it is urgent that about 50,000 tonnes of rail be ordered from Algoma. I cannot understand that either.

I cannot understand why there is not some co-ordination between the Department of Transport and the Department of Industry, Trade and Commerce or the Department of Regional Economic Expansion, or whatever is the amalgam of these two hybrids now that we are rid of DREE. I cannot understand why the government will not take some step or why there is no co-ordination. I remember when a former minister of transport, now the distinguished Speaker in the other place, used to get headlines from time to time by saying, "Transportation is a component of regional development." Now we have a situation where a Crown corporation, which is receiving about $100 million in aid from the federal government, is being hung out to dry because the government would not spend $1.4 million and use its influence to ensure that some rails are purchased from that corporation.

Some $1.3 billion has been guaranteed to Canadair by the government to take the Canadian Imperial Bank of Commerce off the hook and so Russ Harrison can sleep nights; some $400 million is involved in a subsidy to Bombardier so that it can

make railway cars to export, and that is fine with me; about $400 or $500 million is guaranteed to Massey-Ferguson, that great non-winner; but it is not possible for the Minister of Transport to make available $1.4 million, to use a figure which the minister himself used in the House of Commons, to guarantee the survival of about 2,000 people in Cape Breton, their jobs and their livelihoods.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, just last Saturday I personally visited Sydney and, therefore, I know how important this issue is to the hon. member for Central Nova (Mr. MacKay) and his constituents.

Indeed the Minister of Transport (Mr. Pepin) made reference at the time of the hon. member's question to problems encountered by CN with respect to the capabilities of Sydney Steel Corporation to produce rail which would meet the requirements of CN. But the hon. member was present at the meeting of the Standing Committee on Transport where he heard from the CN president himself who confirmed that yes, there is a contract for 88,000 tonnes of steel. But he did make it very clear that in that contract is included soft rail, hard 136 rail and the alloy type of rail.

• (2240)

There have been discussions between CN and Sysco on this matter as recently as today. These discussions are continuing. We all hope that the problem can be satisfactorily resolved. I am also pleased to report on behalf of the minister that the government of Nova Scotia has agreed, by a telex yesterday, to meet the federal government's offer to pay half of the $1.4 million cost of advancing the 1982-83 rail order by two months ahead of the time when the shipment would normally be required by CN. I think that this is welcome news.

I would also like to indicate to the House that, as confirmed yesterday in the other place, workers who were laid off at the SYSCO plant, will, indeed, receive unemployment insurance benefits in accordance with applicable regulations.

I thank the hon. member for Central Nova for giving me the opportunity of bringing the House up to date on this important issue. I commend him, as well as the hon. member for Cape Breton-The Sydneys (Mr. MacLellan), and the hon. member for Cape Breton-East Richmond (Mr. Dingwall) for their constant interest and intervention in this matter.

ACQUISITION OF PETROFINA—COLLECTION OF TAX—(B) CANADIAN OWNERSHIP CHARGE

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, on April 27 I received a letter from Mr. Reynolds of Surrey. He says the following:

> You may not have had time to look at your personal hydro bills over the past nine or ten months, but they must be similar to mine as we both live in Surrey, although I do pay my hydro bills on an equal payment installation to spread the load and you may not.
>
> Please peruse the attached copies of three of my hydro bills from June 81 to April 82 ("June, $45.00, September $66.00 and now May will be $72.00, a 50 per cent increase in ten months"), whereas, my annual negotiated settlement ranges from 8 per cent to 12 per cent last year, over the past few years.
>
> My hydro bills may be low compared to some, but I have spent considerable monies on insulation and doublepane windows and I do not qualify for CHIP.
>
> This hydro bill, along with the telephone increase, the car/gas increase which is ridiculous and the general increase in all items especially food is beginning to break the camel's back. What you can do about it, I don't know but someone has got to do something pretty soon.

The taxes he is referring to are the federal excise tax and the Canadian ownership tax. The first problem with the Canadian ownership tax is the accumulated squeeze of human misery that that tax, along with other federal taxes, is weighing down on the Canadian taxpayers.

It is because of that letter and others like that, and remarks made in the House on the evening of May 16 by one of the government backbenchers regarding the Canadian ownership charge, that I raised the questions on May 17 with the Minister of Energy, Mines and Resources (Mr. Lalonde). At that time I asked:

> Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. Last Thursday, here in the House, the hon. member for Lambton-Middlesex indicated that while the government is collecting the Canadian ownership charge to pay for Petrofina, it might well continue to collect that tax even after Petrofina has been paid for. Could the minister tell the House if that is indeed government policy to collect that tax after Petrofina has been paid for in order to pay the purchase of other companies it wants to take over, as the hon. member suggested might be the case?

That was the question. The minister's reply was:

> —that is obviously a question which the government will have to decide when the time comes.
>
> This is not a matter which is being considered at the present time.

We do have some slightly contradictory statements between that of the backbencher, who is a former parliamentary secretary, and that of the Minister of Energy, Mines and Resources. What is common to the two answers, however, is the fact that the government is not ruling out the possibility that the Canadian ownership charge could well be collected beyond the time which the government has paid for Petrofina in full. It does remind one of that temporary tax which was placed on the backs of Canadians during the First World War. It was known as the income tax, which was also a temporary tax. All of us know how temporary that is.

It is that accumulation of taxes which loads on to the backs of Canadians the kind of human misery that is killing them. When the takeover of Petrofina was announced, the Minister of Energy, Mines and Resources said that the purchase may have to be made by the Canadian ownership charge, but no figures were given. Mr. Hopper of Petro-Canada said the whole deal would be financed out of taxes. The Minister of Energy, Mines and Resources also said that the deal would be financed over 25 months. But when the company is paid for, the average energy consumer will have paid $130, and all of those dollars will have flooded the country and have gone back overseas to Europe. They will have done nothing for Canadian self-sufficiency, they will have done nothing to increase our energy security, but they will have continued to increase the taxes on the backs of Canadians.

• (2245)

The second part that is offensive about all of this taxation is that the government has no mandate for it. All of us clearly remember the election campaign of 1979-80 when the Liberals strenuously campaigned on the commitment that they would not increase taxes on gasoline by more than 12 cents or 14 cents, and certainly under 18 cents. The Canadian ownership charge increases the tax on that alone by 4.5 cents per gallon of gas, and the total has been something like 60 cents already. I find it repugnant that the government will campaign on one issue and then assume that the elections it has won on that one issue gives it a mandate to lead in any direction that it wants to lead.

The third problem rises out of the question that I placed before the minister. What are the government's intentions with regard to the future of the Canadian ownership tax which is being loaded on to the back of the consumer for a very sterile investment? What is the future of that? The minister has not been clear in the House as to his intentions. Is he planning to continue that tax beyond next fall when Petrofina will be paid for? Will he continue collecting that tax? Can we have an assurance tonight that when Petrofina is paid for, the Canadian taxpayers will not be saddled with a continuation of that particular tax in order to make up a shortfall incurred and caused by deficiencies in other departments, but, rather, that that tax will be taken off so that there can be some relief for the Canadian taxpayer? Does the parliamentary secretary have an answer for my constituents tonight, and all other Canadians who are incensed at the imposition of a tax for which the government had absolutely no mandate?

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, it is nice to be able to conclude this evening with a few remarks in answer to the questions raised by the hon. member. The first part of the hon. member's question, relative to the continued collection of the Canadian ownership charge in order to finance new acquisitions once Petrofina has been paid for, is obviously one which cannot be answered at the present time. When initially responding to this question during the question period, the Minister of Energy, Mines and Resources (Mr. Lalonde) stated, "The government is not currently considering such policy and it is a matter which will have to be dealt with at the appropriate time".

With reference to the second part of the question as to whether we can afford to Canadianize the oil and gas industry, I think the question ought to be rephrased and should read, "Can we afford not to Canadianize the oil and gas industry?" That is the substantive and, indeed, crucial question.

May I take a moment, Mr. Speaker, to remind the hon. member of the Canadianization goals as defined in the National Energy Program. One of the goals is an increase in the oil and gas sector owned by the Government of Canada. The National Energy Program also says that the Government of Canada intends to acquire several of the large oil and gas firms. To finance a company acquisition, a special charge, which the hon. member has referred to, the Canadian ownership special charge, is levied on all oil and gas consumption in Canada. The proceeds of this charge are placed to the Canadian ownership account, which is a non-budgetary trust account.

I might add that this particular piece of legislation was thoroughly reviewed before the Standing Committee on Energy Legislation, when Members of Parliament from all parties had an opportunity to question the government and the officials as to the intent of that particular account.

The Canadian Ownership Account was designed to ensure that the government's program of increasing public sector ownership would be self-financing. By imposing the Canadian ownership special charge as a means of financing public acquisitions, there is no drain on the general revenue fund. Canadians, the beneficiairies of the acquisition program, will be paying for the acquisitions through a special tax on their oil and gas purchases. The Canadian ownership account has already been used by the Government of Canada to finance the Petrofina acquisition.

I conclude my remarks, Mr. Speaker, by reiterating that the government is not in a position at this time to state very clearly whether or not further acquisitions will be made.

The Acting Speaker (Mr. Blaker): The motion to adjourn the House is now deemed to have been adopted. This House is now adjourned until 11 a.m. tomorrow morning.

At 10.51 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, June 11, 1982

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

STATUS OF WOMEN

INEQUALITY OF AVERAGE INCOMES—MOTION UNDER S.O. 43

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I rise on a matter of pressing urgency, under the provisions of Standing Order 43. Figures released this week by Statistics Canada show that the average income for women in 1980, the last year for which reports are available, was only half that earned by men. This situation is grossly unfair in a country which recently adopted a Charter of Rights and Freedoms guaranteeing equality for men and women. To ensure that women have equality in fact and not just in theory, I move, seconded by the hon. member for Don Valley West (Mr. Bosley):

That this House urge governments, business and labour unions to recognize that true equality for women will only come about when there is true equality in the workplace, and that immediate steps be taken to redress the inequity that presently exists where the average income of women is only half that of men.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Madam Speaker: The hon. member for Kingston and the Islands.

Miss MacDonald: Madam Speaker, the question of equality for women in this country is one which surely speaks to every Canadian who feels that all individuals in this country should have the opportunity to make full lives for themselves. They should have that opportunity whether they live in the eastern part of the country, the central part, the western part, the northern part, whether they be men or whether they be women. There should be equality for every person to carry out his or her full development. This equality does not exist at the present time for almost half the population. In 1980, the latest year for which we have statistics from Statistics Canada, the average income for women was only $8,200 compared to $16,700 for men. This inequity is something which all of us as legislators should work together to remove.

I urge upon all members of the House that they appeal to governments, to businesses, both large and small and to labour unions right across the country to tackle this situation as an immediate priority so that this inequity could be redressed, without saying redress is something that has to come about in 1990, or the year 2000, or some long way down the road. It should be an immediate priority now for a country which sees itself as civilized, humane, and enlightened.

Some hon. Members: Hear, hear!

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, I agree completely with what the hon. member for Kingston and the Islands (Miss MacDonald) has said. But I would go even further and suggest that society's attitudes be examined in this country. We should look at our system of education and the way we treat each other as human beings.

I suggest that hon. members of this House take a good look at one of the most recent reports put out by the Science Council of Canada called "Who turns the wheel?" It takes a very close look at what is happening to women in this country, how they are educated and how their attitudes are shaped at a very early stage in life. Though the hon. member is quite right in saying that we must address the problems that exist in the workplace today, we must address our attitudes immediately to see that those attitudes are erased and changed so that we can look forward to a society in which men and women are indeed equal.

Some hon. Members: Hear, hear!

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, clearly the fact that women earn only half of what men earn in our society is totally unacceptable. The fact that this condition continues shows the inadequacies of policies that have been used to attack this problem to date.

It is time now to look for some new and effective measures, including the use of contract compliance and mandatory affirmative action.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Motion agreed to.

S.O. 43

• (1110)

INDIAN AFFAIRS

AVAILABILITY OF FUNDING FOR NATIVE PEOPLE IN NEWFOUNDLAND—MOTION UNDER S.O. 43

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the estimates approved recently in the House allocate funds for programs and services to the native people of Newfoundland, and realizing that these funds have not yet been received by the rightful recipients, and that these people are now at the end of their bank credit limits and are in serious financial difficulty, I move, seconded by the hon. member for Prince George-Bulkley Valley (Mr. McCuish):

That the Minister of Indian Affairs and Northern Development be instructed to direct his counterpart in Newfoundland immediately to see that these federal funds are allocated as soon as possible to the legal recipients.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL CAPITAL COMMISSION

CITY OF NEPEAN OPPOSITION TO HIGHWAY 16 EXTENSION ROUTE—MOTION UNDER S.O. 43

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, under the provisions of Standing Order 43 I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That, in view of the concerns expressed by the Corporation of the City of Nepean and the residents of Nepean concerning the extension of Highway 16, the National Capital Commission refuse to allow any lands under its jurisdiction in the City of Nepean or elsewhere to be used for the proposed extension of Highway 16 along the route identified as the Cedarview corridor route.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

LABOUR CONDITIONS

LAY-OFFS IN NICKEL INDUSTRY AT SUDBURY, ONT.—MOTION UNDER S.O. 43

Mr. Rod Murphy (Churchill): Madam Speaker, in light of Falconbridge's announcement of its intention to reduce its permanent work force by 25 per cent, or approximately 1,000 workers at its Sudbury operation, and considering that the poor state of the nickel market is a reflection on the disastrous mismanagement of the Canadian economy, I move, seconded by the hon. member for Kootenay East-Revelstoke (Mr. Parker):

That this House instructs the government to recognize its responsibility to get the Canadian economy going again, and also resolves that the government recognize its responsibility to provide assistance and alternative employment for the Falconbridge workers and their families in Sudbury.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

GRAIN

CONGRATULATIONS ON ACHIEVEMENT OF RECORD-BREAKING EXPORTS—MOTION UNDER S.O. 43

Mr. Robert Bockstael (St. Boniface): Madam Speaker, I rise on a matter of urgent and pressing necessity to propose a motion which I trust will receive the unanimous consent of the House. Two years ago, Canada exported a record 21.7 million tonnes of grain. Last year we fell just short of this record, with 21.2 million tonnes. Later today, or on the weekend at the latest, with seven weeks still remaining in the crop year, Canada will break its all-time export record. We are well on our way to reaching the Wheat Board's target of 26 million tonnes. This is an unparalleled achievement. Therefore I move, seconded by the hon. member for Kindersley-Lloydminster (Mr. McKnight):

That this House recognize the outstanding efforts by all those involved in the production and transportation of grain in surpassing the all-time export record well before the end of this crop year.

Some hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

MINES AND MINING

SUGGESTED EMERGENCY MEETING OF TASK FORCE—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, in view of the serious unemployment crisis within Canada's mineral industry, resulting largely because of collapsing economic confidence and the anti-investment

policies of the federal government, I move, seconded by the hon. member for North Vancouver-Burnaby (Mr. Cook):

That the Joint Government-Industry Task Force on Mining be requested to meet immediately on an emergency basis to develop a strategic action plan which will save the jobs of more than 200,000 mine and service workers faced with extended shutdowns and lay-offs, and that the task force be requested to report its recommendations to the Parliamentary Committees on Natural Resources and Public Works, and on Labour, Manpower and Immigration, before the end of June.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSING

CANADA RENTAL SUPPLY PROGRAM—MOTION UNDER S.O. 43

Mr. Laverne Lewycky (Dauphin): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43. The Canada Mortgage and Housing Corporation bulletin for builders advertises the Canadian Rental Supply Program which promotes the construction of rental units. In Manitoba, the Winnipeg regional office has restricted this program to Winnipeg and Brandon. Contractors in other areas, such as the riding of Dauphin and the riding of Churchill, where there are centres with either a zero or low vacancy rate, are calling this discriminatory. I therefore move, seconded by the hon. member for Churchill (Mr. Murphy):

• (1115)

That the Minister of Public Works responsible for housing look into this situation and immediately take some action so that contractors in communities outside of Winnipeg and Brandon can benefit under this program.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

REQUEST FOR MEASURES TO AVERT BANKRUPTCIES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is for the Minister of Finance. Yesterday, before the Standing Committee on Finance, Trade and Economic Affairs, the chairman of the Trust Companies Association said that there could be casualties in that industry if the present economic conditions last for another six months. Since many companies in other industries besides that one are now talking in terms of how many months they will be able to survive under the economic conditions which exist today, will the minister commit to the House that he will present alternative policies in his forthcoming financial statement that will avoid those disasters and lay-offs which will come if companies go bust over the next six months?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I cannot give the hon. member a preview of what will be in that statement. I have already indicated to his leader that I intend to make a financial and economic statement, in the words of the Leader of the Opposition. I have assured hon. members that it will be made in the House. I cannot give the hon. member any preview of what will be in that statement at the present time.

POSITION OF MINISTER

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I am not asking for a preview of the statement. What I am asking, and what Canadians are asking, is whether there is any sense of understanding on the part of the minister that there is a crisis on our hands. The minister's head is in the sand. Both he and the Prime Minister seem to have more interest in going to international meetings than acting to solve these problems in Canada which we can do something about.

Some hon. Members: Hear, hear!

Mr. Wilson: Is the reason for the minister's dithering about these problems the fact that he still thinks his 1981 budget is the answer to our economic mess, or is it because he has totally lost confidence in his ability to present these policies since he is now batting zero for two in budget making?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member's question is really not directed either to government policy or government administration. It is a series of political comments which generally decorate his rather futile questions in question period.

* * *

FORESTRY

REQUEST THAT MINISTER MEET INDUSTRY REPRESENTATIVES

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is addressed to the Minister of Finance. The British Columbia forest industry, which directly or indirectly accounts for half of the total output of British Columbia, is in such dire straits that companies are borrowing money just to keep their plants operating. The president of MacMillan Bloedel now warns that Canada faces the possibility of economic collapse within 90 days unless the government brings forward emergency measures. Is the minister meeting with forest industry

officials in order to avoid impending bankruptcies in an industry which supports entire communities, and which is the largest foreign exchange earner in the country?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, as the hon. member may know, I have had extensive consultations with representatives of the private sector in Canada. In the course of that series of consultations we did hear the views of representatives of that industry and discussed their difficulties which, in the main, arise from depressed markets in other countries. Undoubtedly, that is a source of great concern, but it is a matter that can only be permanently solved with a resumption of economic growth and recovery in the countries to which these industries sell their products.

* * *

• (1120)

THE ECONOMY

FORECAST OF DECLINE IN EXCHANGE VALUE OF DOLLAR

Mr. John Bosley (Don Valley West): Madam Speaker, my question is directed to the Minister of Finance who, in the last week, has been defending the decline of the Canadian dollar on the basis that the U.S. dollar has been strengthening. Given the minister's argument, how does he explain the fact that it has been reported in this week's *Business Week* that international money traders believe that the U.S. dollar will decline over the next year, against the mark, the Swiss franc, and the yen, but the Canadian dollar will fall yet further, even against a declining U.S. dollar?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I would not agree with that forecast for the Canadian dollar. I believe that to some extent the market is not reacting to some facts which have become apparent in the past few days, namely, the very strong trade figures, and the fact that in the first quarter of this year the current account has moved into surplus. On an annualized basis, if carried on throughout the year, we would probably have either a balance or a surplus on our current account. Therefore I do not share the views of the persons reported in *Business Week*, with respect to the Canadian dollar. The fact is that all currencies have been depreciating against the American dollar, including the Canadian dollar, but that with respect to the value of the Canadian dollar against most other currencies, it has either held its own or appreciated against these currencies.

Some hon. Members: Hear, hear!

QUERY RESPECTING STATE CONTROLS

Mr. John Bosley (Don Valley West): Madam Speaker, those who deal in money deal in facts—real facts, not the minister's facts.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Bosley: It is so bad now that money market traders and foreign exchange dealers, recognizing what this government is doing to the country, are now beginning to refer to the Canadian dollar as "the banana". That is how bad it is in world markets.

An hon. Member: That is nonsense.

Mr. Bosley: That is not nonsense. One can check that on the exchanges in Toronto this morning.

Will the minister finally recognize that more investor confidence in Canada, not less, is the only solution to our economic problems and the only way to get Canadians back to work? If he is not prepared to give us a preview of his program for the next two or three weeks, will he at least give us a commitment today that more intervention and more control by government, which would only hurt us even more, will not be considered by the government?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has referred to the importance of the improvement of the investment climate. That view has been expressed by the Prime Minister and myself, and I believe that the restoration of confidence in the possibility of recovery and growth is one of the most essential ways of improving the investment climate. On that point I certainly agree with the hon. member.

MINISTER'S STATEMENT ON POLICY

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Minister of Finance as well. Like other hon. members, during the course of this week I have been listening with great care to what the Minister of Finance has had to say. On Tuesday, following the Summit in Versailles, when pressed about the future direction of Canadian economic policy the Minister of Finance said, as reported at page 18204 of *Hansard*, that he did not anticipate "a basic change in economic policy". Does the Minister of Finance stand today by what he said just a few days ago?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do stand by what I said a few days ago. I have repeated that same answer since it was first given on Tuesday in reply to a question put by the Leader of the Opposition.

MINISTER'S VIEWS ON UNITED STATES POLICY

Hon. Edward Broadbent (Oshawa): On that same day, Tuesday, in reply to a question in the House the minister said that because of circumstances in the United States we could not anticipate more than marginal changes here in Canada until there was a major reversal in economic policy in the

United States. Does the Minister of Finance stand behind that statement today?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do not know where the questioning of the hon. member is leading him or the House. I repeat my view that, because of the importance of the American economy in present circumstances, unless there is some easement in interest rates, some beginning of recovery in the United States, the prospects are not as bright as they would be if we saw some immediate relief in the United States on the interest rate front, and if we saw some definite signs of recovery. I do not believe I have changed my view on that particular point. I do not believe that I have ever urged that, in these circumstances, the Canadian economy does not have problems of its own that have to be solved within Canada. I made reference to some of these problems in my answers earlier in the week.

• (1125)

REQUEST THAT MINISTER RESIGN

Hon. Edward Broadbent (Oshawa): Madam Speaker, I would remind the minister that earlier this week he said that we could not expect anything other than marginal changes because of American policy and what was, in his view, its overwhelming impact on Canadian economic circumstances. He said that because of that we could not expect more than marginal changes.

Given the disaster that we are now confronted with in the state of the Canadian economy, the depression state forecast yesterday by the Chairman of the Guaranty Trust Company, is the minister saying to the House that after the Liberal caucus meets next week, and after the Liberal cabinet meets next week, if it finally makes a basic change that recognizes the real need is to stimulate the Canadian economy and produce jobs, that he, who has been stubborn in his persistent unwillingness to change policy, will at least have the integrity to submit his resignation to the Prime Minister?

Madam Speaker: The hon. member for Hillsborough.

* * *

ENERGY

CANCELLATION OF DEAL TO EXPORT ONTARIO NUCLEAR GENERATED ELECTRICITY TO NEW JERSEY

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is addressed to the Minister of the Environment. A Canadian Press story released a few moments ago has revealed that the General Public Utilities Corporation of New Jersey has announced plans to cancel its multi-million dollar electricity purchase from Ontario Hydro in the Province of Ontario. As the minister will know, with proper environmental controls the deal would have had enormous benefits not only for the Province of Ontario but also for the whole country in terms of jobs, energy costs, the balance of payments, and the abatement of acid rain on both sides of the border.

Even allowing for the fact that costs were the main factor in the decision of the corporation concerned to cancel the deal, will the minister not concede that his failure to get the federal cabinet to make an early decision on Ontario Hydro's application to export massive amounts of electricity to the United States, bought time for the relevant United States interests to get out of the deal at the expense of Canada?

Hon. John Roberts (Minister of the Environment and Minister of State for Science and Technology): No, Madam Speaker, I would not concede that. The news to which the hon. gentleman refers is quite recent. As I understand it, the factors which led to the decision not to proceed with the project stem entirely from considerations regarding financing in the United States. I would have to say to him as well that if it were the insistence of the federal government that a proper environmental review of this project be done, and it was that insistence that caused the delay and that that delay had an impact, I would not regret the delay. It is absolutely crucial that a full and thorough environmental assessment be done. That was the responsibility of the Government of Ontario. It did not fulfil its responsibility, and it was in that vacuum that the federal government had to take the approach that it did to this problem.

DELAY IN GOVERNMENT DECISION

Mr. Tom McMillan (Hillsborough): Madam Speaker, my supplementary question is for the same minister. The fact is that the federal government dithered. It was indecisive, and it procrastinated on the National Energy Board's decision on Ontario Hydro's application to export electricity to the United States. The clear impression has been left that the federal Minister of the Environment is the reason for the cancellation of this project, or at least he gave the Americans time to get out of the project, even allowing for the fact that an environmental assessment may have had to be done.

• (1130)

Does the minister not realize that his indecision, his procrastination, and his failure to get an early decision by the federal cabinet have at least left the impression that it was environmental considerations that caused the cancellation of this project? That means setting back the environmental movement by decades, without any economic or environmental benefit to the country.

Hon. John Roberts (Minister of the Environment and Minister of State for Science and Technology): Madam Speaker, I think what I will do with that question is call upon the hon. member for Northumberland, his colleague, to speak to the hon. member, because we are doing exactly what the hon. member for Northumberland urged us to do, and I believe he was representing the official opposition, that is, to apply exactly the procedures and environmental concerns that we did apply.

Oral Questions

NUCLEAR ENERGY

EXPORT OF NUCLEAR FUEL BUNDLES TO ARGENTINA

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, I have several questions for the Minister of Energy, Mines and Resources. The first question is with regard to the sale and transport of nuclear fuel bundles to Argentina. The minister has consistently failed to respond adequately to questions posed by many members of the House regarding this potential transport of fuel bundles to Argentina. Madam Speaker, I think that Canadians deserve a commitment from the minister to make sure that Canada in no way aids or abets the development of nuclear arms in Argentina. Will the minister openly, clearly and firmly state his position? Will he make that commitment to Canadians and, if not, why not?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Yes, Madam Speaker.

REQUEST FOR PARLIAMENTARY INQUIRY INTO NUCLEAR INDUSTRY

Mr. G. M. Gurbin (Bruce-Grey): That is the same kind of answer we have been getting from the minister for many days now. That is an example of Liberal morality. I think Canadians know that there is in no way any guarantee, any kind of reasonable expectation, that the kind of answer the minister gives us will prevent Canada's involvement.

Madam Speaker: Order. I wonder if the hon. member could give an example of a short question.

Mr. Gurbin: Madam Speaker, I will do my best. I have a little extra time now, because the Minister of Energy does not care to make any commitments here. My supplementary question to the Minister of Energy is in regard to the two announcements today, that Mexico has withdrawn, has sent back our tenders, that GPU has backed out of its agreement and its intention to put an underground cable under Lake Erie to export nuclear electricity, and the fact that the "National Energy Program Update" has looked to that sale, the export of nuclear electricity, for the survival of Candu. In the face of those failures, the repeated failures that the minister has had in all areas of energy, will the minister, on behalf of the nuclear industry, bring about an open parliamentary inquiry into the nuclear industry?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): I do not know whether my hon. friend would be more satisfied if I were to answer "maybe" this time.

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IMMIGRATION

WOMAN'S SUCCESSFUL APPEAL AGAINST DEPORTATION ORDER

Hon. Bud Cullen (Sarnia-Lambton): Madam Speaker, I have a question for the Minister of Employment and Immigration, and I gave notice yesterday to his parliamentary secretary because of the seriousness of the question and the concern. A Mrs. Jennifer Popen, a landed immigrant, was found guilty of manslaughter for killing her child, was sentenced to seven years' imprisonment, and a deportation order was signed. The order was to be effective on her release, but it was appealed at a hearing in camera at the request of the immigrant, and a decision was made setting aside the deportation order. I note now that the time for further appeal has expired and that the government did not appeal this particular decision. Why was no appeal filed, and can we be appraised of the reasons for the decision?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, in relation to that particular question, as the hon. member knows, it was a case that took place several years ago. The decision was made by the appeal board, which is a quasi-independent body. It judged those circumstances and decided on humanitarian grounds that this particular woman should be allowed to stay in the country. On those grounds the department saw no reason to make an appeal. The grounds were such that it really is a matter of judgment by the appeal board.

* * *

NUCLEAR ENERGY

FINANCING FOR CANDU EXPORTS—REQUEST THAT FUNDS BE REALLOCATED TO HOUSING

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is for the Minister of Finance. He will know, I am sure, that the Mexican government has decided not to proceed with its nuclear power program. Canada, in making a bid, had set aside some $5.5 billion from general revenue to finance this over a long period of time, about 20 years, at 7.5 per cent. Can I ask the Minister of Finance whether he is prepared to reallocate at least $1 billion of those funds to housing, in order to create something in the order of 60,000 jobs and to meet at least half of the shortfall that exists with regard to the number of housing units required?

Hon. Ed Lumley (Minister of State (International Trade)): Madam Speaker, if I might be allowed to answer, the hon. members information is incorrect. The government did not set aside anything like $5 billion in respect to the financing of the Candu reactor in Mexico.

Mr. Deans: How much?

REQUEST FOR REDEPLOYMENT OF FUNDS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I go back to the Minister of Finance, since the Minister of State for International Trade has indicated that it was not $5 billion. Since I am not asking for $5 billion anyway, and it was certainly in excess of $1 billion, I therefore ask the Minister of Finance will he redeploy those moneys, set them aside, put

them to work in Canada to build housing for people that people need, at a price they can afford, and create jobs for Canadians who are currently unemployed?

Hon. Ed Lumley (Minister of State (International Trade)): Madam Speaker, the hon. member is still incorrect with regard to the amount of money set aside for the nuclear reactor in Mexico, as I have indicated to this House on several occasions. At the present time the Export Development Corporation is looking at a possible $12 billion to $13 billion worth of projects which it is asked to finance, and never at any one time knows exactly what it is going to be financing in the immediate future. So the hon. member is basically incorrect in his assumption.

* * *

FINANCE

HONOURING OF INCOME TAX REFUND CHEQUES BY WESTERN BANKS

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I have a question for the Minister of National Revenue. I and several of my colleagues have received repeated reports to the effect that income tax refund cheques are not being accepted and honoured in banks in western Canada. Can the minister tell me whether that is a reflection of the serious financial position the government is in, or does he know of any other factors that would explain the banks caution with respect to cashing government cheques?

Hon. William Rompkey (Minister of National Revenue): Madam Speaker, this is the first time I have heard that accusation. As far as I know, we can make good on any cheques that we issue.

Some hon. Members: Oh, oh!

An hon. Member: As far as you know?

Mr. Rompkey: The cheque for the hon. member for St. John's East is in the mail! We will honour our cheques, Madam Speaker.

REQUEST FOR INVESTIGATION

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I will, of course, supply the Minister with information I have received from several banks refusing to cash income tax refund cheques. There must be some other factors involved. At least today the minister assured us that the government cheques can be honoured. There is no guarantee, of course, for tomorrow. Will the government undertake to investigate this matter and provide us with a reason why the banks should be so cautious in this matter of honouring these cheques?

Hon. William Rompkey (Minister of National Revenue): Well, tomorrow is Saturday, Madam Speaker, and the banks are not open, of course.

An hon. Member: So the government is safe until Monday.

Mr. Rompkey: If the hon. member will provide me with the names of the banks and the managers and the phone numbers, maybe I could call them and talk to them myself.

* * *

THE ECONOMY

LEVEL OF INTEREST RATES

Mr. John Gamble (York North): Madam Speaker, my question is for the Minister of Finance. Just a few moments ago he indicated that the easement of interest rates in the United States is fundamental to economic recovery in Canada. Given that situation, surely he appreciates that the easement of interest rates in Canada is fundamental to economic recovery in this country. If that is the case, why does the minister not instruct the Governor of the Bank of Canada to stop forcing interest rates up in order to prop up the falling value of the Canadian dollar?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, there is no need to issue that direction, because the Governor of the Bank of Canada has not been following the course of action which the hon. member alleges; and certainly that course of action was not followed yesterday.

FOREIGN AID EXPENDITURES

Mr. John Gamble (York North): Madam Speaker, we know that the effect of the endeavour to increase interest rates in Canada has not in fact supported the declining value of the dollar.

Yesterday the Minister of Finance asked in this House whether members would give him specific illustrations of items in the estimates which might be reduced so that those funds might be available for other purposes, and he said that members consistently failed to do so. I have already raised in this House the issue of the very substantial expenditure on foreign aid, $1.742 billion, and asked the minister's colleague whether he would refer the matter of the quantum of foreign aid to the Standing Committee on External Affairs and National Defence for a quantum analysis. Having regard to my raising this issue again, would the minister refer that matter to the standing committee for a quantum analysis to determine whether that amount might be reduced and reallocated to some useful purpose in Canada?

● (1140)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, as far as I am concerned the hon. member has picked the wrong item because I

believe we ought to maintain our international obligations, particularly in the field of aid to less-developed countries. However, having said that, I point out to the hon. member that the estimates of the Department of External Affairs are normally before the committee. The estimates have to be called in the committee, and it would be appropriate for hon. members to engage in a discussion on foreign aid and the amount recommended for approval. Indeed, if hon. members wish, they could make proposals on how to reduce that amount. That is open to hon. members. I would not support that particular expenditure cut, but it is the hon. member's right to attempt that and to see how much support he would get for it among other members, including members of his own party. I would be surprised if they would support him on that.

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FEDERAL-PROVINCIAL AFFAIRS

SASKATCHEWAN RESIDENTIAL MORTGAGE SCHEME

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I would like to address a question to the Minister of National Revenue. I am sure he is aware that under the new Progressive Conservative government in the Province of Saskatchewan mortgages will be offered up to a maximum of $50,000 at 13.25 per cent.

Some hon. Members: Hear, hear!

Mr. McKnight: Will the minister assure the people of Saskatchewan that, along with the grab made by the Minister of Finance on the assistance offered to other people in relation to mortgages through corporations and through their businesses, the federal government will not tax home owners on the benefits which would result from the difference between a mortgage rate of 13.25 per cent and whatever a conventional mortgage would be?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I have had the opportunity to visit and meet with the minister for housing in the new government of the Province of Saskatchewan, and we discussed this issue. I have indicated that I have raised the matter with the Minister of Finance and his officials, but I caution that if provinces and new governments have plans to assist in relation to housing, and if that assistance is at the expense of taxpayers generally across Canada, they at least should have the decency to inquire of the Government of Canada before they are so good with their largesse.

Some hon. Members: Oh, oh!

Mr. Clark: Have you ever heard of federalism?

Mr. McKnight: Madam Speaker, the Minister of Finance has requested the government of the Province of Saskatchewan and other provincial governments time and time again to assist the federal government in the field of housing. When one province decides to do so, why would this government want to tax the benefits the people of Saskatchewan asked for and are willing to receive?

REQUEST THAT MORTGAGE BENEFIT NOT BE TAXED

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, my supplementary question is directed to the Minister of Finance. Mr. Ben Ward, information officer in the Department of Finance, was quoted by the Saskatoon *Star Phoenix* of June 3 as saying that there is a possibility that the program in Saskatchewan may be taxed. The Minister of Finance is the architect of the budget which took benefits from people in Saskatchewan and the rest of Canada. Will he assure us that the difference between 13.25 per cent and whatever a conventional mortgage rate might be—it might be 20 per cent with this government—will not be taxed in the Province of Saskatchewan?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I will give the hon. member's representation consideration, but I am not prepared to make a judgment in reply to his question today.

PROVINCIAL TAXATION AUTHORITY

Hon. Jake Epp (Provencher): Madam Speaker, in a similar vein I would like to ask a question of the Minister of Finance. I asked him a question on May 19 which is reported at page 17589 of *Hansard*. I asked him what the position of the federal government was in relation to the taxing by a government of another level of government, and the minister indicated that he would get back to me after he had studied the question. Could we now have his answer?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do have an answer for the hon. member. I would like to read the answer. I have had this matter carefully looked into and advise that the federal government has consistently taken the position that a province does not have the legislative jurisdiction to impose a tax on the federal Crown.

PAYMENT OF MANITOBA PAYROLL TAX

Hon. Jake Epp (Provencher): Madam Speaker, that being the case and that opinion being in keeping with constitutional convention, I point out to the minister that reports in Manitoba are that Ottawa intends to pay the so-called payroll tax which was in the recent Manitoba budget. Does the federal government now stand by that statement, namely, that it will pay it regardless of the constitutional convention the minister has read out today?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, we would observe the law of the Constitution.

EXTERNAL AFFAIRS

ISRAELI INVASION OF LEBANON—REQUEST FOR AID FOR LEBANESE POPULATION

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, I would like to direct my question to the Deputy Prime Minister. Now that a ceasefire, uncertain as it may be, has been proclaimed between Israel, the PLO and Syrian forces in Lebanon following the invasion of Lebanon, can the Deputy Prime Minister advise this House whether the government will be providing humanitarian aid to the innocent people of Lebanon who have suffered so frightfully as a result of the ravages of war?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I thank the hon. member for his question. The Canadian government has consistently responded to appeals for assistance for humanitarian purposes, and this certainly would apply to the case the hon. member has mentioned. The International Red Cross has made an appeal for assistance and for medical teams in Lebanon. It is preparing to make another more general appeal, and certainly Canada will be prepared to respond sympathetically to these requests.

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MEDICAL CARE

EXTRA BILLING BY PHYSICIANS—MINISTER'S POSITION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my question is directed to the Minister of National Health and Welfare. The minister has been going around the country in recent days trying to redefine the problem of extra billing by doctors and calling it the lesser of two evils, and so forth. The minister has been trying to put on a brave—but transparently superficial—face because of her failure at the recent health ministers' conference to get provincial agreement to eliminate extra billing.

Has the minister given up on her intention to eliminate—not to control but to eliminate—extra billing by doctors and, if she has, will she also tell us whether she was ever really serious about her intentions in this regard? There has been one meeting, the minister has packed it in, and she is now going around the country trying to redefine the problem.

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, as usual, the hon. member is engaging in rhetoric instead of attacking the real problem. It has always been our goal that extra billing should be eliminated. How can we reach that goal? I hope in due time we achieve a consensus among all the 11 governments, including the ten provinces, which have a direct role in banning extra billing by way of provincial legislation.

I am curious to see if the hon. member makes the same representation to Mr. Larry Desjardins in Manitoba, to see if Manitoba is ready to move. We never saw that in Saskatchewan when the hon. member's party was in power there. It is very easy to talk and talk, and repeat false allegations.

I would like to inform the hon. member again and Canadians generally that the last federal-provincial conference was a success in that for the first time all provincial ministers agreed that extra billing existed and was a problem which would be a threat to medicare. All ministers agreed that control of this was essential. The day before the meeting this matter was not even on the agenda as far as some ministers were concerned. I think there has been great success; the first step has been taken. We will succeed in strengthening medicare.

Some hon. Members: Hear, hear!

• (1150)

FEDERAL FUNDING

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, obviously the minister is easily satisfied. She thinks it is an accomplishment to get people to recognize that extra billing exists. Speaking of rhetoric, she is the grand old lady of rhetoric herself. I warned the minister—

Some hon. Members: Oh, oh!

Mr. Blaikie: I warned the minister, Madam Speaker—

Some hon. Members: Shame!

Madam Speaker: Order.

Mr. Blaikie: Madam Speaker, I assume members opposite would not have been as happy had I called her the grand old man of rhetoric. I don't know what I was supposed to do.

Some hon. Members: Oh, oh!

Mr. Blaikie: Madam Speaker, during the debate on established programs financing I warned the minister that the Minister of Finance was rendering her powerless with his cutbacks in support of health care and post-secondary education, but she was too weak to stand up to him at the time. Will she now admit that this pack over here, the government, through the Minister of Finance, has done serious harm to the future of medicare? Will she admit that mistake now, after seeing what the provincial health ministers can do to her using these cutbacks as a club with which to beat her over the head?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, my colleagues around me say that they hope I do not have to establish either that I am old or a lady. I am past that point, so I will not comment on the remarks of the hon. member.

I would like to repeat that he must understand, if he is sincere—and I think he is—in wanting to strengthen medicare once and for all, that confrontation is over. He must understand that. He must accept co-operation and collaboration, if he wants, by the way, to dream of being in government one day. But he does not want to recognize that fact. Provinces must work together with the federal government on medicare,

and not get into a confrontation situation which, of course, makes better headlines.

He must also realize that although federal transfers to provinces have increased everywhere but at a smaller rate than anticipated by the provinces, the health budget, by reason of the priorities of this government, has fully increased. The provinces will get on average, for every one of the next five years, a 13 per cent increase in funds earmarked for health.

Some hon. Members: Hear, hear!

* * *

THE ECONOMY

INQUIRY RESPECTING LEGISLATION FOLLOWING ECONOMIC STATEMENT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my first question is to the Minister of Finance who has promised there will be a major financial and economic statement made in this House. I ask the minister whether, as a result of that major financial and economic statement, there will be new legislative measures introduced to this House?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the word "major" is the right hon. member's word, not mine. I think he will have to wait to see what is in the statement. As I indicated earlier, I cannot tell him today what the results of the cabinet deliberations might be.

Mr. Clark: Madam Speaker, this is probably the first time we have seen a retreat before the step was taken. What the minister is indicating to us now is that he is promising the people and Parliament of Canada nothing but a fraud at the end of this month, nothing but some decoration with no content.

CONTENTS OF FORTHCOMING STATEMENT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, will the Minister of Finance give this House a firm commitment that the economic statement which, he promised Parliament will be made while Parliament is sitting, and will contain new measures bringing help to the hundreds of thousands of Canadians who are suffering because of the economic policies of the government? Will it be a real economic statement, or simply another public relations exercise by this government?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I disagree with much of what the Leader of the Opposition has said in his rather colourful and exaggerated Friday morning eloquence. I have no intention of telling the Right Hon. Leader of the Opposition what I propose to say. I have already told the committee and the House that I will be reporting on the economic and financial situation. I told him that on Tuesday last, and he is now characterizing the statement in various ways. I think he will have to wait to hear the statement and analyse it before he can make up his mind finally. I do not want to preview my statement, and I wish he would not preview his response.

Mr. Broadbent: You already have.

Mr. Clark: The minister has already said that his statement will not be major. He has already indicated there will not be the kind of help that Canadians require from the government if it had any sense of responsibility for the current economic situation.

* * *

NUCLEAR ENERGY

DESTINATION OF NUCLEAR FUEL EXPORTED TO ARGENTINA

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the minister of state responsible for external relations. Can the minister say with certainty that the Government of Canada knows the final destination in Argentina of the nuclear fuel bundles being sent to that country from Canada?

Hon. Pierre De Bané (Minister of State (External Relations)): Madam Speaker, I will take this question as notice.

* * *

AUTOMOTIVE INDUSTRY

NEGOTIATIONS BETWEEN JAPANESE MANUFACTURERS AND CANADIAN PARTS SUPPLIERS

Hon. Bill Jarvis (Perth): Madam Speaker, recently in the House the Minister of State for International Trade indicated to me that two Japanese auto manufacturers were negotiating with Canadian parts suppliers. I presume he was referring to Mazda, which over a year and a half ago inspected some 15 plants but nothing has really transpired, and Honda, which received a list of 61 suppliers in April, and now apparently because of delays the negotiations will continue until at least August.

The minister must have more details of these negotiations than I do, but I ask him, without making any allegation, whether he is satisfied that they are being carried on in good faith by the Japanese manufacturers, or it is just window dressing, because the minister knows it is impossible to achieve fair trade without fair negotiations?

Hon. Ed Lumley (Minister of State (International Trade)): Madam Speaker, I will not be satisfied until such time as we see a substantial increase in the sale of Canadian auto parts to the Japanese automobile manufacturers. I am not aware whether Mazda is one of the companies. Honda certainly is, and I think Nisson is the other company. However, according to the Automotive Parts Manufacturers' Association there has

been a substantial increase in interest by the Japanese automobile manufacturers in purchasing Canadian parts.

ACCESS BY CANADIAN FIRMS TO NECESSARY SPECIFICATIONS

Hon. Bill Jarvis (Perth): Madam Speaker, assuming the minister shares our concern, as I believe he does, for these Canadian auto part manufacturers, and more particularly their tens of thousands of workers who are unemployed, I would like to ask him about another aspect of what appears to be an unfair trade practice, that is, the after-market or replacement parts for Japanese cars already in Canada, as compared to new parts.

What steps, if any, is the government prepared to take to permit Canadian manufacturers access to the prints and specifications necessary to manufacture replacement parts; second, what steps does the government propose to take to break down the absolute barrier whereby a Canadian parts manufacturer is not allowed to sell to Japanese car dealers here in Canada?

Hon. Ed Lumley (Minister of State (International Trade)): Madam Speaker, as the hon. member knows, when he first raised his question several weeks ago in the House, which was the first time I heard of the complaint, I asked our officials to undertake an investigation and I also talked to the auto parts association. They are in the process of trying to obtain a contract in order to validate the allegation made by the hon. member. At this point in time, although we have had some verbal confirmation, there is no written indication that this process in fact does exist.

* * *

FEDERAL-PROVINCIAL AFFAIRS

PAYMENT OF MANITOBA PAYROLL TAX

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, my question is directed to the Minister of Finance as a follow-up to the answer he gave to the hon. member for Provencher, because the minister was not especially clear in his answer. Is he saying that even though the federal government has paid a similar payroll tax in the Province of Quebec for some years now, it will not now pay the new Manitoba tax?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, my answers were in reply to the hon. member for Provencher. Those answers still stand.

Tabling of Documents

PETITION

MR. GREENAWAY—RECONSIDERATION OF GUN CONTROL LEGISLATION

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the two hundred and sixty-eighth report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Cariboo-Chilcotin (Mr. Greenaway) and finds that it meets the requirements of the Standing Orders as to form.

* * *

• (1200)

POINT OF ORDER

MR. EPP—REQUEST MR. MACEACHEN TABLE DOCUMENT

Hon. Jake Epp (Provencher): Madam Speaker, I rise on a point of order about which I shall be brief. It arises out of the question period today and a question of mine to the Minister of Finance (Mr. MacEachen). This question which I asked earlier on May 19 concerned a ruling about the view of the federal government on the constitutionality of one level of government being able to tax another level of government. The minister, and I believe I am correct about this, read from a document. I do not know whether that document was a letter, a legal opinion, or indeed what it was, but I believe the rules of the House indicate that if a minister reads from a document, the document is then tabled. If that was the case, should that document not be tabled at this stage?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I can assure the hon. member that I was not reading from any official document. I was reading from my own notes.

ROUTINE PROCEEDINGS

[*Translation*]

JUSTICE AND LEGAL AFFAIRS

PRESENTATION OF FIFTH REPORT OF STANDING COMMITTEE

Mr. Claude-André Lachance (Rosemont): Madam Speaker, I have the honour of tabling the fifth report of the Standing Committee on Justice and Legal Affairs.

[*Editor's Note: For above report see today's Votes and Proceedings.*]

Order Paper Questions

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,116, 4,313 and 4,323.

[*Text*]

DAIRY FARMERS BRIEF ON CHEESE IMPORT QUOTAS

Question No. 4,116—**Mr. Cossitt:**

1. Did the Dairy Farmers of Canada in their brief dated January 21, 1982 advocate that cheese import quotas be reduced commencing January 1, 1983 over a period of the next three years amounting to an approximate decrease of 20 per cent and, if so (a) is the government giving favourable consideration to this request (b) on what date will the government reach a decision on the matter?

2. To the knowledge of the government, is the demand for variety cheeses in Canada to a very great extent being adequately met by products produced in Canada and, if so, does the government agree this should warrant consideration of further cheese import reductions?

Hon. E. F. Whelan (Minister of Agriculture): 1. Yes. (a) Yes. Officials are giving consideration to the implications of this request. (b) Changes, if any, would normally be announced at the beginning of the dairy year, which is July 1.

2. In 1981, domestic production of variety cheese consumed in Canada represented 80.7 per cent compared to 68.3 per cent in 1975. This increase in the consumption of domestically produced variety cheese reflects the strength of the variety cheese industry in Canada. The domestic variety cheese industry is slowly reducing the demand for imported variety cheese by its production of high quality world class cheese. However, any substantial reduction in cheese imports could have an adverse effect on over-all variety cheese consumption. Canada presently manufactures about 60 different varieties of cheese and imports about 125 varieties.

HOTEL ACCOMMODATION PURCHASED BY DE&I

Question No. 4,313—**Mr. Mazankowski:**

1. Did the Department of Employment and Immigration purchase hotel accommodation and meals services from the Avion Motor Hotel in Mississauga and, if so (a) for what purpose (b) what was the total cost of the services (c) how many meals were involved (d) what was the average cost per meal?

2. Were any costs related to damages or renovations and, if so, what amount and for what purpose?

Hon. J.-J. Blais (Minister of Supply and Services): 1. A contract was awarded, by DSS, on behalf of the Department of Employment and Immigration, to Avion Motor Hotel, Mississauga, Ontario.

(a) To provide hotel accommodation and meal services to persons detained for immigration pursuant to the authority of the Canadian Immigration Act for the period May 1, 1982, to April 30, 1983.

(b) This information is not available at this time. However the estimated contract value for the period May 1, 1982, to April 30, 1983 is $518,500 based on a firm rate of $39,279.19 per month for 30 rooms including 8,540 detainee day meals per annum. Any renovations or costs related to damages that the hotel is required to do is included in this firm price monthly rate. The difference between the annual firm price of $471,350.28 and the estimated value of the contract of $518,500 is to cover extra meals.

(c) Not available. See 1(b) above.

(d) The average cost per meal is estimated to be $5.

2. See 1(b) above.

RESERVE FORCE PERSONNEL EMPLOYED AT CFB GAGETOWN

Question No. 4,323—**Mr. Howie:**

1. How many Class C and Class B reserve force personnel are employed by the Department of National Defence at CFB Gagetown?

2. Are any plans underway to reduce these numbers?

Hon. J. Gilles Lamontagne (Minister of National Defence): 1. As of April 30, 1982, the numbers of reserve force personnel employed at CFB Gagetown were as follows: under Class C conditions of service, 72; under Class B conditions of service, 95.

2. Yes. For the remainder of this fiscal year, it is intended to reduce the number of reserve personnel called out under Class C conditions of service to nine by September, 1982, and to four by December, 1982. The number of reservists serving under Class B conditions will fluctuate from the present 95 to approximately 200 during the peak summer months and then in September decline to about 30 for the balance of the current fiscal year.

[*English*]

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

[*Translation*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

On the Order: Government Bills (Commons):

June 10, 1982—Second reading and reference to the Standing Committee on Justice and Legal Affairs of Bill C-117, an act to amend the Criminal Code—The Minister of Justice.

Mr. Smith: Mr. Speaker, I rise on a point of order. I think it should be noted that while there is no agreement between the parties as to the number of speakers, there is agreement, I believe, and this can be confirmed, that this bill will be completed through all stages today and accordingly will go to Committee of the Whole.

Madam Speaker: If that is the agreement of the House, I am sure the House will conform to it.

Hon. E. F. Whelan (for the Minister of Justice) moved that Bill C-117, to amend the Criminal Code, be read the second time and deferred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, yesterday we gave first reading to this bill to amend the Criminal Code. We are asking hon. members to consider legislative changes which will strengthen the horseracing industry. Without these changes, the industry will suffer continued decline. Some tracks will be forced to close down. Some horse breeders will be put out of business, and some communities will be deprived of a pleasurable sporting event.

Before I discuss the specific changes which we are seeking, I would like to express my appreciation for the co-operation of the Minister of Justice (Mr. Chrétien) and of parties on all sides of the House.

I want to outline first the over-all size and importance of the Canadian horse racing industry. Despite stiff competition from the lotteries, pari-mutuel betting at horse races is still the number one area of betting in Canada. I should explain that "pari-mutuel" means "among ourselves". It is an apt phrase when you consider that 80 per cent of the total bet is returned to the bettors.

In 1981, Canadians bet about $1.7 billion on horse races, which was up about 8 per cent from the previous year. Attendance held steady at about 14 million people. Gross purse money rose by 11 per cent to about $108 million, and the provincial tax revenue rose by nearly 10 per cent to $129 million. Of the $1.7 billion bet, tracks and horsemen received only 10 per cent, about $173 million. That amount is insufficient when so many people, businesses and communities depend on racing. There are more than 100 horse racetracks across the country. More than 40,000 people are employed in the industry and more than $2 billion is invested in land, buildings, equipment and breeding stock. It is big business.

Track operators' expenses and the cost of maintaining the horses have risen year after year, and yet the percentage which tracks are permitted to retain from pari-mutuel betting has not been increased for more than a decade.

If I may repeat some of the key figures, $1.7 billion was placed on bets; $173 million was retained by tracks and horsemen, split about 50-50; provincial tax revenues amounted to $129 million, which was a substantial amount; and the industry employs about 40,000 Canadians.

My responsibility as Minister of Agriculture with regard to horse racing is twofold: to provide protection for the betting public, and to ensure a viable Canadian horse-racing industry. My department's race track division, in co-operation with provincial racing commissions, supervises betting at race tracks to ensure that a fair race is run. The division staff takes blood samples of the horses to make sure they have not received drugs; we provide photo-finish service and video tape monitoring; and we make sure that the tracks abide by the terms of the Criminal Code with respect to commission rates, betting procedures, racing dates and so on.

How do we do this? We do it strictly on a cost recovery basis. The federal levy on bets is six tenths of 1 per cent. It has been said by some that the federal government makes a lot of money. The federal government does not. Ours is strictly a cost recovery program. This federal levy on bets of six tenths of 1 per cent generates about $10 million per year. That just covers the department's expenses, including the cost of running the new equine drug evaluation centre in Jerseyville, Ontario that we have just established.

As an aside, I would like to mention that many of the top people in the race track division came to us from the RCMP. They used to be permanent members of the force but most of them are now those who have retired from the force. They have experience and an understanding of the Criminal Code. They have maintained the public's confidence in seeing a fair race, and that is very good for the industry.

• (1210)

The changes in betting practices which I have introduced in the past year and the additional changes which will come into effect when Parliament passes the amendments we are considering today will not only improve the marketing power of racetracks but will also discourage the use of illegal bookmaking by making legal gambling more convenient and, if I may say so, probably more appealing.

The four programs which I have introduced through regulations are: more pools per race; new betting pools, such as Win 6 and Big 6; advanced betting; and telephone account betting. These programs are all optional and individual tracks will make their own decisions about whether or not to pursue these new marketing possibilities. Basically these programs have been well received by the industry and are slowly resulting in improvements in revenue earned by the industry.

I should add that there is some reservation on the part of small tracks. I have made it very clear that it is my intention to make the total racing industry healthy, not to hurt it. In no way will I allow that to happen.

The changes at which we are looking today will build on to the reforms I am talking about. First, we are seeking approval for inter-track betting. In simple terms, inter-track betting will allow a person at one track, or a person who has a telephone account with that track, to bet on horse races at another track. Inter-track betting will be optional, and before any track can use it, it must have the agreement of the other participating track.

Let us take a look at some of the advantages of the system. First, it will allow tracks to make better use of their capital

investment by using their facilities to handle bets on other races. Second, it will give bettors a legal way of placing a bet on major national races such as the Confederation Cup in Flamboro Downs, the Prix d'Eté in Montreal, the Queen's Plate in Toronto, or the B.C. Derby in Vancouver. It would discourage betting illegally on the same races through a bookie.

The track commission would be deducted on behalf of the track sponsoring the race, but other tracks participating in inter-track betting would also receive a share of the moneys bet through their own track. We do not know exactly how much new business would be generated as a result of this kind of system, but we know that major tracks such as the one at Fort Erie may be forced to close unless it has the opportunity to expand its marketing base.

The second of the three changes in Section 188 which we are putting forth is to provide for an increase in the scale of commissions charged by race tracks. At present the legal scale is between 9.5 per cent and 12 per cent of total bets. The proposed scale would extend the 9.5 per cent rate to 10 per cent for large tracks, and from 12 per cent to 15 per cent for small tracks.

There is an acute need for higher commission rates. The daily average revenue received by tracks from the commission rate since 1971, measured in constant dollars, has dropped by 11 per cent. As a result of that diminished return, tracks have been forced to increase their charges for things such as admission, parking and food. This has had a detrimental effect upon attendance which, on an average daily basis, has declined year after year.

When the new maximum fees are in place—and again it is optional for tracks to charge the maximum; they do not have to do it—tracks could take in an additional $17 million or an approximate 10 per cent increase, plus an additional $11 million if they opt to vary their pool percentages. If tracks choose to deduct the maximum percentage, plus the variance from the pools, the potential maximum increase would be approximately 17.2 per cent, based on actual betting figures for 1981.

The third and final change we are seeking is to allow for the transfer of certain administrative matters to regulations. The bill proposes that the maximum number of betting races permitted and the track commission rate be transferred to the regulation-making authority of the Minister of Agriculture. The new regulations would permit 12 races instead of ten on Saturdays and holidays, without permitting a substantial increase in the total number of races per week. Also, by allowing the track commission rate to be adjusted by regulation, we would be able to react more quickly to the changing needs of the industry.

In closing, I stress that these proposed changes have been requested by the industry and that there is widespread support for them. They will not only improve the marketing base for race tracks and horsemen in the face of serious competition from lotteries, but they will also reduce the betting public's use of bookies. I know there are those who say that we should do nothing which encourages or facilitates gambling. However, we must bear in mind that betting on horse races has been going on for as long as horses have been domesticated. Historians have proof of horse racing in Asia Minor 3,500 years ago. In Canada, betting on horses has been a common practice for more than 100 years. Today, more than 14 million people attend race tracks annually. Many of these tracks are in small rural communities and need support.

I want to make clear to people who have said that I have gone to off-track betting that we have not and we do not intend to. Race track facilities and pari-mutual betting equipment will be used. Some people are already saying that they want to operate the first off-track betting shops. I want to make clear that we will not have off-track betting shops. We will use the system which is in place.

Race tracks that opt for this system will have to hire extra employees to work in their facilities. Inter-track betting can also mean less use of automobiles, etc. For instance, if one track is idle and it has decided to use a screen in its dining room, people can watch a race which is taking place at another track. In that event they all share in the revenue, and people can spend an enjoyable evening without driving 100 or so miles to another racetrack to participate in their favourite sport of betting. I do not intend to try to take away their favourite sport, but I intend to make it a better operation and a more legal operation than it is. There will be less betting with bookies than at present. There will be more revenue for racetrack facilities, for horse owners, and for all people concerned with the program.

Some people almost intimate that it is sinful to bet. I do not think it is. Even in my church we have such things as bingo, etc. Some people say that our whole system in one big gamble.

Mr. Epp: With this government you had better believe it!

Mr. Whelan: I am sure no one is suggesting, even the hon. member for Provencher (Mr. Epp), that we abolish the entire system under which we operate in Canada. Much of it is a big gamble—

Mr. Epp: Canadians gambled and they lost.

Mr. Whelan: I am sure the voters in the hon. member's constituency gambled on him. He is sure that they made a good bet. He approves of that kind of gambling and that kind of betting, so I am sure he will approve of this. There is not that much difference. There is a lot of good horse sense, common sense and economic sense in what I am suggesting.

I urge hon. members to approve the three amendments to this bill to strengthen the Canadian horse racing industry, which is a very important industry in the country.

Mr. Smith: Mr. Speaker, I rise on a point of order. I believe the motion which is before the House should be corrected so as to accurately reflect the agreement of House leaders, namely that the bill go to Committee of the Whole.

• (1220)

The Acting Speaker (Mr. Blaker): The hon. parliamentary secretary earlier referred to the possibility that members might be agreeable to putting the bill through all stages today, including the Committee of the Whole. The Chair put the motion as referring to second reading and reference to the Standing Committee on Justice and Legal Affairs. I take it that there is unanimous consent that that ought to be amended so that the motion reads "and reference to Committee of the Whole". Is that agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): The Chair has some indication that hon. members wish to speak. I just want to point out that, given that correction of the motion, members may prefer to speak to second reading or to Committee of the Whole.

Mr. Chuck Cook (North Vancouver-Burnaby): Mr. Speaker, first, I would like to compliment the Minister of Agriculture (Mr. Whelan) on a speech with which I basically agree. Some of his comments with respect to off-track betting I found offensive but basically his remarks were quite proper and I have no hesitation in endorsing them.

I would begin by saying I have got hoofprints on my heart. I have a mother who was born in the Kentucky blue grass country and a father off an Ontario farm. I guess horse racing, by choice as well as being hereditary, is in my blood. My mother used to take me to all the western movies when I was a little boy to see Ken Maynard, Tom Mix, Roy Rogers and Gene Autrey.

Mr. Wilson: What about Hopalong Cassidy?

Mr. Cook: Hopalong Cassidy too. I thought she was taking me to the movies because she wanted to see the "shoot-em-ups", as I did. It was later, after I grew up, that I found out that she wanted to watch the horses instead. My first trip to a race track was when I was ten years old and I went with my mother. I have been returning to them ever since. Polo Park in Winnipeg certainly saw a good deal of me during my teenage years.

I make those remarks in advance to indicate from whence I am coming in regard to this bill. The purpose of the amendment to the Criminal Code is to permit inter-track pari-mutuel betting on horse races, thereby enabling a person to make a bet in person or by telephone at one racecourse in respect of a race being run at another racecourse. The amendment would also remove the requirement that bets on horse races be made only during the actual progress of the race meeting. It thereby permits advance betting on horse racing to be conducted in accordance with regulations made under subsection 188(7) of the Criminal Code.

What does this really mean when we remove the legal language from it? First, it means telephone betting. How will this operate? The first requirement is that you must deposit your money in advance. You open an account, similar to a bank account, at your favourite racetrack. You give your name, you receive a number for the account and you will have a code word so that there is at least a double check to ensure that no one can use your account and make bets which are unauthorized by you. Therefore, you phone the racetrack, give them your account number and your code word and the telephone operator will tell you how much money you have on deposit. At that point, you indicate to the operator what horse, what race and what amount you wish to bet. This is then recorded and entered into the mutuel system of the race track.

There is one other double check which is absolutely necessary and which is done. The entire conversation is recorded and maintained. Therefore, if you later discover that a mistake has been made, all that is necessary is to make an application to the racetrack and it will retrieve the tape recording of the telephone conversation which will absolutely determine if a mistake was made. It is a system which we are adopting in Canada that has worked very successfully in the states of Connecticut, New York, Kentucky and Florida. It seems to be almost fail safe and is working extremely well. This is a necessary part of the system.

The other aspect concerns inter-track betting. This means that in my province of British Columbia, for example, there can be a link-up between Exhibition Park and Cloverdale Raceway, a link-up between Sandown race track on Vancouver Island and perhaps some other smaller tracks in the interior which may wish to participate in such a scheme.

In Ontario, it would mean link-ups for Woodbine, Fort Erie and Greenwood, which are three typical examples. The only racing dates in the months of August in Ontario are held at the Fort Erie race track. Fort Erie, with its flowers and lawns, is one of the most beautiful race tracks in North America.

I am pleased with this legislation because it will give the Fort Erie track a real opportunity to survive as a viable race track with all of the employment it provides in the Fort Erie area. Under inter-track betting during the month of August, the Ontario Jockey Club may, if it so decides, open a portion of the clubhouse at Woodbine or at Greenwood where racing will not be taking place in the afternoon but where the racing fans of Toronto may then be able to go to watch the races being run in Fort Erie on large-screen television and also be able to bet on those races. Of course, this means considerably more employment in the Toronto area as additional staff will be required to operate those tracks.

It is also a considerable benefit to those who are most interested in the racing game. I might add that it also means that Blue Bonnet in the Province of Quebec as well as other tracks in that province will now survive. We should be thankful for that because Blue Bonnet is too much of an institution in Quebec to be turned into a shopping centre.

I believe that the statistics on racing would be shocking to many people who do not understand just how large an industry it is. I will relate a number of figures just for the province of British Columbia alone to indicate to my constituents what we are talking about. There are 3,000 thoroughbred and standardbred breeders in Canada. There are 450 breeders in British

Columbia. There are 10,000 racehorse owners in Canada, including 900 in British Columbia. There are over 8,000 people employed in the racing industry in British Columbia, of which some are part-time employees. Over 40,000 people in Canada are employed in racing.

In British Columbia alone the thoroughbred breeders have over $100 million invested in land, buildings, equipment and livestock. The total thoroughbred investment exceeds $300 million in British Columbia. Total purchases in British Columbia in 1981 for standardbreds, and thoroughbreds was $11.1 million. The 1981 national total was $107.8 million. Most of this money goes to the agricultural industry in the form of wages and purchases of supplies.

What about wagers? How much money is really involved? British Columbia harness racing wagering was $62.7 million. British Columbia thoroughbred racing wagering was $142,719,000. Total wagering in the Province of British Columbia was $205,421,528. In 1981, B.C. racing generated just over $14 million in direct wagering taxes for the B.C. government. The national total, I might add, for all provincial governments was $129 million. If only the provincial governments could be made to understand that if they would reduce the take-out, they would undoubtedly make more money. Anywhere that this has been done has resulted in more revenue for provincial governments rather than less. The latest example in recent years is British Columbia itself, where the take-out of the individual dollars bet was once 22 per cent, but when it was dropped to 18.2 per cent, guess what happened? The provincial government made considerably more money. The same thing happened in New York state, as well as in other jurisdictions.

• (1230)

It is unfortunate that provincial politicians allow greed to get in the way of what makes more sense in terms of raising revenue for themselves. The fairer the break to the bettor, the more revenue that results. Referring to attendance in British Columbia, 468,804 attended B.C. harness racing last year. B.C. thoroughbred attendance was 1,085,858. There is an interesting sidelight in those figures, and that is the fact that this attendance total is in fact larger than the combined totals for attendance at all Vancouver Canuck hockey games, B.C. Lions football games, Whitecap soccer games and the Canadians baseball team. Put them all together and racing in still the largest sport, not only in my province, but also in North America.

I would like to mention a few Canadian racing statistics to emphasize the point again as to how important this legislation is to an industry which has been hurting. The total Canadian attendance at racetracks in 1981 was 14,001,942. This total was greater than the total attendance at all National Hockey League games, Canadian Football League games, North American Soccer League games and all professional baseball games. Put them all together and the total does not equal the attendance at racetracks.

Do hon. members know what is the largest single sporting event, if not in the world, certainly in North America? It is the Kentucky Derby, in a city of 300,000 named Louisville, Kentucky. At that track 140,000 people paid attendance for the one race. On the particular day this year, $5 million was bet through the mutuels at the race track on one race. Over $11 million was bet for the one day at Churchill Downs.

What is the amount of money that was bet on races in Canada in 1981? It was $1,709,659,905. In terms of its effect on the tourist industry in Canada, what does racing do? Manitoba is the only province in which statistics are kept. In 1981, $9 million was generated in spending by tourists coming into the province for the horse races at Assiniboine Downs in Winnipeg. Most of these tourists came from North Dakota and Minnesota. That amount of $9 million was generated because of a track well over 60 miles from the border. Consider the impact on our tourism of the Fort Erie racetrack across the river from the city of Buffalo, or of Exhibition Park in Vancouver, less than 20 miles from the Washington state border. The same applies to other tracks across the country which are close to an American audience.

I think that if we are really to understand this legislation and its importance, we must talk about some of the people involved in this game and some of the skills which are an absolutely vital necessity for the successful conduct of a race meeting. I am thinking of people like Grubb and Carberry on the prairies, Doug Reid in Vancouver and Darryl Wells here, men who could memorize 12 horses by their colours in less than three minutes and then accurately call a race being run, with very seldom a mistake. I am thinking of the jockeys who are, without a doubt, the highest paid athletes in the world, who take their lives in their hands several times a day when climbing on the backs of 1200-pound horses. These jockeys weigh 115 pounds. Imagine a 115-pound jockey on a 1200-pound horse which is supported by very thin and fragile legs, going at a speed of 40 miles an hour.

Consider the trainers, the crafty ones. Frank Christian in British Columbia is an example. He raised his horses in the Okanagan Valley. Every spring he would bring a few of them onto the racetrack. They would win a few races, he would sell his horses, and they would be gone by the end of June. Consider British Columbia's Sonny O'Connell, president of the Horsemen's Association of British Columbia, who once told me that if he had spent as much time with the bible as he had with the racing form, he would be a saint today! These are some of the people involved in racing.

Consider George Cummins who likes nothing better on the west coast than to pick up a horse and keep running it against better and better stock, winning all the way. Or take Frank Passero, for example, here in Ontario, who can claim another man's horse the race before it will win. Or a man named Tammaro, at Woodbine who can talk to two-year-olds, I believe.

Look at the working executives in this industry across the land, such as Jack Kenney, Irv Klugman in Ontario and Merv Peters in Vancouver, who run and work with a million problems every day. Bill Veeck, who is more well known for baseball, once ran Suffolk Downs in Boston for a while. He

wrote one of the funniest, most enjoyable books about racetracks that anyone could read called "Twenty Tons a Day", and hon. members know to which he refers.

Take a look at the men with the finances and their love of racing who have provided enjoyment for so many millions of people over the years. Consider Jack Diamond from British Columbia, who almost single-handedly resurrected racing on the lower mainland. Consider Charles Taylor and what he has done with Winfields Farms and the breeding industry and racing in Ontario. Consider Jean-Louis Levesque of Quebec and the famous Speers family on the prairies. These dedicated men have done a great deal, and this government has brought in a bill to help continue the good work.

Then there are the owners of the racehorses as well, men of vanity who have found their relaxation and pleasure in horse racing. Consider a man like Bill Kocken on the west coast who literally flew all night and all day to get to Vancouver from the Arctic because he had a little two-year-old running in a race that night which he simply had to see. Well, he got there, and his horse did, too. We may hear more of Vance's Bay. As Jim Coleman has stated, "A rich man needs two things, a worry and a hobby, and he can solve both needs by buying a race horse."

Some hon. Members: Oh, oh!

Mr. Cook: Consider Hunky Bill Konyk of the west coast, the owner of a successful chain of restaurants. He finds his relaxation by owning his own horses. They do not often win, but that is where a lot of the restaurant profits go.

My Dad once became involved in owning a race horse. He went to Polo Park in the middle thirties and I suspect he had had a drink or two; but anyway, at the end of the day he owned a racehorse. It took him several months to realize what had happened to him, before he could sell the racehorse, and he gave me some advice on that occasion. It was one of those treasured maxims of a father to a son. He said, "Son, if I have learned one thing, I hope you learn it easier, and that is, never own anything that eats!"

Some hon. Members: Oh, oh!

Mr. Cook: Finally, the individual racing fan is the most maligned person in the world. He is abused, dishonoured and ridiculed by an ignorant and uninformed public. Yet he is the salt of the earth, Mr. Speaker.

• (1240)

Let me mention, to his embarrassment I am sure, Desmond Kimmitt, who is known as the punting priest in British Columbia. Besides running a major parish in West Vancouver he serves on the B.C. Racing Commission. He grew up in the horse country in Ireland and now can be found at the racetrack whenever he can find the time.

Then there is a Chinese family of father, mother and a couple of children who for years have gone to the racetrack every day. Jack Short, who is a legend in himself having spent 44 years announcing races on the west coast, told me that he once asked his father if he made any money going to the track day after day, season after season. The father answered that he made money on occasion but on other occasions he would lose. He had worked it out that for the family to go to the racetrack as often as they did cost him about $3,000 per year. Short mentioned that they could take holidays for that money, but the father pointed out that it was very easy to spend $3,000 on a holiday within two weeks and that his family could have about 100 holidays every year by going to the racetrack.

Those are some typical fans, the type of people that you run into at race tracks. The president of an insurance company and the swamper in an office building are equal when they pick up a *Racing Form* to determine the winner of a race. Often the swamper can prove wiser than the president. That is part of the appeal.

I know people who would swim a raging river to see a good horse race but could not care less about making a bet. There are more thrills, there is more emotion, more enjoyment for the recreational dollar to be found at the racetrack than anywhere else. It is the most participatory of spectator sports. No one should disdain the $2 bettor; he is to be envied. A $2 bettor will tell you that you must always remember that the less you bet, the more you lose when you win! Damon Runyon made a statement to the effect that all horse players die poor. Any horse player knows that is not true. Even if it were, he forgot to add that all horse players die broke—but with a smile on their face, having found great joy in their recreation and hobby.

Jim Coleman, who is probably the best sportswriter Canada ever produced, wrote an autobiography called "Hoofprints on My Heart". I stole the line for the introduction to my speech. Without a doubt it is one of the funniest, most sympathetic, most understanding books about racing in Canada that has ever been written. Anyone who does not like racing and who took the time to read Jim Coleman's book will change his view.

Let me turn to the unfortunate side of racing, Mr. Speaker. When I say unfortunate, I mean the criminal element. I am referring now to bookies. I have some statistics which are fascinating. In June of 1981 in the city of Toronto, the average daily sale of the *Racing Form* was 88,000 copies; in the month of July it was 99,000 copies daily and in August it dropped somewhat. But the connection is this, Mr. Speaker: in June, 1981 when 88,000 copies of the *Racing Form* were sold daily, approximately 10,000 people attended Woodbine race track. Even assuming that everyone at the race track bought the *Racing Form*, even though the actual figures indicate that each *Racing Form* serves 1.5 persons, that still leaves 78,000 in the hands of people who did not go to the track. In the month of July over 80,000 Racing Form were sold daily at $1.75 each to people who did not go to the track. I do not think it takes a mental giant to figure out that if someone paid $1.75 for a Racing Form and did not go to the track, there was some other way he could make a wager. The bookmaking industry is obviously flourishing in Toronto.

One thing that this bill will correct is this. During the month of August when racing does not take place in Toronto and the horses are at Fort Erie, which averages 5,000 to 8,000 people per day, still 41,000 copies of the *Racing Form* are sold in Toronto. Surely with telephone betting, with inter-track betting and the big screen, some of those 30,000 people who are now contributing to the welfare of the underground and the scoundrels who are bookies will instead place their bets honestly. This bill is a blow to bookies, Mr. Speaker.

I should like to quote a statement made by Mr. Don Winterton, the former chief of police of the city of Vancouver. He stated:

> I have reviewed the general regulations which were proposed for telephone account betting, and feel they will be a help in controlling illegal bookmaking activities as they apply to horse racing. It has been my experience that most people when provided with a legal alternative to an illegal activity, will choose the legal avenue. Consequently, I would expect that telephone account wagering could significantly reduce illegal bookmaking on horse racing, thus diverting revenue from the underworld to the racing industry and to provincial governments.
>
> I am fully supported in this matter by Harold Adamson, former chief of police of metropolitan Toronto.

That is what the former chief of police thinks.

If we are to eliminate the illegal bookies totally and drive them out of business, the next stage must also be contemplated by government if only to allow the provinces to decide for themselves. The Government of Ontario is in favour of off-track betting and would introduce it. That is the next stage. Off-track betting must come and it will remove the leech of the bookmaker from legitimate racing. The bookie contributes nothing to the support of racing or to provincial revenues, but off-track wagering could contribute substantially to provincial revenues.

Is there any real reason in this day and age why people of this country should not be allowed to make a small wager on the Kentucky Derby, the Japanese Cup, the Queen's Plate, the British Columbia Derby, the Arlington Million, the Longacres mile or a number of races in Europe? Those events could be brought in by television, although the regulations proposed by the Minister of Agriculture do not permit it at this time. Hopefully he and his officials will see the light and realize that it is good for the sport to have maximum exposure of some of the finest horses to be seen in the world.

• (1250)

Let us turn to something else. Let us turn to the major danger facing racing and one of the main reasons this legislation was eventually brought about. I refer to the despicable question of lotteries. Let me go over some of our lotteries and give some indication of what the individual person is up against. Super Loto, $10 per ticket; the top prize, $1 million; the odds, 800,000 to one. The Provincial lottery, the top prize, $500,000; the odds 800,000 to one. Wintario, for a dollar, the top prize, $100,000; the odds, one million to one. Lottario, for $1 and up; the top prize fluctuates weekly; the odds on winning are 3.2 million to one. The Cash for Life lottery, for the $2 ticket, the top prize $50,000 per year for life, taxable, or $300,000 lump sum, non-taxable; the odds, 1.4 million to one. The Pot of Gold lottery, a $2 ticket, the top prize $100,000; the odds one million to one.

Let us deal with the newest little gimmick, Loto 6/49. If you think you are lucky, Mr. Speaker, really lucky, here is your chance to prove it. With odds of 13 million to one, you can risk a buck to win a million in Canada's latest lottery. Loto 6/49 was introduced on June 4 of this year. It is similar to Lottario, except that the odds are longer and the winnings bigger. One person in 3.2 million wins Lottario's average jackpot of $300,000 per week. Loto 6/49 will offer a million dollar jackpot after a year.

Forty-five cents of every dollar taken in goes to prizes, on average, in all of the lotteries. Let me contrast those figures with a couple of things out of the horse racing world, for those who wish to gamble rather than intelligently handicap and speculate on horse races. It is 3.2 million to one for an average jackpot, top prize $300,000. In the Pick 6 in Vancouver, in the Pick 6 at Woodbine, there have already been pots of $300,000, and all you have to do is pick the six consecutive winners of six races. Now, compared with 3.2 million to one odds, it is almost lead-pipe cinch. You have only 10 or 12 horses in each one of the races. You have only to pick one from each, so you might say 12 times one times six, and sure, the odds are that you have a chance; also you have a good opportunity to use your intelligence in determining what is taking place.

Some hon. Members: Hear, hear!

Mr. Cook: Now, aside from the jackpots, in this new one, Loto 6/49, players can win cash prizes of $10 weekly for matching three numbers. Shared cash prizes, determined on a pool basis, will be given for matching four and five numbers as well. Now, let us get right down to the basic $10. The chance of winning any prize is estimated at one in 53. You could get better odds on a long shot at a race track than that, for better odds and far more for your $2. Lotteries really have drained off a lot of recreational dollars. It is a system and a despicable thing which gives people dreams, but if they would only look at the 3.2 million to one odds!

I had the occasion to draw a lottery once and nothing brought it home to me as much as that. It was for $100,000. I went into this room. There was a 20-foot wall which was filled with shoe boxes. I mean that the wall was filled, column after column after column, from the floor to the ceiling. The first thing we did in picking this winner was to spin a little wheel and pick out a number. That gave us row of boxes No. 15. So we went over to the fifteenth row and we knew the winner was going to come from that fifteenth row. Then we spun the numbers again and came up with the number nine. Then we counted down nine and pulled out that one box and opened it. In that box there were 1,000 individual tickets. My function then was to take a knife and stick it into that box somewhere and they would remove a ticket. We did that and someone won $100,000. But I think anyone who has paid money for one of those lottery tickets, if they could have seen that wall, if they could have seen the fantastic odds against them, would have

felt much better about placing $2 in a horse race where at least at worst they get a ten-to-one chance of winning something.

There are several things that have yet to be done for the benefit of racing in this country. Whether our present Minister of Agriculture has the intestinal fortitude to do it or not I seriously doubt. One of them is to allow the provinces to decide for themselves whether they want off-track betting. Another one is to attempt to persuade them, and to provide statistics in support, that the government's share must be reduced and that they will take less out in order to gain more money.

Mr. Whelan: Which government, this government?

Mr. Cook: All governments.

Mr. Whelan: It is 0.6 per cent to the federal government.

Mr. Cook: It is 0.6 per cent to the federal government, says the Minister of Agriculture. What he did not report was the surplus that the government keeps from that 0.6 per cent, to the detriment of the individual bettor across Canada.

The implications for racing with this new legislation, which I fully approve of, are substantial. It is a good move this government has made and I am pleased that they have done it.

As a final word, Winston Churchill in his declining years was once asked by a reporter, if he had to live his life over again, what would he change, what would he have done differently? After much thought, his statement was: "I wish I had bet more on the black at Monte Carlo!" I suspect that if I am asked that same question in my declining years, my answer would be: "I wish I had found more time to spend at race tracks!"

Some hon. Members: Hear, hear!

Mr. Cook: Mr. Speaker, I have a few more brief comments, but because of the nature of them I wonder if we might call it one o'clock.

The Acting Speaker (Mr. Blaker): If that is agreed, it being one o'clock, I do now leave the chair until two o'clock.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Blaker): When the House rose at one o'clock, the hon. member for North Vancouver-Burnaby (Mr. Cook) had the floor, but the chair has been advised that there may be a point of order with respect to last night's proceedings.

Point of Order—Mr. MacKay

POINT OF ORDER

MR. MACKAY—BILL C-108—REQUESTED CHANGE IN RECORDING OF VOTE

Hon. Elmer M. MacKay (Central Nova): Mr. Speaker, my point of order is very brief. It has to do with the vote I registered last evening with respect to Bill C-108. Due to some confusion or juxtaposition of my seat at the time the vote was taken, the vote I cast was wrongly ascribed. I wish to be on record as having voted for Bill C-108—with the government in this instance—and I request that the record be changed. If it requires a motion to accomplish this, I would be pleased to put a motion; but if that is not required, I would just like to have this on the record, and I have already spoken to *Journals* about it.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, if it is required to seek unanimous consent for the purpose of reverting to motions to present a motion which would clarify the anomaly referred to by the hon. member for Central Nova (Mr. MacKay), I as well would be quite prepared either to move or to second that motion.

In any event, the point of order is to clarify any anomaly at the time of the taking of the vote last night. At the conclusion of the taking of the votes from the side opposite and when the last vote had been recorded, both the hon. member for Central Nova and I rose with the intent and purpose of supporting the bill. As I pointed out on a brief question of privilege last night, the bill before us at that point did contain a matter of importance and urgency to maritime Canada. It is incumbent on me to join with the hon. member for Central Nova and to inquire about whatever the proper procedure is to remove any anomaly with respect to the recording of that vote last night. It was my intention—and it remains my intention—to support the content of Bill C-108 at third reading.

The Acting Speaker (Mr. Blaker): The hon. member for Central Nova (Mr. MacKay) and the hon. member for Dartmouth-Halifax East (Mr. Forrestall) have both been so kind as to advise the Chair of their intention. Of course, being in the chair last night, I was also aware of the events in relation to the vote. I think probably the best way to do this is to seek the unanimous consent of the House to have the hon. member for Central Nova and the hon. member for Dartmouth-Halifax East recorded as having voted in favour of Bill C-108 last night. That constitutes a correction of the House of Commons Debates record, *Hansard*, and I presume there would be no difficulty for hon. members throughout the House in that regard. However, it is procedurally necessary to seek the unanimous consent of the House to make that change in *Hansard*. Is there unanimous consent?

Some hon. Members: Agreed.

CRIMINAL CODE

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Whelan (for Mr. Chrétien) that Bill C-117, to amend the Criminal Code, be read the second time and, by unanimous consent, referred to Committee of the Whole.

• (1410)

Mr. Chuck Cook (North Vancouver-Burnaby): Mr. Speaker, in checking the blues I see there is one thing I forgot to include in the statistics, particularly when I was comparing lotteries with racetracks. That is that the average lottery returns approximately 45 cents on the dollar to those who buy lottery tickets. I do not believe there is a racetack in Canada where it is not over 80 cents on the dollar. I want that on the record to indicate my total displeasure with the proliferation of lotteries which seems to be taking place to the detriment of my favourite sport.

I must say, Mr. Speaker, that I thought a long time about whether or not I would discuss the matters I am going to discuss now. I came to the conclusion that it was probably better if I did as someone who has enjoyed racing most of his life. That, Mr. Speaker, is the other side of racing. I personally believe I have seen the odd housewife who has lost the week's grocery money at a racetrack and is going home to face an irate husband.

A personal story: a number of years ago an older man who knew that I knew something about racing came to see me and informed me that he had inherited $8,000, which was his total savings at the time, and that in the course of a three-month period he had managed to lose all but $50 through ever-increasing bets and in ever-increasing desperation. He wanted me to do two things. One, tell the racetrack in hopes that they might return his money. Of course, I had to explain very carefully that a racetrack only provides the means to bet and it was something that could not be done. Second, he wanted me, of all things, to give him the name of the winning horse in a race so that he could bet his last $50 and start on the road to recovery. Well, Mr. Speaker, I have found over a lifetime that the minute I tout someone on a horse, that is the kiss of death! Believe me, if Seattle Slew were running a race against a billy goat and I told someone to bet on the horse, I am convinced that somehow or other the billy goat would win the race! So I did not do that either.

The question that bothered me, Mr. Speaker, and one I have thought a great deal about over the years, is what responsibility does the racing industry have to those who cannot look after themselves. Really, I do not believe there is an answer. Do you stop gambling on horses because of the very few that get themselves in trouble? Of course, there are many rationalizations such as, if it were not that, it would be something else, and I suspect that is true. No racetrack wants or encourages people to risk more than they can afford. The track does not have the climate of a Nevada casino. It is a place where people go to have a thoroughly good time and not lose too much. If people lost more than they could afford, the game would soon stop because it was destroying people. But there is the odd person this does happen to and I hope I do not do a disservice, whether to myself, the industry or this House, by suggesting that on the same basis, because automobile accidents kill people, we should do away with the automobile. I finally came to the rationalization that the joy this sport has for literally millions of people, the enjoyment people in and out of the industry get from it, far outweighs the odd person—and it does not happen that often—who cannot control themselves and are hurt severely by the fact that they get carried away at a race track.

I wanted to mention that because I know there are many religious people in Canada who feel it is sinful to gamble. I suggest to them it is sinful to buy a lottery ticket or play bingo in church basements, that those are sins of equal magnitude, in the moral sense, to that of placing a wager at a racetrack. It is very simple for anyone to buy a racing form which contains more information about horses than perhaps any other publication in the world. It makes *The Sporting Life* published in England look like a rank amateur in terms of information on horse flesh. If a person does that, then it is an intellectual game of matching their wits, intelligence and ability in comparing horses with everyone else at the racetrack. As Will Rogers said, what makes a horserace is a difference of opinion, and that you find in substantial amounts at any race meeting.

The moral issue involved in racing is something which has been with us from the beginning and always will be with us. When you look at the history of racing, going back 3,500 years, it is obvious that it is an old and honoured entertainment medium—sport if you will, but entertainment as well. Certainly an afternoon in the sun watching horses run is far superior, to my mind at least, to sitting in a dark theatre watching flickering shadows on a screen.

I wanted to speak on the moral aspects of this issue for the simple reason that I would sincerely hope we never reach a time where we deny pleasure to so many because the odd person will hurt himself or herself. Note that the hurt is self-inflicted and they are not encouraged to continue. In fact, anyone in the industry would say: "Come and have a good time but do not bet too much." But of course, someone does periodically. To those people we offer our sympathy and understanding, but at the same time they did it to themselves and hopefully most of them realize it.

I am pleased with this legislation, I certainly intend to vote for it, and I think having covered that one small point I will conclude my remarks.

• (1420)

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I do not intend to speak at any great length on this bill, but I must confess that when I do arrive at my conclusion it will not be quite the same as the one arrived at by the hon. member for North Vancouver-Burnaby (Mr. Cook).

At the beginning I do want to say that what the hon. member said was both entertaining and informative. I thought that

his presentation on behalf of the industry was very worthwhile. I have rarely heard anyone speak as fondly of a sport as did the hon. member for North Vancouver-Burnaby both this morning and again this afternoon. As I listened to him speak I came to the conclusion that perhaps he thought the bill was brought into the House for the purpose of banning horse racing. He pleaded eloquently for its continuation. Although I have no particular interest in horse racing at all other than from a purely spectator point of view, I do, however, what to make a few comments on it.

What we are talking about really is extending the opportunity for people to bet without going to the track. We are calling it by the interesting phrase "inter-track betting". It is, in fact, off-track betting. It is off-track betting because it will be possible for a person to go to a track where there is absolutely no horse racing taking place, go to a wicket and place a bet without ever being involved in either seeing or enjoying the event. In fact, it will even be possible—if I understand it correctly, and I will eagerly await the minister's correction if I am not reading the bill accurately—for an individual to place his or her bet by telephone. In all fairness, I must say that is off-track betting. That is not inter-track betting. Inter-track betting is where you go to a track to watch the races and while you are at the pari-mutuel window, as a result of knowledge you have about a race going on at another track, you want to place an additional bet on a horse or on a number of horses that are running at the same time at another place.

I want to suggest to the minister that it is entirely possible, if you read this legislation and think about it, that rather than being beneficial in terms of encouraging the maintenance of racing at those tracks which are currently undergoing financial difficulty, this bill may well discourage people who otherwise may have gone to the likes of Fort Erie from Toronto. These people would have paid admission, purchased their lunch, would have paid to park their vehicle and would have contributed to the general maintenance of that track other than in a betting sense. It is now possible under this legislation for the tracks to run and to operate without anyone ever going to see the races.

I say to the hon. member for North Vancouver-Burnaby that that surely flies in the face of everything he has been speaking about. That surely is not encouraging the sport to flourish. That is not encouraging horse racing as a spectator sport. What we are doing today, and let us make no mistake about it, is facilitating the desire of those who bet on horse racing to bet in any way they want without having to go to the track. I must confess that does not appeal to me. I do not happen to think that we should be seeking new ways to encourage people to bet money. I do not think that is a particularly useful exercise.

Mr. Lapierre: That is not your business.

Mr. Deans: It is my business. If it were not my business, this bill would not be before the House of Commons. I suggest to the hon. member that his interjection is both inappropriate and inaccurate. If it were not my business, the bill would not be here. Therefore, it is my business.

I think this legislation will ultimately have the opposite effect which the hon. member for North Vancouver-Burnaby in all good faith indicated was his desire and his hope. I think it will undermine the sport. I do not think it will undermine the betting angle. In fact, I think it may well encourage more people to risk their pay cheques, like the lady about whom he spoke. It may well encourage people to risk their pay cheques because they no longer have to find the wherewithal to get to the track.

The next step to this is clear. The Jockey Club in Ontario, if you want to speak of Ontario, will say that not only is it inconvenient for people to have to go all the way to the track where the race is being run, but it is a bit inconvenient for them to have to go to the track in their own municipality. We do not have racetracks in every municipality. In order to encourage people to take part in this sport of horse racing, maybe it, the Jockey Club, should be given the opportunity to open an adjunct to the track—maybe one in every small town which will be called part of the track—to be run by the Jockey Club. That would enable everyone to have access to this marvellous sport. But what it will also do is enable everyone to have access to the betting operation which has nothing at all to do with the sport itself.

I have serious reservations about this legislation. The hon. member for North Vancouver-Burnaby, in setting out the financial condition that is being enjoyed by the majority of the horse racing fraternity, indicated quite clearly that there are now, and have been for years, substantial sums of money going into horse racing. He pointed out that more people attend horse races than attend any other sport. On balance, the sport is in reasonably good shape. I am not suggesting that it might not have the urge or the need to improve its financial position, but at the moment it is certainly in reasonably good shape.

The hon. member pointed out that last year in Canada $1.7 billion was placed on bets. With some pride, and I can say with some justifiable pride, the hon. member, who has spent his entire life at the racetrack or thereabouts, told us that about 14 million people have attended horse races. He is in this House a great deal and I do not know how he gets to the racetrack all the time. Be that as it may, the industry seems to be flourishing quite nicely. Therefore, why do we want to discourage those people from going to the horse races? Why do we want to make it unnecessary for them to go? Why do we want to open this up so that whatever number of people who would go to the racetrack, only half of them will now go? Instead of going to the track they will simply nip down to the corner and place their wager. Why would we want to do that? It seems to me that this bill is undermining the very soul of the industry that it is intended to support.

Mr. Lapierre: It's energy saving.

Mr. Deans: My colleague who does marvellous research on things such as this has brought to my attention a letter sent by the Minister of Agriculture (Mr. Whelan). It concerns inter-

track betting. It states that if Greenwood opens its pari-mutuel system in order to bet on races at another track, it is not expected to generate nearly the attendance figures realized at racing events. Perhaps the minister will find it in his heart to answer, when given the opportunity, the following question: Is it not reasonable to assume that people who go to race tracks for the purpose of placing bets and enjoying racing, but who have to travel some 50 or 100 miles in order to do so, will choose simply to go down to the closed neighbourhood track or to telephone the local track to place their bets? Of course attendance will be detrimentally affected by the legislation, and the end result will be a further deterioration, as the hon. member for North Vancouver-Burnaby indicated, of a fairly progressive, reasonably lucrative and well-run operation. It will be a further deterioration of the industry, and we will be back here in the not too distant future looking for other ways to get more money to compensate for the loss in attendance, and therefore the loss of revenue to people dependent upon race tracks for their livelihood.

• (1430)

I must confess that I am having difficulty with this bill. I am trying, and I know the minister realizes it. It is difficult for me to bring myself to vote against this legislation, given the priority the government has placed upon it. It is difficult, but I think I might be forced into it.

Mr. Young: I might join you.

Mr. Deans: The hon. member for Beaches (Mr. Young) indicates that he may even join me, because he is as worried about it as I am.

I am sure Mr. Speaker is wondering why we are dealing with this matter today. Why is the government attempting to undermine the stability of racing in Canada with this legislation, given that there are many other important matters with which we could be dealing, such as unemployment? Imagine what we might have been able to do in an afternoon discussing the major unemployment problems confronting people from coast to coast in the country.

An hon. Member: This won't cost jobs.

Mr. Deans: The hon. member whose riding I cannot recall at the moment, who is sitting over there in the back where she ought to be, is interjecting and saying that there will be no loss of jobs. I suggest to her that there will be a loss of jobs at the tracks as a result of this piece of legislation. It will make it unnecessary for as many people to work at the tracks as were needed prior to its implementation. I am absolutely positive—and only the future will bear me out—that as a result of this legislation a deterioration in the crowds at the tracks will inevitably occur.

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

Mr. Deans: What is out of order? I am entitled to speak to the bill.

Mr. Cook: Would the hon. member accept a point of clarification?

Mr. Deans: No. I will be happy to accept it when I am finished. Clarification is not something one offers, and on top of that, obviously it was not a point of order.

I do not doubt for one moment that the crowds will dwindle away as the punters make their bets by telephone. Local tracks will only require people to relay the bets. There will be a loss of direct employment, such as the people who sell at concessions or work at the kinds of employment which go with crowds in attendance. I think the legislation is self-defeating. In fact, I was really surprised when I listened to the hon. member that he himself did not come to that conclusion.

Then, of course, there are all the other various arguments. What next, I say? The hon. member said that there has been horse racing since there have been domestic horses and that as a result there has been betting of one kind or another since the inception of horse racing. That is not really a good argument, nevertheless. Many things have been in existence since the beginning of time that we do not condone or support, so I can hardly think that that argument is persuasive.

Then he went on to explain, as did the minister, that the racing industry needs this legislation. I suppose the same argument could be used by those who run football teams in Canada. For example, Montreal lost substantial sums of money over two or three seasons. Its football team may feel that it would be helpful to have pari-mutuel betting on football so that it could derive some revenue from the betting which takes place to offset its losses. Then there are the various hockey teams across the country which are not really making it at the gate. They might feel that pari-mutuel betting on hockey games would be useful.

Mr. Lapierre: Wait until the next bill.

Mr. Deans: This is why I am talking about it. That is exactly why. The hon. member is a good straight man. I need him, I really do. Then there are soccer teams which are barely ekeing out a living. I am sure they would like to have the benefit of pari-mutuel betting. We could have it at the local ball diamond. If it is baseball, one would nip down to the local ball diamond, go to the concession and place a wager on the ball game. One might not bet on the game which is being played at the time—and there might not even be a game taking place—but on some other game which is being played in some other part of the country or some other part of the world. It could be argued that this would really be helpful and that it would be one way for them to make up their losses. The hon. member opposite who interjected said that I should wait for the next bill. That is exactly what worries me.

I know Mr. Speaker will be interested in what I am about to say, and that is that I do not like the drift toward more and more legalized gambling. I am no moralist, but I do not like the drift which is taking place. I did not like it when I was a member of the Ontario legislature and we began with—what was the name of it?

Mr. Cullen: Wintario.

Mr. Deans: Thank you, Wintario. At that time I said that it was the thin edge of the wedge. Incidentally, it was to be used for research, for medical care, and for all those marvellous things which the world was being denied.

Mr. Collenette: It was a Tory pork barrel.

Mr. Deans: The hon. member opposite says that it was a Tory pork barrel. Perhaps that is an unfair description of it, but it is not that wrong.

This piece of legislation further encourages people to gamble. It does not encourage them to attend horse racing, to enjoy the sport, or to participate in it in any way. It encourages them to gamble, that is all. Within days of the passage of this legislation we will be asked to approve further legislation to encourage people to gamble even more. If that is the level to which the government has sunk, if that is the level of administration which we have in the country, if that is the sense of priority of the government—and given the serious economic problems of the day, I say, as many have said over the last number of months, that the government has been in office too long—then it has lost touch with reality. It is no longer responding to what affects average families in every community across the land.

There are two million people unemployed today, and industry after industry is closing its doors. Industry is operating at 50 per cent of its capacity. People are looking for homes and cannot find them. People are paying mortgages at 19.75 per cent. People owe more on their homes than their homes are worth.

• (1440)

This legislation is before us at a time when the government is unable to find money to sustain medical care at a level that is acceptable across the country. Its priority seems to be to open up gambling a little wider in order that more people can be trapped and pulled into the net. I find it very difficult to see my way clear to support this legislation in the face of those other matters. I do not want to become emotional about the question and if everything else was accomplished which needs to be accomplished in this country I might consider this legislation even worthy of consideration. However, under the current prevailing conditions I simply cannot agree with it.

I cannot help but feel that we are being conned somewhere along the line. I want to join with the hon. member and say with all sincerity that I find no problem in encouraging people to go and watch horse races or to see football, tennis or whatever sporting or artistic event they may find enjoyable. I believe that people do not have enough opportunities to seek release from the pressures which have been brought upon them as a result of the government's economic and social policies. But it remains unclear to me how the passage of this piece of legislation will give people that enjoyment.

It has often been said that lotteries and betting in general are, in fact, a tax on the poor. That statement is as true today as it was when it was first made. It is the dream of sudden wealth. I found the example given by the hon. member for North Vancouver-Burnaby about the odds of winning lotteries most enlightening. It is quite clear that lotteries are a tax because the chance of winning any of those lotteries is virtually non-existent. It is true that someone wins, but the odds are almost impossible.

It is equally true that if the necessity to go to the event itself is removed, then all that has been accomplished is the creation of another lottery. Instead of horse racing being a sport, it will have been turned into another lottery where a person can run down to an off track betting office or phone in to put his bet on the line for a win, place or show or perhaps a triacta. In effect, it is another attempt to extract additional money from the public. A substantial amount of revenue that comes from betting goes to the government and God only knows for what it will be used. I certainly do not know and I am sure the minister could not explain it. It goes into the general revenue, in any event.

The benefit which flows to individual farmers who sell, grow or provide any of the necessities for the breeding or maintaining of horses is not enhanced one iota by this piece of legislation, even though those supplies are substantial.

I wish I could see the merit of this legislation. I am always reluctant to oppose ideas. I would like to be positive and in favour of the matter but the merit of it escapes me.

I talked to my colleague who will undoubtedly raise these matters. He represents an area in Beaches which has a race track. He will talk about the problems attendant upon that track and its surrounding area.

As I have said, I am trying to understand it but I cannot see how this bill can be supported. Perhaps the minister would care to enter the debate again. I would be happy to give him that opportunity because I would like to hear once more, without going into the details of horse racing or its merit as a sport, why we want to encourage betting or gambling. What is the merit of that? Frankly, it escapes me and I do not understand it. Unless a subsequent speaker is able to convince me, I frankly do not feel that I could inflict the necessity upon my colleagues even to consider voting for this piece of legislation. I believe that we must draw the line somewhere.

If it is true that certain tracks are in financial difficulty, it may be a reflection of the public's sense of value of horse racing more than anything else. It may be the attitude of the Canadian public toward the general sport of horse racing. If that is so, it cannot be claimed that if the public is not supporting it more people are needed to bet in order for tracks to continue operating. I look forward to hearing the answer because I must say to the minister, who is a very sensitive soul at the best of times, that I am sure that deep down below his green hat he has views about the concerns I have raised.

I ask him to show me how the farmer will benefit from this legislation. If the sport is to become more desirable within society and more appealing to people as a sport or form of entertainment—regardless of betting—then show me how this

can be accomplished by opening up betting even wider than it is today. Show me how this can be done by discouraging people from attending the event itself. How can you encourage the development of a spectator sport if you encourage people not to go to it? Does that not strike the minister as being odd? It certainly strikes me as being odd. Therefore, I am unable to support the bill.

Mr. Cook: Mr. Speaker, I rise on a point of order. Is there time for the hon. member to answer one question?

The Acting Speaker (Mr. Collenette): The hon. member for North Vancouver-Burnaby wishes to ask a question. This requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Cook: The original part of the hon. member's speech dealt with the fact that people will stop going to race tracks since they would be able to make a bet by telephone. In the state of New York there are off-track betting shops on practically every street corner throughout the cities in that state, yet attendance at New York race tracks has dropped insignificantly as a result. How does the hon. member explain his position with those facts staring him in the face?

Mr. Deans: Mr. Speaker, I must say that I am delighted to have given the hon. member the opportunity to ask a question. He has answered the question himself. It is true that if you provide alternative methods for betting then fewer people go to the track. The hon. member has said so himself. There are fewer people attending the tracks in the state of New York than there were prior to the introduction of off-track betting. Therefore, I can only assume that, having answered the question himself, the hon. member feels no necessity to have me answer it for him.

• (1450)

Mrs. Céline Hervieux-Payette (Montreal-Mercier): Mr. Speaker, I will start my remarks by saying, firstly, that I do not know anything about horse racing, and then I will speak for 25 minutes!

Some hon. Members: Hear, hear!

Mrs. Hervieux-Payette: Why I am discussing this matter is because I was raised by a grandfather who owned racehorses, and for as long as I can remember I have heard about horse racing. My in-laws, too, have been great fans of the sport for many years, but as I am a mother and a Member of Parliament, I do not have much time for it. I must say that I have been in close contact with that industry for over 25 years.

I just want to answer a few questions in the mind of the hon. member for Hamilton Mountain (Mr. Deans). For instance, he is quite interested in knowing whether less people would go to the track and whether there would be a loss of jobs at the track. The hon. member might know that the jobs we are discussing are not only those located at the track. For every one job at the track, there are three or four jobs related to that industry outside the track. Of course, I am referring to the farms and those who train horses and all the related industries which make the necessary equipment. For instance, in one evening there are usually ten races with ten horses in each race, which means 100 horses for one single track. Considering the number of tracks in Canada, this means that many horses must be trained, which necessitates much investment. For those who are involved it is an industry, and for those who are attending it is mostly a sport.

[*Translation*]

Mr. Speaker, my grandfather was involved in this sport for several years in Berthierville, where up to a few years ago they still had a racetrack that operated on a regular basis almost year-round. Unfortunately, because of the economic situation, and despite government assistance, the racetrack had to close down.

Mr. Speaker, in my riding there is a racetrack which is worth over $10 million with the buildings and everything around it. The track has been closed for several years. We are talking about an industry that is losing money every year, not as far as the betting is concerned, but because racing is becoming more and more expensive. In fact, I think this bill will help the industry considerably, because at the present time, one of the problems is to have enough income to be able to afford good quality horses and trained staff to run the industry.

I do not think my colleague quite understands the fact that the bill will provide for inter-track betting. He seems to forget that first of all, we must have races, and with races, everything that is necessary to run them including equipment, horses, jockeys and trainers, and if all these elements are present, then the race will take place no matter where the bettor happens to be. More people will be involved in races, and I hope that thanks to modern telecommunications, some day races will also be shown on television. I do not see anything here that is against public morality, since this activity is very strictly regulated and controlled by the authorities of the various provincial and federal departments and agencies concerned.

Therefore, Mr. Speaker, I feel that we should realize there is all this "underground" money which never gets to the track, which is not converted into taxable wages, and in the final instance, we have millions of dollars circulating under the counter, which are not benefiting the Canadian economy but are benefiting an underground network, and are of no direct benefit to the industry. This money circulates in shady circles only and does not go directly to the owners and drivers and the entire racing industry. It is this money that we, as a government, want to bring back into legal channels. Will this create jobs? Yesterday, a number of mayors made statements on the subject, including the mayor of Quebec City, who said that probably more than 300 jobs in Quebec City would be saved thanks to this bill. If in Quebec City, which has 500,000 people and has had a racetrack for a number of years, municipal

authorities feel that 300 jobs will be saved, this bill adds up to several thousand jobs across Canada.

That is why it is a real pleasure for me to support this bill and I hope it will be passed by the House with the requisite speed, as agreed, so that money spent by Canadians on this type of recreation will be channelled to an industry that creates jobs, that will make it possible for farmers to make a decent living—an industry that formerly saw mostly American horses racing on Canadian tracks—and for Canadians to raise good quality horses and racing fans to see a good race.

Mr. Speaker, every year the summer Grand Prix is held at Blue Bonnet race track. Last week we celebrated the track's 75th anniversary. The statistics for the last few years show that a track like Blue Bonnet has been losing from 500 to 1,000 spectators each year, and I think that by allowing pari-mutuel betting and helping the industry, it will be possible to save several hundred jobs in the Montreal area alone. Some day, I hope it will be possible to open the Richelieu race track, which is in my riding, because it would provide a magnificent showplace for off-track betting. I can imagine the giant screens and people going to the wickets in the back placing their bets on the tracks in Toronto, Quebec City or Trois-Rivières. The whole point of the exercise, which will be strictly controlled by government authorities, is to generate income for the industry and the Canadian public in general through the taxes paid by people working in the industry.

Mr. Speaker, I would like to make a correction, because earlier it was said that the federal government was getting a very generous slice of the tax levied at the track. Perhaps I should make it clear that out of every dollar generated at the racetrack, 81 cents goes back to the bettors, 7.5 cents goes to the provincial government, the owner of the horse receives 5.7 cents if he wins the purse, the track gets 4.4 cents and the federal government .06 cent. The bill makes it quite clear that the purpose is not to get rid of the federal government's budget deficit but to encourage this part of the private sector, and I feel that this type of privately-owned industry which is very well regulated and is able to operate very smoothly with private funds and government assistance, will benefit from a bill like the one before the House today. It will no longer be necessary to make telephone calls to bookies, since now calls will be made directly to the track. Perhaps I should explain. Telephone calls will be made, but the money will have to be deposited beforehand. People who enjoy betting on races will have to have the money. They cannot get credit to bet on a race. The money will have to be deposited in advance, and the bettor will use a code number to indicate the track and express his preferences.

Mr. Speaker, I do not think there is any reason to worry about people running up debts. At every corner store, bettors can buy tickets for all kinds of lotteries, which, as my colleague so aptly said, offer the worst odds imaginable, namely, one to two or three million, and the proceeds do not go to any of our industries and are really indirect taxes in disguise. In this particular case, I feel that we are supporting a viable industry that will give thousands of Canadians—here again, I think this has been abundantly demonstrated by my colleague from North Vancouver-Burnaby (Mr. Cook)—an industry that will open new horizons for Canadians and give people who want to have fun their money's worth. I feel, Mr. Speaker, that we must not forget the recreational side of our lives here in Canada. Of course, we can be serious. From my vantage point on this side of the House, I see that since the beginning of this session, we have passed quite a lot of very serious bills, which were still being debated yesterday evening. The energy bill was passed. I feel that if this bill is used to give thousands of racing enthusiasts a chance to get actively involved in this sport, we shall have opened new horizons for these people, and the industry in general will benefit.

• (1500)

[*English*]

The Acting Speaker (Mr. Blaker): Before I recognize the hon. member for Etobicoke Centre (Mr. Wilson), the Chair has been advised that there may be a disposition to complete all stages of this bill before four o'clock this afternoon, at which time we would ordinarily go to the private members' hour. I wanted to indicate to the House what I have indicated privately, that in the event that the debate were to be completed prior to four o'clock, then, upon the understanding of hon. members, regardless of the time, the Chair would call it four o'clock and proceed with private members' hour. That is, as I understand, the wish of hon. members.

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, I had hoped to have an opportunity for a more lengthy speech on this very important piece of legislation but because of the pressures on the time of the House I shall try to keep my remarks short. I am sure the minister will appreciate my forbearance in that regard.

I am not an expert on the subject of this legislation but I find the pastime of horse racing a most enjoyable entertainment and a good way to meet friends for an afternoon.

I am very conscious of what the economic impact on the industry could be if we do not pass the legislation. As the minister has pointed out, the industry employs in excess of 40,000 people. I believe the proposal to increase the commission rates as well as to broaden the economic base of race tracks, particularly the small ones, will have a favourable effect upon all concerned—the tracks, the horsemen and the breeders. We should consider the legislation as a package, and I propose to examine it in that light.

Many small tracks are losing money today, and for some there is the threat that they may have to go out of business. That would have an important impact upon a number of communities. There are upwards of 100 tracks in Canada, so 100 communities would be affected if they went out of existence. That is what could happen if this legislation did not go through.

As the last speaker pointed out, it is not just the racetracks but the people who supply the tracks, the restaurants and the breeders who are affected. Some participants in the industry have viewed inter-track betting as a threat to their wellbeing. I have been concerned with this aspect of the legislation because it is the smaller tracks that have expressed such concerns, and I think we have to be aware of them.

In assessing the legislation it occurred to me that the limited season and the limited market base of the smaller tracks will be expanded. The state of the economy today, with high interest rates and increased operating costs, could mean losses to many of the small tracks, so there is the danger that a number of them could be shut down. This legislation offers a very wise and practical way to approach that problem by allowing the tracks to make more use of their facilities by lengthening the season, thus spreading the fixed costs of a very expensive facility over a broader market base.

The bill does not authorize off-track betting. There are some people in the industry who would like to see that come about right away, but the minister has not chosen to introduce it. There are arguments pro and con but I do not propose to get into them at this time.

In order to take part in telephone betting that the minister introduced earlier as well as inter-track betting, the participant will have to go to the local track. For inter-track betting in particular, he has to use it in a very extensive way. He makes the bet there, he will probably have a meal and spend the evening there. This pastime has been popular in the United States. I understand that in the recent running of the Preakness, 20 tracks broadcast the race on their facilities. This allowed them access to one of the major races in the country. This can be done for a one-race event such as the Preakness or for a full racing program.

The smaller tracks are concerned about the impact upon them of this change in the legislation. I would have preferred the minister to be more forthcoming about the direction in which the legislation will be administered. There will have to be protection for the track and for the horsemen. I am sure the minister is aware of this and will probably express his views on it at third reading.

I understand that the minister is considering a limitation of the use of inter-track betting and that no track will participate unless it wants to and that no track can participate if it will infringe upon the operating market of a neighbouring facility. Geographical regions will have to be established. The way this is administered over the years will obviously be very important to the smaller tracks. There must be protection for the horsemen, and I hope the minister proposes to administer the legislation so that no track will be allowed to offer programs of inter-track betting to the detriment of the existing program of live racing.

This legislation offers some very important advantages. Obviously it means more revenue for the tracks. The smaller tracks can broaden their market base and show the top races in the country. That is a very important element in the better use of their facilities.

As I pointed out, there is a disadvantage to the degree that protection is not provided to the smaller tracks and horsemen. The economic position of these participants in the industry could be hindered rather than helped by the legislation. I hope the minister will respond on that point at third reading.

I think the government should consider actions such as this in a much broader way.

• (1510)

The Minister of Finance (Mr. MacEachen) has on many occasions said we cannot do this or we cannot do that because it will cost us money, or that we cannot do it because it would cut across the United States policies or European policies which are undermining our programs here. This is an action which the government is proposing to take which is totally within our control and proposed to be taken in a way that will not cost the treasury any money. It may well result in increased revenues for the provinces, certainly it will result in increased revenues for the race tracks themselves, to the extent that they pay corporate and personal taxes. There will be increased revenues for the federal government and for the provincial governments.

This is why we have been saying, Mr. Speaker, that the government should be trying to identify a number of these things. We have identified the higher profile in so far as changing certain provisions of the budget and certain elements in the way the Foreign Investment Review Act is being administered is concerned. In the National Energy Program, changes there again do not necessarily cost the treasury money but can result in a much healthier economic environment. This is a smaller example, but a very important example to those people who are directly affected.

Let me comment briefly, Mr. Speaker, on the effect that this can have on a community. I was talking to my colleague from Erie (Mr. Fretz) in whose riding the Fort Erie race track is operated. I asked him what the impact would be because I had heard that there was a possibility that the Fort Erie track might be shut down. Unemployment in that part of the country is 15.6 per cent. There is less tourism this year because the cost of gasoline in Canada now is in excess of the cost of gasoline in the United States. People are not coming across the border.

Mr. Cullen: Ahem, ahem.

Mr. Wilson: I hear someone clearing his throat over there, and I would welcome a challenge from the hon. member for Sarnia-Lambton (Mr. Cullen). I will show him figures on the cost of gasoline as between Buffalo and Fort Erie, showing that gasoline is cheaper in Buffalo than it is in Fort Erie. I can show him that in the British Columbia marketplace, I can show him that in the Quebec or New Hampshire marketplace. That is what is happening in the energy market today.

Mr. Breau: In Canadian dollars?

Mr. Wilson: That is in U.S. dollars, it is in comparable dollars, in comparable sized gallons. I say that for the benefit

of the member who does not understand what is happening in the energy industry. It is affecting directly a community in the country, Fort Erie and the Niagara Falls area. This is in addition to lay-offs which Inco has caused in Port Colborne, where several hundred people are affected by a strike, also in Fleet Industries, where 300 people have been laid off. So there is a very serious economic problem in that part of the country. If on top of that we layer a shutdown of a major employer such as the Fort Erie racetrack, we could have a very serious situation in what used to be a thriving part of our country.

I would also point out that the Fort Erie track in itself has lost a secondary market. That secondary market is Kitchener and Toronto and the communities around the major population centres of Toronto. The price of gasoline is causing people to think twice before they will drive 70, 80 or 90 miles. That market is shrinking, and that is having a direct impact on the attendance at the Fort Erie racetrack. That same problem, that same phenomenon is affecting a number of racetracks in the country today. Therefore, it is important that there be this legislation to allow those tracks access to the former market base that they had. To that extent it is important that we proceed with this legislation.

Moral considerations have been raised in the House. I have had these raised also with me in discussions I have had with my colleagues and with others outside the House. We cannot ignore the impact of the increase in any breakdown of the morality of our people. My colleague from North Vancouver-Burnaby (Mr. Cook) has outlined it very clearly. He said that there will be a greater degree of control on organized crime as a result of this legislation. He has pointed out the comments made by Don Winterton of the Race Track Security Canada organization as well as the comments of Mr. Harold Adamson, the security director of the Ontario Jockey Club. These gentlemen have a clear understanding, being former police chiefs themselves, of the impact of organized crime on betting. I always feel concerned when it appears that there could be an increase in betting as a result of some action taken by government. But this is not one of those situations where the direct result of this legislation will be an increase in betting. It will be a more controlled, more organized betting and more under the auspices of the government than has been the case in the past.

I might point out, Mr. Speaker, as a humorous sidelight, that there is one little anomaly here, an ironic situation. About three or four years ago one of the exercise boys at the Ontario Jockey Club did hit the jackpot, that one in three million, or one in a million and a half chance of winning the million dollars. He did win. He got this money and he went directly to the president of the Ontario Jockey Club, took his advice on how to invest the money. He is now living in the same elite apartment building in my riding that the president of the Jockey Club used to live in.

Mr. Cullen: Where is the president?

Mr. Wilson: So it is not all one way. There are some winners in the lottery game.

There is one other aspect of this, and I am quite serious about it. The minister changed the legislation here so that there is a much greater degree of administration of legislation under regulation at his discretion. We have seen this shift from legislative control into regulatory control to a much greater extent recently. We saw the minister enacting the telephone betting through order in council. In this bill we have seen that he has taken a large chunk of the legislation and switched it so that it will be done by regulation.

I pointed out some of the problems that the industry is concerned about. It is now subject to his regulatory capability and to the guidance that his department will give him on how the regulations should be administered. Bureaucratic control here again is taking over another industry to a greater extent.

We saw in Bill C-48 last year that the minister of energy said time and again: "This is the way we will administer this act." Now, less than a year having passed since that legislation was enacted by Parliament, we have seen the minister changing the direction that he had told us originally was the way in which he was going to administer the discretionary elements of Bill C-48. It is a very serious matter that we are considering here, the shift from legislative to regulatory control. I will not get into a great debate on this today but I just comment to the House that this is something that we on this side take very seriously. We feel that there must be a reversal of this trend. I encourage the minister to take that message to his cabinet colleagues.

In conclusion, Mr. Speaker, I believe, we should be going ahead with this legislation. I recognize that there are some problems on the moral side. People are concerned that this will increase betting. I am satisfied it will not increase betting but will control it to a greater extent.

• (1520)

I repeat my request to the minister. I think it would be helpful to us in voting on this legislation if the minister would be somewhat more forthcoming about how he proposes to regulate those protective elements to which I referred earlier in my remarks. If the minister is able to satisfy our concerns, I believe we should be able to pass this bill quickly.

[*Translation*]

Mr. Pierre Deniger (La Prairie): Mr. Speaker, I shall be very brief. The few comments that I want to make in this House are in fact in support of this bill, and I must admit first of all that I am prejudiced in favour of the bill as I have owned racehorses in the past and, as soon as I can afford it, in other words as soon as my political career is over, I intend to buy more amblers and trotters to take part in this sport which is really exceptional and important for the economic life of our country.

I therefore believe that it is important to recall, Mr. Speaker, that in Quebec, for instance, over 4,000 workers are directly employed because of horseraces and that there has been a problem these last few years because the purses have

not increased at the same rate as inflation, with the easily understandable result that good horses raised in Canada have left the country for New York or New Jersey, where the purses are much larger precisely because these American states have tax systems which benefit the owners of good horses.

The growing concern about small racetracks was mentioned earlier. I believe that what small racetracks have to fear is the disappearance of the larger race tracks which allow their good horses to graduate to a better track. If race tracks are closed, such as Richelieu Park, as they have closed elsewhere in Quebec, it is precisely because there are fewer bets in Montreal, which means that less money can be earned, and if there is not as much money in the purses, Mr. Speaker, it is easy to understand that the demand for grooms, blacksmiths, oats and pari-mutuel employees is lower. This therefore causes the loss of jobs. If bets are placed legally, there is nothing immoral about it. What was immoral was to have to go through people who had no right to do what this bill will allow. The Queen's Plate will be held in Toronto next week. I shall be there, Mr. Speaker, to see the horse owned by Jean-Louis Lévesque, Le Danseur, win the race. Last year, the winner was the horse owned by Jack Carmichael, who is a good friend of mine. I must tell the House that these men are great citizens who do a lot to help Canada and their province.

The pari-mutuel is a legitimate and beneficial system. I am certainly not afraid to see this system grow, as the previous speaker said, because if it grows, it will mean more revenue for the provinces. Our deficit will thus be reduced, but what is most important is that more money will be re-distributed to the racing industry. This indutry has never received much assistance from the government. On the contrary, for the provincial governments, the racing industry is often a sector which has been milked dry, and if this industry wants our assistance today, I believe that it is our duty to do immediately everything possible to guarantee that racing will survive. The example of the Fort Erie track was mentioned earlier.

We could also mention the case of Windsor. In the case of Windsor, Mr. Speaker, where the unemployment rate is high, many people who worked for the pari-mutuel at the Windsor racetrack did this as a second job, but this has now become their main source of employment because there are no more jobs in the automobile industry. What will happen to these people if we drop the pari-mutuel system today, Mr. Speaker? The racing industry creates a lot of jobs and produces a lot of spin-off employment, and too often it has been neglected by the government which only saw races as a way of raising money. In fact, contrary to what people think, if the big racetracks are in good shape, the smaller tracks will be as well, and it only makes sense.

During the past few years, Mr. Speaker, we have set up various programs, including advance betting, where the bets vary according to the pool. We initiated telephone bets and today, we are introducing inter-track betting, and I hope that soon we will be able to revise the commissions taken by governments on each $2 bet to give the tracks a larger percentage, and finally, that we shall have a form of all-track betting which is similar to what already exists in the State of New York.

In concluding, Mr. Speaker, I would like to congratulate the hon. member for North Vancouver-Burnaby (Mr. Cook). As a racing enthusiast myself, I could appreciate his comments. He mentioned that his parents are from Kentucky. Personally, I was able to go to Churchill Downs several times to see the Kentucky Derby, when the winners were River Ridge and Secretariat. This year, I had an invitation, but I had to stay here. But rest assured, Mr. Speaker, that as soon as I leave Parliament for good and start to make a little money, I am going to buy some race horses again. Maybe some day, I will have a horse that will race in the Queen's Plate in Toronto, and maybe even in the Kentucky Derby.

[*English*]

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, while I have no problem with this legislation and hope it passes through the House speedily, I do take exception to some of the remarks of my colleague, the hon. member for Hamilton Mountain (Mr. Deans). Like many other Canadians, I do not think he realizes the importance of this bill and the fact that thoroughbred horse racing and standardbred racing industry in this country is an industry. Coming from Hamilton, I think he sees an industry as something with a smokestack which belches out thick clouds of smoke and does not realize there are 40,000 people directly employed by this industry and another 60,000 employed on the sidelines.

This industry is in trouble because of the times we are in. It needs all the help it can get, and this legislation will give the industry some good new management tools it can use to make a profit. The bill would encourage the industry to grow.

I would like to read from my notes just one statement which I think lays this matter out pretty clearly.

Inter-track betting will increase revenue-producing opportunities in two ways. First, it will enable a track to draw additional patronage from its existing market. Second, it will allow a track to generate revenue from its racing in broader markets. In these ways inter-track betting will permit racing associations to make more effective utilization of their assets in today's high cost and fiercely competitive environment. Horsemen, of course, will benefit through improved purses.

In recent years, Garden City Raceway in St. Catharines, the Brockville and Owen Sound receways in Ontario and Sherbrooke Raceway in Quebec have all been unable to attract sufficient patronage and have ceased to operate. Numerous other Canadian tracks have been forced to suspend operations for extended periods. In the absence of the kinds of opportunities promised by inter-track betting, more closures are probable. The consequences of track closures extends beyond the industry, of course, into community considerations such as employment, support of local suppliers of goods and services,

tourist trade and property and business taxes. Implementation of inter-track betting will not only help to preserve existing benefits to communities in which tracks are located but will also create substantial additional employment.

I feel very strongly that this legislation will go a long way toward giving tracks the boost they need in these difficult times.

As a veterinarian I would just like to spend a couple of minutes talking about horses because if these race tracks in Canada start to collapse and the business starts to go under, breeders will not be able to stay in business, and gradually we will lose the thoroughbred industry in the country. We will lose the thoroughbred horse. The thoroughbred horse is a very important part of the entire equine picture because he is an important part of breeding in many, many aspects of the equine scene. Our hacks and show horses, show jumpers, rodeo horses and chuckwagon horses are all important parts of the equine business. Without the thoroughbred behind all this, we will lose.

I feel very strongly that we should get this bill through the House and give the tracks the help they need. It will not do any harm. There might be a moral issue involved, but I cannot see that as a big thing in Canada nowadays. In view of the various lottery programs we have, I discount that.

Let us get this bill through the House and give the tracks the help they need.

• (1530)

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I rise to support this bill not because I am an expert in horse breeding or racing but, first, because I am an enthusiastic fan; second, because I want to see an important Canadian industry survive and prosper; and third, because I want to do all I can to reduce the amount of criminal activity in this country.

For several sessions now I have had a private member's bill to legalize off-track betting, the present bill being Bill C-534. My interest in the subject goes back to the days when I was solicitor general and I was convinced by many police chiefs that off-track betting would be a responsible move if we were to transfer the illegal betting made through bookies to legitimate betting authorities. At the present time, because we do not have off-track betting, millions of dollars are going through the bookies into organized crime, which in turn helps finance the drug trade, prostitution, pornography and so on. Therefore, any measure put forward by this government which will help reduce the flow of funds into organized crime, through bookmaking or otherwise, I would support, and I think this measure does so. I mentioned that I am an enthusiastic fan, although I do not frequently attend. I have had the opportunity to go to the Preakness twice, the Queen's Plate several times, and because Saratoga is the closest thoroughbred track to Montreal I have been down there many times. It is a beautiful track with some of the best thoroughbreds in the world racing there. However, I want to say to those who oppose on moral grounds offtrack betting on horse races that there is a bit of hypocrisy in that position. Very often these same people will tolerate betting at the racetracks, but they will not accept it off the racetrack. They will accept bingo in churches or community halls but they will not accept betting on races.

Mr. Patterson: They are not all like that.

Mr. Allmand: I know, I am not singling anyone out. I am just saying there are some people in this country who are inconsistent in their moral principles.

I want to deal with some other points, Mr. Speaker, raised by the hon. member for Hamilton Mountain (Mr. Deans). He said he does not know how this bill will help employment in the horse racing industry. In fact, he thinks the bill will hurt horse racing. First of all, I want to point out that this industry directly employs approximately 40,000 people in Canada. That is more than the oil industry. These people are employed in breeding, training and racing horses, and in various jobs at the racetrack. There are in Canada about 7,000 horsebreeders, and in 1980 there were 116 racing associations carrying on pari-mutuel racing. In addition, federal and provincial government revenue from horseracing in 1980 was approximately $126 million, money which did not go through the bookies into organized crime. In addition to the 40,000 direct jobs, there are very important economic spin-offs for feed suppliers, veterinarians, harness and equipment manufacturers, and the people who sell and service horse trucks and vans. Another very important economic spin-off is in the tourist business. In Ontario and Manitoba it is estimated that Americans crossing the border to visit our racetracks left behind about $90 million in 1980.

While I would prefer a complete off-track betting system, Mr. Speaker, which is what my private bill would do, this bill goes part of the way, and consequently I support it. To those who oppose it on moral grounds I ask them to look at their moral principles, be consistent and avoid hypocrisy. For those like the hon. member for Hamilton Mountain who think this bill will hurt employment, I ask them to examine the figures I have put on record to see that in fact horseracing and horse breeding is a very important business in Canada and will do a lot to help our economy and employment in those areas where this is an important function.

The Acting Speaker (Mr. Collenette): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Collenette): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Mr. Nielsen: On division.

Motion agreed to, bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Blaker in the chair.

The Assistant Deputy Chairman: Order. House in Committee of the Whole on Bill C-117, to amend the Criminal Code.

On Clause 1—

Clause agreed to.

On Clause 2—*Coming into force:*

Mr. Nielsen: May I ask the minister when it is the intention of this government that this bill be proclaimed?

Mr. Whelan: All I can tell the hon. member, Mr. Chairman, is as soon as possible.

Mr. Nielsen: Well, that is hardly satisfactory. The government considers this a very urgent bill. Surely they should have some order in their planning so that they can tell us now when they intend to proclaim the bill, within a time-frame of, say, a week, two weeks or even a month.

Mr. Whelan: I would say before the House adjourns.

Mr. Nielsen: I take it that the minister implicitly says that the bill will be proclaimed on or before June 30; is that correct?

Mr. Whelan: I would hope so.

Mr. Deans: Mr. Speaker, I would like to ask the minister a question if I may. Two of the members who rose to speak after I did mentioned that one of their reasons for supporting the bill had to do with the impact this bill might have on criminal activity.

Mr. Nielsen: We are on Clause 2.

Mr. Deans: I just want to ask a question with regard to this because before it is proclaimed I would like to know what the minister feels about this. If I interpret correctly the remarks of the hon. members, they are saying that because there is an illegal bookmaking operation, we will solve that problem by legalizing off-track betting. Taken to its logical conclusion, I wonder if the minister would agree with the thought that were we to look at making legal all matters which are presently illegal, that would somehow or other resolve our problems in the minds of the members.

Mr. Whelan: Mr. Chairman, we heard the figures on how much betting on horse racing is done through bookies; we do not say this bill will eliminate that. I do not think there is anything that anyone can do by passing laws which will eliminate bookies totally or illegal betting, but we do think it will eliminate some. Some of the money will go directly to the racetrack, and in turn to the industry.

• (1540)

There is a great deal of misconception about how much money is bet by the bookies. About 90 per cent of the bookies' operation is other than horse racing. About 10 per cent of the functions of a bookie operation is horse racing. The rest is football, baseball, hockey, soccer, golf—you name it. We do not say we can eliminate it but we think we can lessen illegal betting. The more money that is bet will actually be placed in the horse racing industry through the pari-mutuel betting system. In turn, the horse owner-operators will share in a larger amount of revenue so they will naturally have a bigger share.

Mr. Deans: Mr. Chairman, may I pursue this for a moment? Is it not true that on balance the effect this will have will be only on those municipalities where a track exists to which a person would go to make a telephone call to place a bet? For the majority of municipalities across the country the operation of illegal bookmaking will be continued. I think the minister would be in agreement with that. However, I would ask the minister to elaborate on one of the arguments made by the hon. member for Notre-Dame-de-Grâce-Lachine East when he mentioned the assistance in eliminating the sort of criminality within the system which currently exists. Is it the minister's intention then to open bookmaking in a legal sense in all areas of sport and other areas where betting regularly takes place through illegal bookmaking in order to eliminate the criminality involved?

Mr. Whelan: Mr. Chairman, that is a strong argument which many people put forward that this bill is going to eliminate it. I do not think we can eliminate it in horse racing with what we are proposing. I do not think you can eliminate it in any of the options that bookie operators have. But what the hon. member said is true, that is, where there is no racetrack there are bookies. They are all over the place. It is illegal for them to operate but from time to time some of them are arrested, some of them are fined. In many instances they are not fined in a very severe manner, I must say. But we do not pretend that we are going to eliminate all the bookie operations. There is an arrangement for telephone account betting. You can use a zenith number. Again, as the hon. member said, those who can afford it will be the ones who use it. They will need to have money on deposit. They will not be able to call up and say, "I want to make a bet" as they can with their bookie, but the bookie uses strong-arm tactics to recover any loss if he has one. This system will be only for those who can afford to bet. I do not condone a tax on poor people, as the hon. member said. That is one of the reasons I am very recluctant to go to the off-track betting shops. As I said earlier, there are many people already making applications for off-track betting shops. I have strong feelings about that.

Mention was made earlier about the amount of revenue which the federal government gets. It was suggested that we may be making money. We receive 0.6 of the take, which is for our administration. It is clearly stated that all levies collected are used to cover the cost of supervision by the federal government. The surplus revenue is carried over for use in the next fiscal year, that is retained earnings. You are never allowed to have any more than a surplus $2 million. When there is a surplus of more than $2 million the rate of levy is reduced. Automatically that has to be done.

An hon. member also asked about supervision of the racetrack. We were also asked about regulations. We have a good record as far as supervision is concerned. I think the race tracks in Canada are very well supervised, and we want to maintain that.

As far as changes in regulations are concerned, we have changed the amount of take to 15 per cent for small tracks. If the take is too big or if it is too little, we want to be able to adjust that. The racing industry is agreeable to that. They want that so that we do not have to come back to the House every time there is a need for a change. That is the reason for that being included in the bill so we do not have to wait ten years, as we are at the present time. We are waiting ten years to make that change. I do not know if I will be the minister in ten years or not, some people think I have been here too long now—

Some hon. Members: Oh, oh!

Mr. Whelan: —but let me remind hon. members that there was one minister of agriculture in Canada for 22 years.

Mr. Nielsen: Look what happened to him.

Mr. Whelan: The hon. member for Hamilton Mountain made reference to the importance and the unimportance of this bill. Many others have stated how many thousands of people are involved in the employment in this industry. Inter-track betting will mean more people will be employed. Through the telephone betting system more people will be legitimately employed. The Windsor racetrack, which is not in my constituency but in the constituency next to mine, is already preparing to hire 25 people who will run the system for them. To some people that number may not be significant.

Mr. Nielsen: You are going to talk out your own bill.

Mr. Whelan: I think this is an important bill. It has a chain effect on the amount of people whose jobs depend on the overall racing industry, which is a huge industry.

Mr. Wilson: Mr. Chairman, is the minister proposing to respond to my question on the protection of the market area of the track? How does he propose to administer that? What about protection of horsemen? Will the minister be introducing any regulations to restrict tracks from reducing the amount of live racing as they increase the amount of inter-track racing?

Mr. Whelan: Mr. Chairman, first it has to be agreed that you will have inter-track racing. This can mean the greater use of a facility, for instance, if one track has racing and the other does not. If there is a club room and a dining room a track can use large TV screens in them. It will be the same as watching the races without having to travel 100 miles or 150 miles to a race. People will be able to watch races enjoy a meal at the same time with their family. We say this will have to be worked out with the tracks. Our people will be working very closely to protect the interests of the tracks. Many small tracks have expressed a concern that this may put them out of business. We do not want that. We will be supervising the situation very closely. The racetrack in Sudbury has no problem because it does not have a track within its boundary. It could join with any other track in southern Ontario and run inter-track betting there all winter long or whenever its racing dates were not on. Tracks are quite eager to participate in that kind of a program.

I cannot take the time to outline all of the ways and means by which we intend to make this as fair as possible and make sure that the racing industry is economically viable. We want it to be successful.

Mr. Wilson: Mr. Chairman, I asked two specific questions. I do not know whether or not the minister does not want to answer them. What about a track that is located in city A that is close to city B, and one has live racing, can the other one have inter-track betting even if it impinges on the market of the track with live racing? Second, will the regulations prohibit a track from reducing the amount of live racing as it increases the amount of inter-track betting?

Mr. Whelan: Mr. Chairman, I am sure the hon. member knows that at the present time we set by negotiation the dates of racing for each track across Canada. Those dates cannot be changed that easily. In fact, they are not changed very much at all. It is only by mutual consent if some track does not want so many days, etc. that those dates are available to another track and transferred. There will not be inter-track betting unless there is agreement between the two tracks.

• (1550)

Mr. Allmand: Mr. Chairman, since the hon. member for Hamilton Mountain referred to my remarks, I think I should clarify the point. I told the House that the statement I made was based upon information which I obtained when I was solicitor general. At that time a good number of chiefs of police in the country argued in favour of off-track betting, not as a means of eliminating illegal betting but as another means of reducing it.

When the minister announced his measures last year, he mentioned the capability of betting by telephone from various areas of the country. For example, under the measures the minister announced, a person could telephone from Hamilton to the track in Fort Erie or to the track in Toronto to place bets. Consequently this would help reduce illegal betting in Hamilton. Of course this could be done in Peterborough or other places as well, not through the bill particularly, but through the other measures announced by the minister.

Mr. Whelan: Mr. Chairman, the Conservative House leader wanted a date for the proclamation of the bill. I am told by my officials that it may not be possible before approximately six weeks for it to go through all the rigamarole it goes through and for it to be proclaimed.

Clause 2 agreed to.

Title agreed to.

The Assistant Deputy Chairman: Shall I report the bill?

Some hon. Members: Agreed.

Some hon. Members: On division.

Bill reported.

Hon. Pierre De Bané (for Mr. Chrétien) moved that the bill be read the third time and do pass.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: On division.

Motion agreed to, bill read the third time and passed.

The Acting Speaker (Mr. Blaker): I indicated earlier to hon. members that if Bill C-117 were completed before four o'clock, it might be the wish of hon. members to call it four o'clock and to proceed to private members' hour. Is that agreed?

Some hon. Members: Agreed.

Mr. Cullen: Mr. Speaker, I rise on a point of order. Is the idea then that private members' hour would terminate at approximately seven minutes to five o'clock?

The Acting Speaker (Mr. Blaker): The hon. member is correct.

It being four o'clock, the House will now proceed to the consideration of private members' business, as listed on today's Order Paper, namely, public bills, notices of motions and private bills.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

All items preceding No. 61 allowed to stand by unanimous consent.

RESOURCES AND TECHNICAL SURVEYS ACT

AMENDMENT RESPECTING RENEWABLE ENERGY STATISTICS AND SURVEYS

Mr. Stan Schellenberger (Wetaskiwin) moved that Bill C-261, to amend the Resources and Technical Surveys Act (renewable energy), be read the second time and referred to the Standing Committee on National Resources and Public Works.

He said: Mr. Speaker, the session started some time ago and having had a long-term interest in the renewable energy field, I placed before the House some ten private members' bills which would foster the whole field of renewable energy. Many of these bills are very simple in their content and would not cost the government any money. They would encourage the various departments and officials within those departments to pay more particular attention to the potential of renewable energy in Canada.

The Resources and Technical Surveys Act was passed in the House in 1966-67. At that time not many people in the country were concerned about the price of energy. Under the legislation the minister was made responsible for co-ordinating, promoting and recommending national policies and programs with respect to energy, mines, minerals, water and other resources, and for carrying out surveys on Canada lands in conjunction with the provinces, those surveys to determine the potential for minerals, oil, natural gas, electric generation and so forth.

At that time renewable energies were not included in the act. As a result, information and technical data, which are essential if we are to know what we have in the nation as far as potential is concerned, were not in effect surveyed. Of course, some of the figures are useful for those who wish to go through the charts to determine whether in fact there is potential in their area for an aquafer of water, geothermal energy or a biomass potential of some sort. But that information has not been gathered in the same way as information concerning mining or other potentials.

The major thrust of this bill is very simple. It is to change the perspective on the part of the department and its officials, so that the Department of Energy, Mines and Resources will come to see the renewable potential in the country as a realistic and viable source of energy. As I said, the amendments are simple. All they really do is to insert into a number of sections of the Resource and Technical Surveys Act the term "renewable energy". If we look at the definitions contained in the original bill, the term "minerals" does not include the renewable resources sector. This is the difficulty to which I am referring.

At the present time there is still a tremendous emphasis upon oil and natural gas. Given the difficulties inherent in the development of that potential due to the fact that much of it is offshore and very expensive, we are importing over 300,000 barrels of imported oil per day. There is now much more emphasis being placed upon renewable energies by ordinary citizens of the nation. The government has responded in some ways. For example, last year approximately $150 million was spent on renewable and off-oil technology and programs by the federal government. A similar amount was spent by the provinces. We have programs such as FIRE, the Forest Industry Renewable Energy project, under which it is intended to spend some $288 million on grants for projects over the next number of years. We have the biomass loan guarantee program and the ENFOR program, or the energy from forests program. Under that program some $30 million is to be spent over five years to help heat industries and homes with wood furnaces. Also we have the PUSH program wherein governments are putting renewable sources of energy in their buildings and projects. Then there is the PASEM program which provides grants to various industries across the nation to help

in the product development for projects such as solar or wind installations and the like.

Last year the House asked a number of its members to form a task force to bring forward a report on energy alternatives. It has been referred to as the Lefebvre report, but it is actually entitled, "Energy Alternatives". The report was made. It contained some 65 recommendations to assist Canada in attaining energy self-sufficiency through the help of renewable energy.

• (1600)

Perhaps I might read a paragraph from that report made by the chairman, the hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre). He said:

Canada has the resources to be a leader in global energy transition. In this century we have the opportunity not only to secure our own energy future, but also to export new energy technologies we develop along the way. We appreciate that this transformation of our energy system will not be easily achieved, and our recommendations reflect the magnitude of the effort required. We are, however, optimistic that with a concerted effort, and enthusiastic and sustained commitment, the task can be accomplished.

I agree entirely with that statement. Canada has the potential to attract many interested citizens to use those renewable energies which exist under our lands, on our lands and in the sky. The 65 recommendations should be acted upon by the government as quickly as possible. It is my hope that some of the private member's bills which I have introduced will assist to that end. I have reviewed the update to the National Energy Program which was tabled in the House by the minister last week. He has said that many of the committee's recommendations are already being implemented. For example, he said that:

—the Government of Canada has greatly increased funding for research and development in the areas of conservation, renewables and synthetic fuels.

I hope that this is true. However, I am not as optimistic as is the minister that all these recommendations are being put into place in rapid succession. I feel that much more could be done. It is my hope that the department will move quickly to implement those recommendations.

As one reads through the recommendations it can be seen that Canadians have much to be optimistic about. It is evident that the committee and the task force have done an excellent job. It is desirable that these studies be conducted in order to show the potential of renewables. We must persuade the Minister of Energy, Mines and Resources (Mr. Lalonde) to assist in implementing and selling these ideas.

This bill will not require any extra effort by the officials or even additional manpower in any department. All that is suggested by the bill is to have the Department of Energy, Mines and Resources, the Department of the Environment and the Department of Agriculture insist that while their officials plan and implement their surveys, they look for the potential of renewable energy in Canada at the same time. I believe it is a relatively simple request.

When I phoned officials at the geological survey branch of Energy, Mines and Resources, I discovered that they have been conducting many of these surveys for some time. They have indicated the potential of hydroelectricity—which is a renewable energy—within their surveys. The Department of Agriculture has been conducting surveys on biomass. The Department of Environment has conducted surveys on wind conditions around airports due to their effect on airplanes. There are surveys from the Department of Forestry with respect to the potential in that area. I am uncertain as to whether the committee mentioned surveys conducted on available heat units from the sun.

People who would like access to that information might have difficulty finding out which department to get that information from in the first place, and it is not in any usable form, in any event. The Department of Energy, Mines and Resources makes the information which it has from its surveys on oil and gas potential available to the private industry as well as to Petro-Canada. That information is analysed and conveyed to the industry. No such analysis is conducted on potential renewable energies such as wind or biomass, which can be made available to Canadians so they may realize the potential of these resources. This information is unavailable for many towns as well. There are many towns on the prairies which have difficulty finding water if they are not close to a river.

We know that in the early 1960s the minister, who was at that time the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton), commenced an extensive survey of the prairies under the ARDA program to determine what the ground water sources were in that region for use in the agricultural and other industries. As a result of those surveys, many towns which are now looking for water sources use that information because it is available in the department. I believe that some towns in Saskatchewan have used that information and have found fresh water sources from aquafers below.

New heat pumps are being developed. One has been developed by the National Research Council and is now going to the testing stage so it can be approved by the Canadian standards agency and made available to Canadians. That heat pump will have the capacity to take the heat from water and turn it into air heat to heat our homes. This would present a great advantage to many rural communities in Canada. In order to make use of this development we would need to know, for example, the sources of ground water below our surface as well as its temperature in order to determine whether it would be viable to drill a well. It would also be important to determine if we can return the cooled water so it can again be reheated underground. That is an example of the kind of survey which can be conducted and made available to Canadians through these proposed changes to this bill.

I am sure that the same kind of aquafers exist all across Canada. Perhaps many wells have already been drilled in Ontario, the maritimes and British Columbia for which that information is already available. This information would be very valuable if our officials were to collect the data and condense it into usable form.

In the United States a number of years ago the renewable energy proposals that were introduced by the administration at that time were taken very seriously. Officials there came up

against the same problems which we are facing now, that is how to convey the information to citizens, towns and municipalities so it can be used. In order to solve that problem they decided to gather all the available information and then provide knowledgeable people in the industry at various centres in the United States which could be reached by dialing a zenith phone number. Therefore, if someone wanted to phone to inquire about installing a solar unit in their house they could obtain the necessary information. A town or municipality could use this service to find out if it is possible to use ground heat to heat its buildings. Some units of the Armed Forces are presently using that technology. This information is made available to citizens of the United States through the use of the zenith phone number. It is one possible example which we could follow. It would be easy to implement because there are subdepartments of Energy, Mines and Resources across Canada which could make that information available by providing a telephone number.

• (1610)

As an example of consolidation of information, the present federal government has in place what is called the Canada lands inventory. It takes inventory of the potential wealth of minerals in our nation now, consolidates it and makes it available to the private sector if it wishes to use that information. That is the kind of example we should follow to consolidate all the potential renewable energy sources in this country and make them available to our citizens.

We must work closely with the provinces when doing this because, of course, many of these surveys are done by the provincial governments. The natural resources, of course, are under provincial jurisdiction. However, it will be useful for the federal government to have some of that information in its data bank as well. I would think that it would be important for the Department of Energy, Mines and Resources, the Department of the Environment and others to work very closely with the provinces to put this type of system in place.

As we know, the original power and authority of the Minister of Energy, Mines and Resources was in fact to collect information. Things have changed a lot since that time. Like other departments, the Department of Energy, Mines and Resources is no longer simply a data collecting agency but is also involved in the whole gamut of energy projects, dealing with the daily production and importing of energy, and in assisting Canadians to give up their dependency on oil and look to other energy sources. So we found that until the advent of renewable resources, any section of the act dealing with minerals, such as Section 3 of the Resources and Technical Surveys Act, automatically covered most energy sources. For instance, oil and gas are considered as minerals for the purposes of the Mineral Year Book of the Department of Energy, Mines and Resources. However, some sections of the act, such as Sections 6 and 7, can be construed to include renewable energy sources in their bounds, while others do not include that possibility. Again, I say that the purpose of this bill is to remove this anomaly by making specific reference to renewable energy in those sections where reference to energy is only implicit in the word "mineral".

We know that many of our officials in departments go by the letter of the law, and as a result they do not collect the data because "mineral" does not refer to a renewable energy source. These amendments would allow the department to collect and publish that data which is either not available now or is being collected by other departments. As an example, a person who wanted data on passive solar installations, would perhaps first have to contact the National Research Council and then Environment Canada. Someone who would like information on biomass would have to contact Agriculture Canada and someone who wanted to know the velocity of wind would have to contact the Minister of the Environment (Mr. Roberts) because, as I said before, that information is only collected at airports. That is how the bill would work.

We have found there are many readjustments which are necessary in order to get to the viable sources of energy. Once this information is found, it must be made available to the public. More and more people are asking questions with regard to the potentials. Right across the country, many groups have been formed which are interested in forms of solar energy, biomass energy, and so forth, and these people should have that data. Therefore, I commend the bill to the House. I have a number of other bills which I hope I can debate in the forthcoming weeks if the session continues. I know that the work in this field is work that must go on. Hopefully, this bill will ensure that that type of work will continue.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I will be brief in my remarks on this bill. One cannot help but wonder why we are going through the exercise today, not because it is unimportant but, rather, because it is always very difficult to speak to oneself. However, I want to congratulate the hon. member for bringing the bill forward. I want to offer our support in trying to promote both the concepts as contained in the bill, limited though they are, and, of course, the over-all concept of dependence on renewable resources as opposed to our existing dependence on non-renewable resources. We expended about two months this year dealing with energy legislation. In all fairness, it was really a debate about the past. It was a debate about an energy resource which, important though it is right at this precise moment, has a limited future. It has a limited future because it will inevitably become depleted, or else the cost of getting it from the source will be so high that it will be virtually impossible for us to take advantage of it. Therefore it depressed me, I must say to Your Honour, that we were devoting so much of our time and that we continue to devote so much of our capital to looking for and getting the elusive last drop of oil. As I look ahead, I just cannot imagine how much that last drop of oil will be worth when we finally get it out of the ground. How many billions of dollars will it cost us to get it, and what use will it be to us in any event?

I am heartened by the fact that there are more people today who are concerned about renewable resources, and renewable energy resources in particular. I become a bit disappointed,

however, to find that we do not seem to place the kind of emphasis on it that I would like to see. I am absolutely sure that the future of this country and of the world will be dependent on the renewable resources which we know are there but for which we have not yet developed either the technology or the will to use them. As I look at the matter, I am persuaded that it is common sense that we cannot continue to rely on a depletable resource for the fuelling needs of all the world. We will have to find and develop substitutes and we will find and develop them. The sooner we do it, the better will be the planning undertaken for the future which so many of us try to put forward for Canadians. We will develop new substances for lubrication. We are in the process of doing it right now. It is therefore important that we spend more of our time, more of our energy and more of our available dollars in that development. We will develop new ways of fuelling our transportation systems and we will develop new transportation systems to accommodate the new fuelling methods. But, again, we are being held up by the sense that somehow or other we should use up all of the existing petroleum-based products before we really turn our minds and our attention to the alternatives which are not necessary if we are to be able to meet future demand. We will find ways to build homes and places of business with the proper kind of conservation in mind and with the new fuelling methods which will both run industry as it emerges and develops and heat and cool the places in which we will work and live.

I am not sure what it is about the psyche of those in charge which allows them to play fast and loose with energy itself. It is quite clear to me that the emphasis which is being placed by the government on the dollar, as measured by the dollars it allocates for petroleum-based fuels, is the result of advice being given to it. In my judgment it has been misguided by the advice. I would have thought that having gone through a minicrisis not many months ago with regard to energy available from traditional sources, the Department of Energy, Mines and Resources would have placed greater emphasis on larger amounts of capital reserves for the use of renewable resources. I hope I am not doing them a disservice but it seems to me that the reason for this is the size and the importance of the lobby. I do not want to detract from the place that petroleum-based products have had in the growth of our society, nor do I want to downplay its continuing importance but I despair to think that we constantly inflate the price of the resource and use it up at the present rate without putting equivalent amounts into the development of a replacement resource. Recently some $6.5 billion was earmarked for PIP grants to the oil industry at the same time as funding for forestry research was cut back. We have not been able to keep pace with need. We cannot rely on the chance that somewhere along the way we will be able to find a sufficient quantity of petroleum-based products to meet the ever growing need. I am worried that we are not putting the money into renewable resources that we are prepared to put into depletable resources.

• (1620)

In the energy crisis of the 1970s the State of Vermont quickly shifted back to the use of wood, a renewable energy resource. It would not be entirely true to say that it has maintained the level of use at that time but, in the main, it was a permanent transition because people realized that they cannot rely on a resource from outside the country over which they have no control when it comes to price or delivery. With each passing day that resource is becoming more elusive and less available. We could have made the transition as well, had we foreseen the crisis. If we had planned well we could have taken advantage of our ability to grow similar kinds of wood supplies. I do not doubt for a moment that in Canada we have the necessary technology to do this.

In the long run the cost will be considerably lower if we invest in the development of renewable resources now than if we wait until another crisis occurs. If we wait until some oil company announces that we do not have thirty years' supply left but only five to seven years' supply, the cost of making the transition could be ten times as high as it would be today.

I think it is fair to say that we should offer the same grants for renewable energy as have been offered for depletable energy resources. We must increase, rather than cut back, funding for research and development in such areas as the forest industry. We just cannot allow it to find its own level and fund its own research because these days it does not generate sufficient funds to enable it to undertake the necessary work. Before the next crisis hits we must undertake the public education that will encourage people to make the transition. This cannot be done by scare tactics. People are becoming almost immune to the scare tactics that were used some years ago. There must be another way to convince people that it is in their long-term interest to switch from what they presently use to something that will last forever.

One reason we have difficulty with this is that when the off-oil program, for example, was introduced, people were encouraged to switch to natural gas or electricity. At the time natural gas cost considerably less than oil, but it did not take long for that industry to realize it had a captive market and that once people had invested in the necessary retrofitting they were not in a position to switch back again. In that instance the natural gas industry took unfair advantage of the public's desire to be helpful in the battle against ever-increasing fuel costs and the unwise use of existing resources. It is not fair to get people to switch from one resource to another and then allow them to be ripped off. I think that is what happened over the last couple of years.

I want to say to the hon. member that, as he admitted, this is a small step but I think it is a worthwhile one. It will constantly keep in front of the people who plan these things the fact that we in this House who represent Canadians are no longer satisfied with the approach taken in the last few years. It is their responsibility for the future to place emphasis upon utilization and development, upon reforestation and what can be maintained as a renewable resource and to see that it is not used without proper management. Nothing is renewable if it is

not well managed. We have to be sure that the people who give advice to government, this one or any other, are not wedded to the existing reliance on non-renewable resources. They must recognize that wherever it is practicable or wherever it is feasible, we have to insist that the transfer be made. If that is done, the future is very bright for us.

• (1630)

This is an industry, Mr. Speaker, that gives us a tremendous opportunity in the world, if we were to get into it in a reasonably efficient and substantial way. There is no question in my mind that we could provide leadership to many parts of the world. We would have a technology available to us that would be marketable in world terms. We could utilize that to improve Canada's role in world events. There are many parts of the world where they do not have any non-renewable resources of any kind.

We do have the capacity to be self-sufficient in the use of renewable resources. If we were to develop the technology, if we were to show, by example, a willingness to utilize those properly, we could provide a great initiative for many parts of the world and do them a great service.

Some hon. Members: Hear, hear!

Hon. Bud Cullen (Sarnia-Lambton): Mr. Speaker, it is a privilege to have the opportunity to speak on this particular bill. The hon. member for Wetaskiwin (Mr. Schellenberger) was quite correct in his early statement that his interest in this subject of renewable energy is well known in the House. It is not only through the fact, as he has indicated himself, that he has placed many bills in the private members' area but from the study that he himself has conducted and the speeches that he has made. In the course of the energy programs that have been brought forward, he always seems to find a way to work into the debate something about renewable resources. The fact that his bill, although it is No. 261, has come forward today is a tribute to the hon. member, and an acknowledgement of the fact that he is able to bring a subject that is certainly interesting to the floor of the House for debate.

As someone who has participated in these private members' hours for close to 14 years, I can assure him that many of the ideas that started here as motions or as private members' bills quite often find themselves incorporated in government legislation either of this party or, in a short time possibly, his particular party. It does find its way quite often into legislation. The reason that it may not at first blush be endorsed or incorporated into legislation or accepted in toto is that there may be some technical problem or something of that nature that would give the departmental officials cause to wonder whether, if they incorporated this, it would have a particular impact.

It is important also that people who are pioneers in this particular field recognize that there are members who are prepared to bring bills of this nature to the floor of the House. Quite often, particularly when we have what we thought were adequate supplies of oil in the world, there were many people working at that time on renewable resources and wondering if anyone was listening, particularly if anyone in Parliament was listening or in the provincial legislatures, for that matter. When we had the jolt that the hon. member for Hamilton Mountain (Mr. Deans) talked about, in the early 1970s, about security of supply and then the second rap in the quadrupling of the oil price by OPEC, suddenly these people who were pioneers were front and centre and had already done a good deal of research in this particular area and at long last felt, I think, that someone was recognizing the fantastic effort that they had made in their pioneer effort in this particular field of renewable energy resources.

It is no accident that I would rise, Mr. Speaker, to speak today on this subject because some years ago it was my privilege to serve as parliamentary secretary to the minister of energy, mines and resources. I know from that experience that the departmental officials, very early in the game, prior to the quadrupling of the oil price—I think it is fair to say more accurately probably through the jolt that we received from the National Energy Board or from the multinational oil companies—found that the prediction that they had made almost a year before was no longer true and that we were in fact facing a shortage of this particular commodity. On that basis the department moved, and I think moved very quickly and very effectively, into a field where they recognized at long last that something would have to be done, or at least something more would have to be done about renewable energy resources.

I compliment the member. I think the bill contains a good idea, the kind of thing he is talking about incorporating into legislation. I do not think, as he says, that it would prove expensive. As a matter of fact, it might prove a good investment if it were incorporated even in its present form. The hon. member was kind enough to comment on the excellent surveys conducted today by the Department of Energy, Mines and Resources, particularly by the geological surveys branch. They, like anyone else, endeavour through their own initiative, their own talents and skills, to embark upon the kinds of surveys that they think will be beneficial to an industry or a group or to the country as a whole. It is only through the kind of representation that we make, or that the hon. member has already made, that they will know how their surveys, if conducted, could be more productive for Canadians.

In my constituency, in the area of petrochemicals we think of ourselves as the petrochemical centre of Canada. The kind of work, the kind of assistance received and the kinds of surveys done by energy, mines and resources is absolutely crucial if this information is to be made known in a form that will be beneficial to a petrochemical industry.

Second, with the impact of that jolt about the possibility of not having a security of supply, many corporations decided that they had to get together to work out a system whereby the best possible use would be made of this depleting natural resource, namely, oil. The Minister of Transport (Mr. Pepin), who was here today, and was at that time the minister of

industry, trade and commerce, encouraged several corporations to get together and not compete with one another building six world-scale plants for petrochemicals but to build three, and to build them one after the other, so in that way we would not bankrupt six operations but get two or three going in Canada. One at that time was in my own area of Sarnia-Lambton, the second one was anticipated at that time would take place in Alberta, and the third one in the city of Montreal.

That was a great example of government and industry getting together to meet a particular situation, realizing that while people are out working, pioneering in this field of renewable resources, we had to make the best and most effective use of the natural resources that we already have in place. World scale plants of the kind like Petrosar is a good case in point.

The hon. member also made the point that we should be looking beyond our own doors. We are not the only country that is faced with this phenomenon. We are a country that is blessed with natural resources, a country that probably does not face the same predicament or difficulty as others. Because others feel more of a panic situation, they are moving ahead and doing work and spending more money and focusing more attention on the renewable resource factor. Because they are doing that, we should take advantage of going to seminars, international conferences, we should be encouraging Canadian engineers and Canadian people to travel abroad, to go to these seminars to find out what is being done in this particular area by other countries, whose problem at the present time is obviously greater than Canada's but one that we cannot ignore.

The hon. member for Hamilton Mountain was correct when he said that the impetus for a lot of the government action, government money and government moves, was the sudden realization that we were faced with the two problems of a possible lack in security of supply and then we were apprehensive of what might happen to the world price, given the strength of the cartel represented by OPEC. On that basis, more focus, more money and more emphasis has certainly come by way of government, whether it be provincial or federal government.

• (1640)

The Canadian government's interest in the renewable energy field was demonstrated in 1974 with the establishment of a program of renewable energy research and development. A further major initiative in 1978 launched several new programs oriented toward industrial development in this particular area. More recently, I am advised, the 1980 National Energy Program emphasized the future role of renewable energy resources in providing for a stable and independent future. Criticism and hyperbole are often directed at the National Energy Program. The press and other media have a tendency to emphasize the negative, and it is easy to make a flamboyant and hyperbolic speech about the negative, but we tend to fail to glean many of the good things about the National Energy Program. At long last emphasis has been placed on one of them, when for too long it has been in the shadows.

One part of the National Energy Program says:

> Canada is well endowed with non-renewable resources that can provide a bridge into a future where Canadians use less energy in their daily lives, and renewable energy plays a much larger role. Renewable energy in the form of hydroelectricity already contributes 24 per cent of Canada's energy. Other renewables contribute a share approximately equal to that of nuclear power . . . The realities of the energy future indicate the wisdom of accelerated efforts to develop new and renewable energy forms, to stand beside hydroelectricity as the basis for a sustained, clean, and economically viable energy structure.
>
> The National Energy Program envisages a much greater role for renewable energy. The Government of Canada believes that economic realities now favour a range of renewable energy options. The National Energy Program will provide further incentives to the commercial use of these resources, both within the comprehensive off-oil effort already described, and in the form of special new or enriched programs. It will also provide increased funds for research development and demonstration of renewable energy.

I say to the pioneers who were in the field before we heard about shortages and before we heard about increases in oil prices that here again is an indication to them that the government is aware and is prepared to act and make money available.

I understand others wish to follow in this debate. I know my colleague, the hon. member for Ottawa Centre (Mr. Evans), has been interested in this subject for a long time. I know he will want to expand on it to some extent. I wanted to put forward more ideas, but I am sure the hon. member can aid and abet my efforts.

Mr. John Evans (Ottawa Centre): Mr. Speaker, indeed, I do wish to add to the comments made by my friend, the hon. member for Sarnia-Lambton (Mr. Cullen), with regard to renewable energy. I have been very interested in this matter for a substantial period of time. I was part of the group which had something to do with the beginnings of Canertech, which will be acting as a catalytic agent for renewable energy in the future. Quite frankly, I think it is underfunded, and we should be putting more money into it to develop renewable energy sources in the future because, as the hon. member for Hamilton Mountain (Mr. Deans) indicated, we will not be able to depend on fossil fuels as our only source of energy in the twenty-first century. We will have to develop new forms of energy.

In the broad sense of the word, government—this government and the provincial governments—and, indeed, the private sector have narrowed the focus far too much in relation to renewable energy forms. According to some of the information available to us, I see that we are talking about renewable energy sources such as biomass, solar, wind, hydraulic, geothermal and others. However, one of the things that bothers me greatly is that a task force of this House of Commons worked for nearly a year on the question of alternative energies—not necessarily renewable, perhaps, but alternative energies—which might have great potential as replacements for fossil fuels and the existing fuels we have now including natural gas, petroleum products, hydroelectricity and other forms of energy which we all know so well. Yet when I hear

what is coming from the Department of Energy, Mines and Resources by way of alternatives, there is never one mention made of the task force report on alternative energy. Quite frankly, I find that unacceptable. I find it to be a slap in the face to Parliament and a slap in the face to the members of that committee. I was not a member of that committee but I know that the members of that committee worked diligently and hard to prepare a report which was, in my view and in the view of a great many others, an outstanding piece of work. However, we hear nothing of it, not a word. I find that totally unacceptable. The chairman of that committee was my good friend, the hon. member for Pontiac-Gatineau-Labelle (Mr. Lefebvre), from across the river. He is one of the national capital region members. My good friend, the hon. member for Niagara Falls (Mr. MacBain), was an active member. I am not sure who the opposition members were. I think the hon. member for Wetaskiwin (Mr. Schellenberger) possibly—

Mr. Schellenberger: No.

Mr. Evans: The hon. member for Bruce-Grey (Mr. Gurbin) was a member. There were hard working members from the New Democratic Party, and together the members of that task force produced a good piece of work which should be recognized by the officialdom of government—in the generic sense of the word.

Every time I hear about alternative energy and renewable energy sources, there is never a word about the task force report. That has to be corrected because the task force looked far beyond the shortsighted view of some in the energy field and looked to what the future has in store and the need there will be in the future for large sources of energy, not only in Canada but also in the western world, the eastern world and the developing world. Low cost sources of fuel will be needed. The conclusion of the task force was that we should be developing those sources now. We have the skills, the researchers and the ability to be in the forefront of this new technology.

The task force referred to the new hydrogen technology. Ultimately that is the perpetual source of power. Water can be broken down into hydrogen and oxygen. When hydrogen is burned, it recombines with oxygen and forms water. It is a perfect non-polluting cycle. That form of gaseous energy can be used to power cars, to fly planes, to heat homes and to run factories. Hydrogen can be used to break down heavy oils into more usable fuels for transportation. Hydrogen can be used to help convert peat into oil. I never hear about peat as an alternative source of energy, although peat is an alternative source of energy in other parts of the world. Ontario probably has more peat than any other place in the world. My good friend, Ian Connerty in Toronto, has a company which has been put together to explore and mine the peat resources of this province and to convert that peat into oil as an alternative to conventional oil, heavy oil or tar sands oil. We do not hear about that.

I think we have to look at that and at the whole fusion cycle. If we think nuclear fission is the wrong way to generate electricity in the future—and we have to have electricity under current technology to get hydrogen—we should try to work together with other nations to develop the fusion cycle because I understand that is a non-polluting source as well. It would produce cheap electricity which could then be used to convert water into hydrogen and into the gases necessary for portable fuels. It would create the electricity we could use as we use electricity now, and it would create gaseous fuels for portable fuels.

These are the kinds of visionary energy alternatives which must be put before the people of this country. Quite frankly, I do not see them coming from the officials of the Department of Energy, Mines and Resources. I think it is about time Parliament put before those officials the report of the task force on alternative energy and demanded that we get some answers. Why is it that hydrogen cannot be the base of twenty-first century fuel, and what are we doing to move there?

• (1650)

We have at the University of Toronto one of the outstanding researchers in hydrogen technology, and we should be putting more money into that university and others dealing with hydrogen. There are others. My friend from Niagara Falls tells me that when they went to California to look at alternate energy sources, they saw something called the aluminum air battery. It can be a very effective collecting and storage unit which can provide electricity from lightweight and highly efficient fuel cells. I never hear about that, but it is in the alternative energy report.

Parliament has a role to play in the future of this country, Mr. Speaker, much greater than we have been playing in the past. The task forces set up by this government and, I have to admit, the previous government as well, represent the kind of foresight needed to make Parliament work. But Parliament is not going to work if these task forces, which do an excellent job, are ignored by those outside of this chamber. That cannot be allowed to go on any longer. We have the task forces on regulatory reform, alternative energy and labour markets. Task force report after report has been put out by hardworking members on both sides and they have to be given serious consideration by those who might perhaps not wish to look at what is done by hon. members on both sides of this House. There are alternative energy sources, there are answers to our energy problems, some of which have been put forward by hardworking Members of Parliament. They have to be given careful consideration. When we allocate our energy research funds in the future, they have to be very largely represented in there. Thank you, Mr. Speaker.

The Acting Speaker (Mr. Blaker): The hour provided for the consideration of private member's business has now expired.

It being 4.53 p.m., this House stands adjourned until Monday next at 2 p.m., pursuant to Standing Order 2(1).

At 4.53 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, June 14, 1982

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

HOUSING

CANADA RENTAL SUPPLY PLAN—MOTION UNDER S.O. 43

Hon. James A. McGrath (St. John's East): Madam Speaker, actual housing starts in urban areas for the month of May were down by a startling 51 per cent from this time last year. The MURB provisions were responsible last year for over 54,000 apartment starts. Under the Canadian Rental Supply Plan there has not been one single start up until last week. Even if we were to increase the ceiling from $7,500 to $20,000 per unit, they would still be $150 to $200 above the market rate that people pay today. Therefore I move, seconded by the hon. member for Cambridge (Mr. Speyer):

That this House directs the Minister of Finance to reinstitute the MURB provision and to designate those funds allocated for the Canada Rental Supply Plan to non-profit and co-operative housing as part of his financial and economic statement to this House.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE ECONOMY

CALL FOR INTRODUCTION OF NEW BUDGET—MOTION UNDER S.O. 43

Mr. Ron Stewart (Simcoe South): Madam Speaker, I urge the government to act quickly to stimulate the economy and cushion the adverse effects on the average Canadian. Canadian manufacturing is operating at 60 per cent capacity, unemployment and inflation are spiralling in double digits, the Canadian dollar is at an all-time low of 78.9 cents. No matter what the Minister of Finance says, the confidence in a nation is measured by the value of its dollar. Our dollar is being threatened because of the Keystone Cops economic and energy policies of this administration. Therefore I move, seconded by the hon. member for Bow River (Mr. Taylor):

That the Minister of Finance immediately roll back all provisions of his November, 1981, budget and the national energy policy, and table in the House a statement of economic principles which will stimulate the economy, restore investor confidence in Canada and put Canadians back to work. Either do that or resign.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE PRIME MINISTER

CALLING OF GENERAL ELECTION URGED—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, the Prime Minister set out on the road to Versailles with a farewell promise that he would return with solutions to the economic mess created in this country by his government. In the ten days he was out of the country 30,000 Canadians had to renew their mortgages at sky-rocketing interest rates, 978 businesses went broke, and 7,100 Canadians lost their jobs at a time of year when the unemployment level normally drops. In light of the fact that the Prime Minister, who left for Europe empty-minded, returned from his voyage emptyhanded, I move, seconded by the hon. member for Prince Edward-Hastings (Mr. Ellis):

That the Prime Minister now admit to the House and to the people of Canada that whether he searches in or out of the country he can find no answers to the economic morass his government has created and, with such admission, then take the only honourable avenue open to him and call a general election so Canadians can select a government capable of halting this devastating downward slide and get the country going again.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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HOUSING

FUNDING FOR CONSTRUCTION OF CO-OPERATIVE UNITS—MOTION UNDER S.O. 43

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, since the Co-operative Future Directions Congress which is in progress in Ottawa this week is meeting to develop strategies

for co-operative growth in the coming decades, and in view of the need to expand sources of affordable housing and to stabilize the supply of housing for Canadians, I move, seconded by the hon. member for Hamilton Mountain (Mr. Deans):

That the Government of Canada immediately double the allocation of co-op housing units available in this fiscal year, and in consultation with the co-operative movement set realistic targets for succeeding years to meet the real and documented need of the co-op housing sector.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

POLAND—DEMAND THAT MARTIAL LAW BE LIFTED—MOTION UNDER S.O. 43

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, I rise seeking the attention of all hon. members on a matter of urgent and pressing necessity, under the provisions of Standing Order 43. In view of the fact that it is now six months since martial law was imposed in Poland, and in light of the fact that the president of the Canadian Polish Congress is delivering to Ottawa today a petition signed by over 40,000 Canadians requesting the Polish government to lift martial law, release the internees in Poland, and restore human rights to its citizens, I move, seconded by the hon. member for Brampton-Georgetown (Mr. McDermid) and the hon. member for Dauphin (Mr. Lewycky):

That this House demand that the Polish government remove martial law immediately, release the Solidarity members who were interned since the imposition of martial law, and urge the Polish government to resume negotiations with the Church and Solidarity representatives, to solve the economic and political problems plaguing Poland today.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Madam Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

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• (1410)

NORTH ATLANTIC TREATY ORGANIZATION

DEMAND FOR STATEMENT BY PRIME MINISTER—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I rise on a matter of some urgency which will require the attention of the Prime Minister (Mr. Trudeau). At a time when the internal pressures on NATO are pressing and difficult, when work on the real problems of the Alliance needs urgent attention, the Prime Minister should not be surprised if Canadians more than raise their eyebrows at his obvious and repeated distortion of the position of the United States on IRN systems and START. Questions of stress within the Alliance on East-West matters, of our own contribution to NATO and, indeed, of our own conventional defence capability, are questions which have generally been avoided by the government in recent years. The urgency and seriousness of these and related matters will require of us similar urgent and serious discussion. I move, seconded by the hon. member for Halifax West (Mr. Crosby):

That the House call on the Prime Minister to make an early statement to this House and cause the subject matter of that statement to be referred to the Standing Committee on External Affairs and National Defence with instructions to review and report back to the House at the earliest possible opportunity.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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HUMAN RIGHTS

FORTY-FIRST ANNIVERSARY OF DEPORTATIONS FROM BALTIC STATES—MOTION UNDER S.O. 43

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, today marks the forty-first anniversary of the deportations of thousands of Estonians, Latvians, and Lithuanians to Siberia by occupying Soviet forces in 1941. In memory of this day, I move, seconded by the hon. member for Richmond-South Delta (Mr. Siddon):

That this House reaffirm its dedication to the Universal Declaration of Human Rights and expresses its concern over the continuing Soviet aggression in the world today.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

LEBANON—SAFETY OF CANADIAN CITIZENS—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, because of the critical situation in Lebanon, particularly in Beirut, and because of the decision announced last week to leave Canadian embassy staff in Beirut, I move, seconded by the hon. member for Grey-Simcoe (Mr. Mitges):

That the Secretary of State for External Affairs be called on by this House to make an early statement on motions outlining the steps which have been taken by the government to ensure the safety of Canadians in Lebanon, both those attached to the embassy and those living in a private capacity in Lebanon.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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DISARMAMENT

EXPRESSION OF SUPPORT FOR WORLD-WIDE MOVEMENT—MOTION UNDER S.O. 43

Mr. Rod Murphy (Churchill): Madam Speaker, whereas many thousands of Americans and Canadians, through peaceful demonstrations this weekend, joined in the world-wide demand for disarmament, and since a similar demonstration in the U.S.S.R. was prevented by harassment and police actions, including arrests, I move, seconded by the hon. member for Oshawa (Mr. Broadbent):

That this House express its support for world-wide disarmament, starting with the super powers, and call upon all nations to allow the people of this planet to demonstrate their belief that potential mass murder is not a deterrent but does represent a threat to all of humanity.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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NORTH ATLANTIC TREATY ORGANIZATION

STATEMENT MADE BY PRIME MINISTER—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, "weasel words", cried the Prime Minister (Mr. Trudeau), after the communique was released to the press following the NATO meeting in Bonn last week. What did the communique say? It urged the Kremlin "to join us now in search for constructive relations, arms reductions and world peace"; it pledged "to improve NATO armed forces", and it emphasized its eagerness to negotiate "substantial reductions in arms with the Soviet Union". Why did the Prime Minister not object during the meeting, and what is it that he does not like about the communique? I therefore move, seconded by the hon. member for Simcoe South (Mr. Stewart):

That this House wants to know which side the Prime Minister is on. Canadians want no stock or trade with the communists, and the Prime Minister, when out of Canada, should be telling the world what Canadians think and want. It is certainly not a socialist republic, toward which he is working.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

EXCHANGE VALUE OF DOLLAR—REQUEST FOR CHANGE IN ECONOMIC POLICY

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is directed to the Prime Minister. The Prime Minister will know that today the dollar has fallen to another record low. He may well know that, in the time that he has been out of the country, nearly 1,000 Canadian businesses went bankrupt and 12,000 Canadians per day lost their jobs, for a total of 12,000 Canadians put out of work during the Prime Minister's absence from Canada. Will the Prime Minister tell the House of Commons, now that he knows some of the disastrous results of his economic policy, whether his government will be announcing a major change in economic policy before this House rises?

• (1415)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker—

Some hon. Members: Hear, hear!

Mr. Trudeau: —the Leader of the Opposition refers to the fall of the Canadian dollar. I would point out to him, as has been pointed out to him and other members of his party several times over the past week, it is true that the Canadian dollar has fallen against the American dollar, but so has just about every other major currency fallen against the American dollar in that period. If you look at the Canadian dollar relative to those other currencies, you will find that the Canadian dollar has strengthened.

For example, in the past week the Canadian dollar has fallen by 1.4 against the American dollar, the Japanese yen by 2.2, the deutschmark by 1.7, the Swiss franc by 2.0, the French franc by 7.3, the Italian lira by three points, all compared to 1.4 for the Canadian dollar, and so it goes. The only major currency which has not fallen as much as the Canadian currency is the Dutch gilder which fell by 1.3 as opposed to 1.4 for the Canadian dollar. Therefore the Right Hon. Leader of the Opposition should keep that in mind when he looks at the performance of the Canadian dollar compared to the American dollar.

Once again, it is true that our dollar has fallen compared to the American dollar, but I repeat, so has every other currency. The conclusion in the mind of the Leader of the Opposition should be that actions taken in Canada alone will not correct economic circumstances in Japan, Germany, Switzerland,

France, Italy, and so on. Therefore I say this in answer to the preamble to the question by the Right Hon. Leader of the Opposition. In answer to his question about a statement, it has been made clear by the Minister of Finance that he would be making a statement to this House on the economy before the House adjourns.

NATURE OF PROPOSED CHANGE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, while 978 Canadian businesses went into bankruptcy and 12,000 Canadians lost their jobs, the Prime Minister was travelling around the world lecturing other people about what they should be doing in their countries. We want to know what the Prime Minister of Canada is going to do about the disastrous economic situation in this country, caused in large measure by his government.

On Friday the Minister of Finance deliberately indicated that he would not describe the changes which he is considering in economic policy as being major. He is considering some tinkering around the edges. My question was very clear. Will there be a major change in economic policy announced by the Government of Canada before the House of Commons rises? Will there be a major economic change?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, once again on the preamble to the question by the Leader of the Opposition who suggests that I was travelling around the world lecturing to other countries, I would point out to him that what was said in response to the situation as it concerns every other country vis-à-vis the United States is not something that was said in a lecture by me. It was said by the six other industrial countries meeting in Versailles, and by the representative of the European Economic Community. If there is any lecturing, it would seem to be in the highly industrialized nations of the world, including Japan, pleading with the United States to get its economic and financial house in order so that these devaluations of all our currencies, including Canada's, will not happen. Therefore the lecture, once again, is not mine, Madam Speaker. I heard the message repeatedly being conveyed by all those other leaders attending the Versailles Summit.

• (1420)

As to the question itself, whether the statement by the Minister of Finance will contain major or minor aspects, Madam Speaker, I think I can say truly from experience that no matter what the Minister of Finance says—

Mr. Nielsen: It is disastrous!

Mr. Trudeau: —the Leader of the Opposition will say, as his House leader says now, it is disastrous. In advance of knowing what the minister will say, the hon. member for Yukon says it will be a disaster; therefore, what is the point in trying to qualify it as major or minor?

REQUEST GOVERNMENT ADMIT POLICIES WRONG

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Prime Minister can play his little games, while thousands of Canadians go out of work and while thousands of Canadians see their businesses fail. Someone across the way shouts, "Be serious." We are being serious here. If the Prime Minister were staying in this country and were listening to the messages of Canadians, instead of trying to deliver messages to other countries elsewhere in the world, he would know that the message from Canadians is that they have had enough of a government in Canada that will not act to solve their problems, and that they have had enough of a government in this country that blames everything on somebody else.

Some hon. Members: Hear, hear!

Mr. Clark: They want action from their government here. The reason I asked the question in the way I did is that we have had too much experience in this Parliament with this government trying to deceive Parliament, and trying to deceive the people, by promising something that is less than what is delivered. I want to know whether the Government of Canada is going to have the courage to come before this House of Commons and admit that many of its policies are wrong and change those policies, before they throw thousands more Canadians out of work, before they drive thousands more Canadians into bankruptcy, before they cause thousands more Canadians to lose their homes because they cannot afford to renew their mortgages at the current rates of interest.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I honestly do not know why the right hon. member is accusing me of playing games in the answers I have given to his questions. I have suggested some of the statistics were perhaps not founded, but as to playing games, Madam Speaker, it would seem to me that the Right Hon. Leader of the Opposition is playing games, when he stands up, shouts questions, and voices his indignation. We are all very disturbed at the economic situation in this country. The meeting in Versailles was convened precisely in order to help the highly industrialized countries of the world to try to seek a collective answer to that. Playing games, to attend such a meeting!

I wonder why the Right Hon. Leader of the Opposition, when he was prime minister, attended the meeting in Tokyo of the same Summit. Was he playing games? And why did he attend the Commonwealth meeting in Lusaka? Was he playing games? Or was he not, as we were seriously led to believe at the time, attempting to deal with some of the North-South problems, some of the questions which are important to all nations but especially to a nation like Canada which is so highly involved in international trade?

Some hon. Members: Hear, hear!

REQUEST THAT PRIME MINISTER TAKE ACTION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, what is the Prime Minister of Canada going to do in Canada to help Canadians?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the finance minister has said he would make an economic statement. I know—because the member for Yukon just shouted it across the way—that it will not be acceptable to the opposition, no matter what it contains. But we are not trying to please the opposition, Madam Speaker, We are trying, in these very difficult economic circumstances, where once again the economies of the world are in difficulty, economies where there are now five million more unemployed today than there were at the Summit meeting in Ottawa a year ago, just amongst the OECD countries—we are trying in Canada to find ways in which Canadians will be able to weather the storm better than other countries. That is the extent to which we will be able to show action in this Parliament, Madam Speaker, not standing up in an histrionic way voicing indignation, not by attacking each other, but by constructively—the provincial and federal governments—trying to find ways in which we can keep the economy on an even keel in spite of the difficulties.

* * *

• (1425)

[*Translation*]

SOCIAL SECURITY

FUNDING FOR SERVICES

Mr. Jim Hawkes (Calgary West): Madam Speaker, my question is directed to the Right Hon. Prime Minister.

[*English*]

The Prime Minister will know that bad economic policy creates victims. We have experienced a 2 per cent increase in unemployment in Canada. From that flows the fact that we can expect an 8 per cent increase in suicides, a 10 per cent increase in homicides, an 8 per cent increase in prison admissions, a 7 per cent increase in hospital admissions—

Madam Speaker: Order. Question. No preamble of that nature. That is not a short question.

Mr. Hawkes: Merci, Madame le Président. I would like to ask the Prime Minister specifically if in the so-called economic statement there will be a significant increase in funding to help the victims of bad economic policy. Will there be more money for hospitals and social services?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member has been very patient thus far. I suggest he wait until the minister makes his statement, and he will be able to judge its content. I hope he will have a more open mind as to that content than his colleague, the hon. member for Yukon.

CANADIAN MENTAL HEALTH ASSOCIATION MEETING

Mr. Jim Hawkes (Calgary West): Madam Speaker, the Minister of Labour and the Minister of Industry, Trade and Commerce have denied in this House that those social consequences flow from unemployment. There is to be a special seminar on June 24 in Toronto, held by the Canadian Mental Health Association, at which preventive strategies to reduce mental health service demands consequent to employment loss in Canada communities will be discussed. Will the Prime Minister make sure that either of those two cabinet ministers—or at least one cabinet minister—attends that conference and learns about the problem before it is too late?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I did not catch the date of the conference, but I will read the "blues" and find out if it is possible for any member of this party to attend that conference.

* * *

THE ECONOMY

JOB CREATION POLICY

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Prime Minister. It was the Prime Minister at Versailles who said that current economic policies of the government were creating unacceptable levels of unemployment. Meanwhile in the House during the past week it was the Minister of Finance who was saying, in complete contradiction, that no basic change in policy could be expected and that the most Canadians could expect would be marginal changes. Surely if we are going to deal with the unacceptable level of unemployment, a major shift in policy is required, including the scrapping of the old budget.

Will the Prime Minister at least assure the House that the government will bring in a major shift in policy which will see as its principal objective the creation of more jobs for the millions of Canadians who need them?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I must take exception to the way the question was phrased. If the hon. member was purporting to quote me when he said I had said that the Canadian government's policy was causing major unemployment or unreasonable unemployment, I assure him that is not the message I was trying to convey. I will have occasion, perhaps at another time, to explain what I was saying. I was saying, on the contrary, that I hope that industrialized democracies would find other ways of solving the problem of inflation than by causing high unemployment. I was saying exactly the contrary to what the hon. member was implying I was saying.

As to what the statement of the minister will contain, I have to give the hon. member the same answer I gave to members of the official opposition: it will be up to the New Democratic Party to make up its mind as to what qualities it will attribute or not attribute to the statement made by the minister. I think the minister is correct when he says that, by and large, our

macro-economic policy is one we do not intend to change. That has been the position taken by all the nations at Versailles, and I point out to the Leader of the New Democratic Party that France, which tried for a while—perhaps because of its socialist government—to cure unemployment by stimulation, has now reversed its course and is bringing down policies which are much more in line with those the Canadian government has been following.

• (1430)

REQUEST THAT GOVERNMENT CUT INCOME TAX

Hon. Edward Broadbent (Oshawa): Madam Speaker, to deal with the policy options or alternatives in the way the Prime Minister has posed the issue in his reply, I should like to ask him, considering that on the weekend we learned that the Canadian economy is operating at only 69 per cent capacity, which is the lowest since records were kept, thus providing lots of room for stimulation without causing inflation, is the government contemplating a tax cut for low and middle-income Canadians? These people would spend the money to create jobs, and this would be a key means of creating more employment without adding inflation to the economy.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, once again, on the premise of the question, I would point out to the hon. member that it is because the Canadian economy is underemployed that I voiced the concern that I did at Versailles. I expressed the hope that we would find other ways of curing inflation than by pursuing this route of underemployment of the economic factors of the nation.

As to the suggestions of the hon. member about stimulation, let me point out to him once again that he should look at the experience of the French government. The news may be too recent for the hon. member to have seen it, but yesterday the French government, which had been following expansionary policies which, as the hon. Leader of the New Democratic Party will recall, he enjoined us to copy and follow, discovered they led to such sad results that now France has had to devalue the franc voluntarily and adopt austerity measures, not the stimulative or expansionary measures that the hon. member is recommending, but austerity measures.

Whether the Minister of Finance in the government of Liberal Party of Canada will be as austere as President Mitterrand's government I cannot say, but the hon. member will judge.

REQUEST FOR STIMULATIVE MEASURES

Hon. Edward Broadbent (Oshawa): Madam Speaker, instead of the Prime Minster carefully reading his briefing notes, maybe he would listen to the question. I will repeat it. It concerns what is happening in the Canadian economy, not the French economy.

On the weekend we learned, to put it differently, that 30 per cent of our factories and offices are underutilized. This means that we can take stimulation in the economy without adding to the inflation. Given this situation in the Canadian economy, will the government actively and seriously consider providing stimulation by means of a tax cut or other means that would produce jobs without adding to the inflationary pressure?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member is advocating an expansionary course. I am telling him that expansionary courses have been tried in other countries at this time—a time of stagflation—and they have not worked. He will be able to judge and look at the statement made by the minister and will then see whether it is expansionary or not. I am telling him that the course we are following is to hope we will be able to create jobs and reduce inflation without causing more unemployment to start with. That is the dilemma with which the western industrialized nations are faced. Even though they have excess capacity, as the hon. member says, we still have very high inflation.

The question I was asking at Versailles is whether the only way to bring down inflation is to create more excess capacity, and the answer I gave was that I hoped not. I have not heard from the hon. member or his party about any way that this could be done. He has not suggested any way in which Canadians could somehow bring inflation under control without causing higher unemployment. If he has an answer I should like to hear it.

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ADMINISTRATION OF JUSTICE

REQUEST FOR CHANGE IN MANDATORY SUPERVISION PROGRAM

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, my question is for the Solicitor General. Since convicted sexual offender Paul Kocurek was free on mandatory supervision at the time he sexually attacked and killed fifteen year old Lise Clausen in Duncan, British Columbia, last August, and since the parole board had repeatedly denied him temporary absence and full parole because of psychiatric reports which indicated he liked to choke females during sex acts, will the Solicitor General admit that the eleven year experiment with mandatory supervision has failed? Also, will he introduce legislation that will return the decision for the release of dangerous criminals to the parole board?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I am certainly prepared to admit, as I have indicated before, that serious problems have been demonstrated with the mandatory supervision provisions enacted by this Parliament, in the last 12 years, and that I am dissatisfied with them. I have taken proposals to cabinet to change them, and I hope shortly to be able to do as the hon. member has requested and bring forward some changes that will toughen up the mandatory supervision rules and give more authority to the parole board.

Some hon. Members: Hear, hear!

TREATMENT OF RELEASED VANCOUVER INMATE

Hon. Bill Clarke (Vancouver Quadra): Madam Speaker, until the rule change comes about, could the minister explain in this particular case the difference between parole and mandatory supervision? Why was Kocurek allowed to be lawfully at large, carrying a pistol and handcuffs, after failing to show up for his first scheduled visit to the mental health unit?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, mandatory supervision operates under a formula provided in the statutes. Whether or not the parole board considers inmates a threat, they are entitled to be on the street for the last one-third of their sentence, provided only that they have behaved during the time they have been incarcerated. I recognize, and I have indicated, that there are shortcomings with that system. Mandatory supervision has certain advantages. It provides an incentive to inmates to behave well while in prison, but the price for that advantage has been high. I very much favour changing it.

ROLE OF PAROLE BOARD OFFICER

Hon. John A. Fraser (Vancouver South): Madam Speaker, I have a supplementary question for the Solicitor General. According to press reports it is quite clear that federal officials warned that Kocurek was dangerous. Was there in fact a parole board officer to whom Kocurek was supposed to report? If there was, why was that parole board officer not keeping track of what Kocurek was supposed to be doing? I refer especially to his refusal to turn up at the mental health clinic? Why did no one know about this?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I would like to have the opportunity to look into that further before answering the question. Basically mandatory supervision is a right that an inmate earns by good behaviour and not a right that officials can take away from him without a proper hearing.

NATURE OF SUPERVISION

Hon. John A. Fraser (Vancouver South): Madam Speaker, the Solicitor General seems to be indicating that, once someone is out on mandatory supervision, it does not matter what he does with respect to the federal authority to bring that person back into custody or check on him. Is that what the Solicitor General is telling the Canadian people? In this case it seems to me that if Kocurek was supposed to be reporting to somebody in the parole board, that parole board officer had an obligation to find out what he was doing and whether he was reporting to places like the mental health clinic. Is the Solicitor General telling me that absolutely nothing can be done, that there is no supervision at all when someone is out on mandatory supervision?

Hon. Bob Kaplan (Solicitor General): No, Madam Speaker. In fact over half the cases of mandatory supervision are unsatisfactory and are revoked or circumscribed in some way. These are the statistics that concerned me so much when I began my job that I asked for an investigation into mandatory supervision and discovered all the shortcomings of it. Indeed, mandatory supervision can be terminated. I have indicated that I favour changes to make mandatory supervision even tighter than it is.

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LABOUR CONDITIONS

LOSS OF EMPLOYMENT IN BRITISH COLUMBIA

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, my question is addressed to the Prime Minister. Currently there are 11,000 workers drawing unemployment insurance benefits in my riding of Nanaimo-Alberni. In Port Alberni alone there are 1,200 workers facing the prospect of going on welfare by the end of August, to join 1,300 families already in that unenviable position.

Will the Prime Minister explain to the people of Nanaimo-Alberni, and those in the rest of Canada who are unemployed, how their belt tightening has helped improve the Canadian economy and what the government proposes to do to help those workers who have sacrificed so much already?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have not had notice of the question so I am not sure if I can identify the kind of jobs that have been lost in that area. I imagine that they would be in the forest industries, and that the hon. member would know that our main clients for the products of those industries are in other countries. For instance, when the United States economy is undergoing negative growth—in other words when it is in a recession—the markets for the products of the workers in the hon. member's riding are shrinking.

• (1440)

The answer which I could give his workers would not be satisfying, unless I could guarantee to them that there would be an upsurge in demand in the United States. Of course this is something for which we are hoping, particularly in Canada, because such a large part of our trade is with the United States. But it is certain that the question asked by the hon. member illustrates well that nothing which this government could do, no matter how perfect it would be—and God knows it is not perfect; not all that perfect, anyhow—could guarantee that these workers would suddenly find a surge in the markets of the countries which buy products from Canada.

REQUEST THAT GOVERNMENT STIMULATE ECONOMY

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, my supplementary question is directed to the Prime Minister as well. The public mood in Port Alberni—and I imagine in other communities across Canada—has been one initially of

attempting to do something within their own economic community to stimulate jobs. That has failed, and now we are in a situation where the public in these cities are contemplating soup kitchens and welfare benefits of some sort. Is the Prime Minister aware of the kind of despair which is prevalent in Canada and, if so, will he not consider the desperation which the people of Canada are feeling, and encourage in the planned economic statement, some stimulation to the Canadian economy so that our communities and our workers can get back to work?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I fear that the hon. member was preparing his supplementary question rather than listening to my answer. He may not agree with my answer, but I think I made it quite clear to him that the particular workers about whom he is talking depend upon stronger markets in other countries, not in Canada. They depend particularly upon the hopes and maybe expectations that the recession in the United States will be turned around and that we will see growth in the next two quarters. The hon. member asks the same question again—what do we intend to do in Canada about it? I can tell him that there is very little we can do to force the United States into policies which would create growth.

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PIPELINES

DELAY IN CONSTRUCTION OF NATURAL GAS PIPELINE TO MARITIME PROVINCES

Mr. Howard Crosby (Halifax West): Madam Speaker, I have a question for the Prime Minister. It concerns the extension of the natural gas pipeline to the Maritimes. The prime Minister will recall that in 1980 he promised a gas pipeline extension so that natural gas would be available in the maritimes by 1983 and that promise was repeated in the National Energy Program. Now we see delays in the construction of the natural gas pipeline so that natural gas will not be available until 1987 or later. How will the Prime Minister compensate the people in the maritimes, who will now be forced to pay much higher prices for fuel oil and energy until natural gas is available in Nova Scotia? How will he fulfil the promise which he made to the people of the maritimes in 1980?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Minister of Energy, Mines and Resources, who is attending an international conference on gas exploration, has answered this question before. He has explained the reasons for the delay, and the circumstances under which the delay took place. He has expressed the view that the situation is now somewhat changed, that it is possible that gas will be found in commercial quantities off Sable Island, that the type of pipeline which we had contemplated before the delays were imposed upon us may have to be changed, and that gas may flow in the other direction. The hon. member has heard the answers, and I am satisfied that he knows them.

Mr. Crosby: Perhaps I did not make my point sufficiently clear to the Prime Minister. Part of the promise of natural gas supplies in the maritimes was that that natural gas would be available at the Toronto city gate price, which is approximately 65 per cent of the price of fuel oils and other energy sources. The fact of the matter is that the people in the maritime provinces will have to pay much more for energy supplies in this three or four-year period until natural gas is available; they will be spending more money. The Prime Minister and the government have taken responsibility for delivering energy at cheaper costs than will be experienced over this period.

FULFILLMENT OF ELECTION PROMISE

Mr. Howard Crosby (Halifax West): Madam Speaker, does the Prime Minister not feel some obligation to the individuals in the maritime provinces who now pay the highest energy costs in Canada to help them with this problem? Will he have them carry on over this three or four-year period and continue to pay the highest energy costs until he fulfils the promise which he made in the election campaign of 1980 and gained the support of a great many people in the maritimes by virtue of that promise?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member asked if the government feels any obligation. The answer is that in a general sense of course it does, and that is why the government has adopted various measures, apart from the pipeline about which the hon. member is talking. It has adopted various forms of subsidies through the medium of prices, through the establishment of Candu reactors to produce electricity from atomic energy sources, or through the establishment of communications between the various maritime provinces. The government has felt such obligations to help the high cost area of the maritimes, including special subsidies for those who want to go off oil and on to other forms of energy such as wood.

Mr. Crosby: Another broken promise.

Mr. Trudeau: This is the reason the population of the maritimes supported our party. They saw that in fact in the past and in the future we are helping them with their energy costs.

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[*Translation*]

INDUSTRY

FOOTWEAR—INQUIRY WHETHER GOVERNMENT WILL ANNOUNCE RE-EVALUATION OF GLOBAL QUOTA

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. Three months ago, the Shoe Manufacturers' Association of Canada asked for a review of the global quota with respect to leather footwear. The minister was expected to reply, and he knows perfectly well, Madam Speaker, that

every day since then, the industry has been losing jobs. Considering the fact that tomorrow, hundreds of workers employed in this Canadian industry will march on the Hill to demand a definitive reply from the minister, could the minister today, as a matter of respect towards this industry, inform us whether tomorrow he will be able to give a definitive reply to this major industrial sector?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, my colleagues and I have the greatest respect for this industry and its workers, but a few days ago, my colleague, the Minister of State for International Trade already told the House that the government will not give a reply until the information on which our policy was based has been revised, so not before the end of June or perhaps the beginning of July. Therefore, there will be no policy announcement either today or tomorrow, and in any case not before the last week of June.

INQUIRY CONCERNING RECOMMENDATIONS MINISTER WILL MAKE TO CABINET

Hon. Roch La Salle (Joliette): Madam Speaker, I think the ministers know perfectly well that the recommendations made by the Association are supported not only by members on this side of the House but also by members on the government side. The Right Hon. Prime Minister has just mentioned additional efforts to create new jobs. Does the Minister of Industry, Trade and Commerce realize how urgent it is to save existing jobs first, and how can we trust a government that is letting a major industrial sector—and there are others—deteriorate, and talks about creating new jobs but is doing nothing to save jobs that still exist at the present time? Could the minister inform the House what kind of recommendations he made or is about to make to cabinet, in view of the needs of this industry, which can no longer afford prolonged delay?

[*English*]

Hon. Ed Lumley (Minister of State for International Trade): Madam Speaker, as we have stated several times in the House, we are very conscious of the jobs in the shoe industry. Many colleagues on both sides of the House have brought this matter to our attention. We are having a federal-provincial trade ministers' meeting on June 21. The hon. member is hopefully very conscious of the fact that, when we invoke global quotas, there is a possibility that we could be asked to compensate in some other sectors under GATT. We want to have this discussion with our provincial counterparts on June 21. As previously stated, we will be making an announcement in the last week of June or first week of July.

• (1450)

[*Translation*]

AIRPORTS

MINISTER'S DECISION ON FUTURE OF MIRABEL

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is directed to the Minister of Transport. Last week, the minister said that he had made a decision with respect to Mirabel. Would the minister please elaborate on this decision?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I myself have made a decision. However, I am going to submit my views to my cabinet colleagues, since it is up to the entire cabinet to decide in such matters.

[*English*]

ALTERNATIVES FACING MINISTER

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, was the minister reported correctly that the decision narrowed down to two alternatives—either to maintain the status quo, or to transfer all Dorval flights to Mirabel except for flights within Québec and flights to Toronto, which, in the minister's own words, means that you would more or less "dig a hole at Mirabel."? Is the minister's decision and his recommendation to cabinet one of those two alternatives? If that is the case, with no in-betweens, which he has also said in his statement, and admitting full well that the economy is difficult to keep under control, can the minister explain why, if that is the nature of his decision after all this time, he is even thinking of making that recommendation for any shift which recalls all the economic problems that hon. members have brought to his attention?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, it is normal to look at all the options when you make a decision. This is the normal decision-making practice.

I am reported to have said that there were only two possibilities. One was the status quo, and one was option six in the first report, with which my hon. friend is familiar. That latter option is to transfer all except short-haul routes around Dorval. The reason for that is simply that the in-betweens present technical difficulties. There are six or seven or eight of them. For example, all charters in Mirabel, and anything within three hours, and beyond three hours. All these variations and in-betweens have been studied. All of them present technical difficulties which are too great to consider. With respect to the three-hour option, for example, all routes less than three hours long would remain at Dorval and all routes longer than three hours would go to Mirabel. It would be difficult to present a carrier from establishing a stop from Dorval while travelling whatever distance he would be going. We have looked at all these in-between possibilities and have found them wanting.

Oral Questions

DISARMAMENT

STATEMENT MADE BY PRIME MINISTER

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, my question is for the Prime Minister. Since both the Minister of National Defence and the Secretary of State for External Affairs have come out, not once but several times, against a nuclear freeze—mutual and verifiable—was the Prime Minister speaking only for himself as a private citizen when he advocated this most important step last week?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I was stating a policy which I believe to be that of the Government of Canada. I am not clear as to where my policy differed in any way from that expressed by any of my ministers.

Miss Jewett: The Prime Minister has not then read the speeches of his colleagues. They have both been opposed to a nuclear freeze.

QUERY RESPECTING DEFENCE INDUSTRY PRODUCTIVITY PROGRAM

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, may I ask my supplementary of the Minister of Industry, Trade and Commerce to see whether he is in line with the Prime Minister's thinking. If it is the government's policy to oppose further development of nuclear weapons, I would ask him why officials from the Defence Industry Productivity Program were meeting in Ottawa late last week with officials from Boeing? Why were officials from a program in his department, the Defence Industry Productivity Program, meeting with officials from the Boeing Winnipeg branch late last week to discuss federal assistance to Boeing on a potential contract for the creation of components of the MX missile? Why is the government furthering the production of new nuclear weapons like the MX missile?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I apologize to the hon. member, but it is apparent from her question that she must have misinterpreted my position and therefore, if she will allow me, I will supplement my former answer before she asks her supplementary question.

I may be disappointing the hon. member, but I did not advocate a freeze in the sense which I believe it is understood by the hon. member. I did advocate the policy of suffocation, which is a freeze, but that policy was always advocated in a bilateral context so that both sides should be proceeding along those lines. I would point out to the hon. member that that policy was, unfortunately, not accepted by either side. That is why this government is now on the two-track policy which we reaffirmed in NATO just a few days ago.

FINANCE

POSITION OF MINISTER

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is for the Prime Minister. The Prime Minister knows that the Minister of Finance has brought down two budgets during his tenure. The first one literally drove billions of dollars out of the country by the establishment of the National Energy Program, and the second one was the worst anti-investment budget in this country's history.

In light of the crisis of confidence, not only in the policy of the minister but in the minister himself, and in light of his dismal track record, does the Prime Minister still have confidence in the economic ability of the Minister of Finance to bring down an economic statement?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not believe that that question is any more in order than if I were to ask the hon. member if he had confidence in his leader. In this case I can give the hon. member a clear assurance that I do have confidence in the economic abilities of the Minister of Finance.

Miss MacDonald: You are the only one.

Mr. Speyer: The Prime Minister may have that confidence but no other Canadian has it.

* * *

SMALL BUSINESS

REQUEST FOR ASSISTANCE

Mr. Chris Speyer (Cambridge): Madam Speaker, my supplementary question is directed to the Minister of Finance. There are 250 small businesses going broke every day. More than 1,000 Canadians each day are going out of work as a direct result of the economic policies of this government. Will the minister give us an assurance, without stating exactly what the policy is, that something will be done for the small business community when he brings down his economic statement later this month?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, of course I find the comments of the hon. member really quite unjustified and almost nonsensical when he attributes the current economic situation in Canada to—

Miss MacDonald: To you.

Mr. Clark: To the Government of Canada.

Mr. MacEachen: —to the policies of the Government of Canada.

Mr. Clark: It is all the fault of Zaire.

Mr. MacEachen: That is just an over simplistic approach that has been perpetuated by his leader and other members of

the opposition. Until they get that out of their heads they will not be able to make any contribution to the resolution of our difficulties.

* * *

METRIC CONVERSION

REQUEST FOR DELAY IN APPLICATION TO LIVESTOCK AUCTIONS

Mr. Arnold Malone (Crowfoot): Madam Speaker, my question is for the Minister of Agriculture. In light of the fact that on June 3, the hon. member for Wetaskiwin and I tabled a petition in the House which contained more than 1,000 names asking for a delay in the use of metric in the specific instance as it would apply to auction markets, since livestock sellers believe that there is a uniqueness between fixed price buying and the very rapid and instantaneous judgments of auction-buying, does the minister believe that there is a unique difference between buying over the counter when you have time to make judgments, and the rapid auction-buying?

Mr. Korchinski: Think fast, Eugene.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I was not aware that the hon. member had anything to do with submitting such a petition. All I know is that 87 per cent of agriculture is completed as far as going metric is concerned. The other 13 per cent should be finished by the end of 1982 and early 1983. I do know that we have met with the people representing the red meat industry, both the Canada Pork Council and the Canada Meat Packers Council, and discussed this very issue. I did not find that much objection to it. We met with the people running the auction marts earlier in the year and did not find that much objection to it, either, when it was clearly explained to them.

• (1500)

REQUEST THAT MINISTER CONSIDER UNIQUENESS OF LIVESTOCK AUCTIONS

Mr. Arnold Malone (Crowfoot): Quite naturally, the minister would not find any unique difference when he asked the packing plants, which are part of the red meat industry, whether or not they could convert to metric, because it is very simple there. However, when making an instantaneous judgment, a cautious buyer using metric at an auction who bids one cent a pound less could cost a large rancher up to $6,000 worth of loss in his annual sales. I would like to ask the minister again whether he would consider the information.

Would the minister take a look at the uniqueness, as it affects the large sales of all stock from auction markets, and make representations to the Minister of Industry, Trade and Commerce to protect that industry until the judgment of the nomenclature, or the use of the new auction langage, is instantaneous with the judgment of value which is necessary in auctioning live cattle?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, there is no doubt about what the hon. member says, that buying or selling cattle at an auction mart does take people of certain expertise who understand the total cattle marketing system. These people do have to make quick decisions; there is no doubt about that. I will consider what the hon. member is talking about but, as I have said, we met with the people who were running the markets earlier this year—

An hon. Member: Not the farmers.

Mr. Whelan: —and, as I say, I did not find great resentment over it, but I will look at it again.

* * *

PRIVILEGE

MR. ROBINSON (BURNABY)—NOTICE OF QUESTION TO BE RAISED

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a question of privilege relating to a matter which I raised in the House on June 2 last, concerning which I only today received further information. It relates to political interference in the hiring of—

Madam Speaker: Order, please. I thought the hon. member was rising on a question of privilege concerning the deliberations on this day. If the question of privilege concerns prior matters, he will have to send me a notice with a brief statement about the subject of his question of privilege. I am afraid that I cannot hear him today because his question did not arise out of the deliberations of today.

* * *

PETITIONS

MR. MILLER—STUDENTS' PETITION FOR PEACE

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, the students of Qualicum Beach Middle School wish the House to be aware of their concern and the concerns of their fellow students in School District No. 69 in the Nanaimo-Alberni constituency.

It is my pleasure and duty to present the 1,577 names of students in grades 2 to 12 contained in a "Students Petition for Peace". The petition calls upon this House and the Prime Minister (Mr. Trudeau) to end the worldwide build-up of nuclear and chemical weapons and to have the billions of dollars currently spent on war spent on life, not death, on earth.

I pray this House will respond to their worry and the trust they have in their country.

Some hon. Members: Hear, hear!

Order Paper Questions

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Peterson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Madam Speaker, the following questions will be answered today: Nos. 4,057, 4,278, 4,322 and 4,338.

[*Text*]

"TAKE A BREAK" BOOKLET AND AUDIO RECORD

Question No. 4,057—**Mr. Siddon:**

1. With reference to the booklet and audio record published by Fitness Canada entitled "Take a Break" (a) how many copies were produced (b) what was the total cost of production (i) on a per unit basis (ii) for the complete order (c) who authorized and ordered their production?

2. (a) Which firm or individual was contracted to (i) do the printing (ii) do the graphic art work (iii) produce the audio record (b) what costs were incurred for (i) printing (ii) graphic art work (iii) the audio recording (iv) packaging and delivery?

3. Were royalties paid for the right to record the songs on the record?

4. What was the procedure for awarding the contracts for (a) printing (b) graphic art work (c) audio recording (d) packaging?

5. How many of the booklets will be allocated to (a) federal cabinet ministers (b) Members of Parliament (c) Fitness Canada (d) other governments (e) public groups (f) private organizations?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Secretary of State and the Department of Supply and Services as follows:

1. (a) 72,500; (b)(i) 78.6 cents per unit; (ii) $56,984; (c) Fitness and Amateur Sport Canada.

2. (a)(i) Condor Litho & Carton Inc., 500 Upton St., LaSalle, Que., (ii) Cap Advertising Ltd, 126 York St., Ottawa, Ont., (iii) SC-Sound Communications, Div. of Medifacts Ltd., 471 Richmond Road, Ottawa, Ont.

(b)(i) $26,622; (ii) $5,000; (iii) $25,362; (iv) Packaging was undertaken by the printing firm above, and costs were included in the printing contract. Distribution was undertaken internally by Fitness and Amateur Sport Canada.

3. No royalties were paid.

4. Supply and Services departmental contracting procedures were followed for the award of all contracts. They submitted the following information on these contracts.

Service	No. of Firms invited to bid from dept'l source list	No. of Firms who bid	Successful Bidder	Remarks
(a) Printing & Packaging	6	2	Condor Litho & Carton Inc.	Lowest Bidder
(b) Graphic Art Work	5	4	Cap Advertising Ltd	Lowest Bidder
(c) Audio Recording	5	1	SC-Sound Communications, Div. of Medifacts Ltd	Only Bidder
(d) See reply 4 (a).				

5. The "Take a Break/Pause Action" is a fitness informational item available to the general public upon request at no charge. No specific initial distribution was undertaken, but the availability of the item was promoted and it is made available in reasonable quantities to groups, institutions, fitness instructors and individuals on request.

MR. F. L. C. REED

Question No. 4,278—**Mr. Blenkarn:**

1. Was F. L. C. Reed appointed assistant deputy minister of Forestry Services and, if so (a) on what date (b) is F. L. C. Reed the same person whose name is used in a company called Woodbridge Reed and Associates?

2. Did the government award a research contract for $233,000 to the company?

3. Was the contract for research tendered to other companies in the field so that they could make proposals concerning the research and, if not, for what reason?

4. What is the value of the research, if any, to the government?

5. Was the Forestry Services involved in suggesting the need for the research and did F. L. C. Reed have anything to do with making recommendations concerning the research project?

Hon. John Roberts (Minister of the Environment and Minister of State for Science and Technology): 1. F. L. C. Reed was appointed assistant deputy minister of the Canadian Forestry Service, Environment Canada under the Executive Interchange Program; (a) on August 15, 1980, (b) Mr. Reed was formerly a partner in the company now called Woodbridge, Reed and Associates.

2. Yes.

3. This contract was awarded as a result of the company submitting an unsolicited proposal to Supply and Services Canada. The research was therefore not tendered.

4. The value of the research will be reflected in the impact which the findings have on (a) the management of vast areas of hardwood forests, (b) the utilization of a resource, (c) the transfer of pulp and paper making technology to Canadian enterprises, and (d) the generation of employment, economic growth opportunities and foreign exchange earnings.

5. A submission was made to the Supply and Services Unsolicited Proposal Program. The submission was circulated for evaluation to an interdepartmental committee composed of members from Environment Canada, Supply and Services Canada, Industry, Trade and Commerce, National Research Council and Ministry of State for Science and Technology and was supported by Environment Canada through the assistant deputy minister of the Canadian Forestry Service, F. L. C. Reed.

NATIONAL FARM PRODUCTS MARKETING COUNCIL

Question No. 4,322—**Mr. Howie:**

How many persons are employed on the National Farm Products Marketing Council and what is the salary range allocated to each position?

Hon. E. F. Whelan (Minister of Agriculture): Nine.

	Salary Range
Chair	$54,900—$64,600
Three members	47,500— 55,900

Five members paid at a rate of $200 per diem for each day they are on council business.

GOLD RESERVES

Question No. 4,338—**Mr. Siddon:**

1. How many ounces of gold were held in reserve by the government at the end of (a) each quarter for (i) 1980 (ii) 1981 (b) the first quarter of 1982?

2. What was the total value of the government's gold reserves at the end of (a) each quarter for (i) 1980 (ii) 1981 (b) the first quarter of 1982?

National Training Act

Hon. Pierre Bussières (Minister of State (Finance)): The table below contains the requested figures on Canada's gold reserves, both book and market value figures are reported.

For accounting purposes the valuation of Canada's gold reserves; which are held in the exchange fund account, is based on the former official price of 35 SDRs (special drawing rights) per ounce. On March 31, 1982, one SDR was equivalent to U.S. $1.11309. The International Monetary Fund, and Canada's two main trading partners, the United States and Japan follow the same practice as Canada in valuing gold in reporting official holdings. The market value of our gold reserves is, of course, much higher than the book value.

Date	Official Holdings	Book Value per ounce[1]	Market Value per ounce[2]	Book Value of Holdings	Market Value of Holdings
	(thousands of troy ounces)		(U.S. dollars)	(millions of U.S. dollars)	
Mar. 31, 1980	21,786	43.79	494.50	954.0	10,773.2
June 30, 1980	21,310	46.35	653.50	987.8	13,926.1
Sept. 30, 1980	21,110	45.94	666.75	969.7	14,075.1
Dec. 31, 1980	20,982	44.64	589.50 a.m.	936.6	12,368.9
Mar. 31, 1981	20,917	43.00	513.75	899.4	10,746.1
June 30, 1981	20,913	40.27	426.00	842.2	8,908.9
Sept. 30, 1981	20,754	40.06	428.75	831.4	8,898.3
Dec. 31, 1981	20,463	40.74	400.00 a.m.	833.7	8,185.2
Mar. 31, 1982	20,353	38.96	320.00	792.9	6,513.0

[1]Based on a value of SDR 35 per ounce
[2]London p.m. fixing, unless specified as a.m. fixing

[*English*]

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

[*Translation*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

NATIONAL TRAINING ACT

MEASURE TO ESTABLISH

The House resumed, from June 4, 1982, consideration of the motion of Mr. Axworthy that Bill C-115, to establish a national program for occupational training, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, Bill C-115, an act to establish a national program for occupational training, is a very critical piece of legislation, as I am sure the minister is aware. I think every hon. member in the House of Commons will regard it as a critical piece of legislation. I use the word "critical" advisedly, because this bill is being introduced at a time when our country faces the worst crisis in unemployment since the days of the deep depression of the 1930s.

We all know the extent of the economic malaise which affects the country today. We know that hundreds of thousands of people are out of work. That is why it is critical at this point in time that this piece of legislation be introduced. The bill is critical in the short term in that it may—and I use the word "may"—provide the means whereby some of those presently unemployed will perhaps be given adequate training so that in the future they can find new employment, so that they can come back to the work force. This piece of legislation is also critical in the long term in that it has the potential either to provide a positive input to the economy by responding to the ongoing needs of the country, or a very negative input in that it could be the tool by which the government seeks it usurp certain legislative measures which are presently controlled, or should be controlled, by the provincial governments.

With regard to that aspect, I would say to the minister that the method of implementation of the measures contained in this bill is indeed critical, because if it is carried out with the co-operation of the provincial governments, then the national training program envisaged in the bill may well achieve the high level of success of earlier federal initiatives in the technical and vocational training and assistance programs. We may well see that duplicated. However, if the measures in the bill are implemented unilaterally, without proper consultation and agreement with the provinces, then it could well prove detri-

mental to our educational and training system and, indeed, to the employment opportunities for those in the 1980s.

Federal-provincial co-operation in implementing the measures of this bill is indeed vital. The minister has already been cautioned in that respect, and I do hope he is listening. The challenges have drastically altered work patterns and new technologies which will confront us in the 1980s will be difficult enough to cope with, without the additional aggravation of unnecessary federal-provincial conflict. That must be avoided at all costs. I am sure the minister has paid attention to the comments that were provided earlier in this debate by my colleague, the hon. member for Rosedale (Mr. Crombie), and I hope that he will take every opportunity to ensure that this program is carried out with the fullest co-operation from those members of provincial governments right across the country who will have to respond to the bill in some fashion.

I have mentioned the challenges which face us in the 1980s when it comes to the question of changes in work patterns, changes in unemployment programs and changes in the style which will determine the 1980s, but often when I listen to the minister's responses to questions in the House I get the strong impression that the federal government really has not been seized of the magnitude of the problems confronting us in the 1980s. We are now into the world of chip technology and this means major shifts in the work force. Chip technology, it has been said, could result in a social revolution in our country, and indeed in the world, of the same magnitude as the industrial revolution. However, it will probably be condensed into a much shorter time-frame. That time-frame will certainly encompass the decade of the eighties. We are already two years into that decade without the proper training programs having been put in place.

● (1510)

Even now we see that the gap between skilled workers and the demand for certain skills and unemployment is widening, not contracting. The gap between the jobs that are available and unemployment is becoming greater. The immediate problem facing Canada is to match the skills of Canadians with available jobs.

I am sure the minister knows that thousands of jobs are vacant, because we do not have adequately skilled workers to fill them. Even though there are skilled jobs going for the asking, there are still one and a quarter million Canadians unemployed. When we take into consideration the hidden unemployed, there are probably closer to two million people.

There are still job openings not being filled because of this mismatch of supply and demand. The difference between supply and demand in the labour force has to be addressed and eliminated. The highly skilled blue collar worker is in demand. At the same time, the clerks, labourers and assembly line workers are finding that their jobs are becoming redundant. These people are joining the unemployment rolls.

The problem that faces us is here and now. The need to address it is immediate. I look at the province of Ontario as an example. The Ontario manpower commission reported that 108,000 new highly skilled positions will be created by 1986. That is the estimate of the number of new jobs to be created in the province of Ontario within the next four years. However, if current trends continue through our training programs and educational systems, the system in Ontario will produce only 62,000 skilled workers to meet that demand of 108,000 vacancies which will occur. Obviously the present system is not working. The assessment system of our needs and the training programs to meet those needs are not working at the present time.

In my comments today I want to bring to the minister's attention one concern in particular that I have. That is the impact that this chip revolution, this move into the new computer technology, is going to have on women, both those in the work force and those planning to enter the work force in the eighties.

High technology has the potential to create a very severe set of structural unemployment problems for women. Various studies I have looked at show that perhaps up to one million women who are presently working may find that their jobs will become redundant. At present, there are four million women in the work force employed in the sales, service and clerical sectors. These are the very sectors where the numbers of jobs will be reduced in the next ten years because of moving into microchip technology. These are the areas which will be most affected. Of course, those are the areas where women are primarily employed at the present time.

Indeed, if we look at areas such as clerical and service occupations, we find that the number of job openings is levelling off today and has been doing so for the past number of months. That levelling off will increase. There will be a decrease in opportunities in these sectors in the years immediately ahead. There are not the same number of new jobs being created for sales clerks, office clerks, bank clerks or telephone operators as there were five years ago. Those are the jobs which are predominantly held by women.

Computers displace clerical jobs. Clerical jobs is certainly one area. However, computers are also moving into other areas. They are bringing about significant employment changes in work places such as libraries, hospitals, retail outlets and factories. It is estimated, for example, that 30 per cent of present bank positions, that is tellers and clerks, those jobs primarily held by women, will disappear with the full advent of micro processing and electronic funds transfers.

Heather Menzies in her book "Women and the Chip" estimates that by 1990 one million women could find themselves without work unless they become computerized. Can we reasonably expect those one million women to revert to their traditional role and stay at home? Of course not. They will not do so intellectually and they cannot do so economically. If working wives were not in the labour force today, the number of Canadian families living below the poverty line would increase by something like 50 per cent.

We cannot afford the price tag either in welfare or unemployment, and the lost consumer market than women constitute. We cannot afford it in the human potential that they

represent. We cannot afford a ghetto philosophy toward women in our society. They must have the opportunity to enter new jobs and professions on an equal footing with their male counterparts.

I ask myself whether this is going to happen. By itself, it is unlikely. I again refer to the work done by Heather Menzies in her studies in this field. She followed the process of automation through one Canadian corporation that was operating in the transportation and communications field. She found that expansion occurred in the professional and managerial levels of that firm, but there was a reduction in the clerical as automation took place. The number of clerical jobs phased out amounted to some 130 placements, all held by women. The only persons to move into the managerial ranks from that group of 130 women were two who were able to be trained and carry out the up mobility that brought them new positions. The other 128 were literally dropped from the work force.

I do not think it will automatically happen throughout our work force that women will be moved into the higher jobs. Opportunities have to be provided for them. Indeed, it is critical that these women who are going to be displaced have the opportunities to train for the new jobs which the new technologies will create.

Certain skills will be required more than others, skills such as engineering, technical work and computer program analysis. These are the areas where there will be new openings. Job opportunities in the eighties will be in these sectors. I am sure the minister is aware of the statistics which show an insignificant movement of women into these areas. Current training programs still concentrate on channelling women in the very fields where the jobs ar now being phased out. Indeed, 75 per cent of women in Canada manpower retraining programs today are still being trained as stenographers, bank tellers, typists and clerks, that kind of traditional female ghetto. Only 12 per cent of the women presently in Canada manpower industrial training programs are registered in non-traditional job training.

• (1520)

I asked the minister earlier for these figures. The latest reports I had from his department were that 2,000 women in all of Canada were now in retraining programs in non-traditional roles. When we consider that one million women are in jeopardy of losing their jobs, that 2,000 who are being retrained is a pitifully small number. The most recent statistics I have from Canada Employment and Immigration for apprenticeship programs, another area where we have to expand, show that 3 per cent of the total enrolment of Canadians in the apprenticeship program are women—3 per cent only. In Ontario, the statistics I have show that only four out of a total of 1,500 people enrolled in apprenticeship programs were women.

I notice that the number of young women who are enrolled in Ottawa technical high schools number only 40 out of 850 pupils. So even at the educational level we can see that there is not a very bright future for women if these present trends continue. In other words, our educational system, our training and retraining programs are not at present geared to relocate women in the work force, to adapt them to the new technology to provide them with opportunities which they are going to have to have as we move further into the decade of the 1980s. Yet as we consider that decade of the 1980s, two-thirds of all the new entrants coming into the work force will be women. It is not just those who are presently in the work force that we have to be concerned about, the one million women who might be displaced or could be displaced; it is the additional one million women who will be coming into the work force in the 1980s and who will certainly make up the highest number of entrants to the work force.

Obviously, therefore, the needs of women in employment, placement, and in training programs, must be given the highest priority, the highest consideration, in the government's training program. Yet the present programs are really of little benefit to women. That is a major concern and it is one that has to be addressed.

There is another concern that I have, Mr. Speaker, that I would like to point out to the minister. Women must be prepared to make the changes that will take them into the new technology and into the non-traditional roles. A great many Canadian women are not yet prepared to do so. That is a concern that I have had, in talking to many women across the country. It is the fear that they have about making a move from the positions they now hold, from the roles that they now know, from the areas where they feel secure, into a field of new technology for which they do not feel adequately equipped. I had an opportunity to look at data from a recent national survey. It shows a high degree of hostility among certain groups of women, women who are at the lower end of the salary scale, women who have a lesser amount of education. They have a great degree of hostility towards the new technology. Unfortunately, this hostility finds its concentration among the very people whose jobs are the most vulnerable. It is among the sales clerks, the bank tellers, the telephone operators and the typists that there is a great degree of reluctance to come to grips with this new technology.

There is no doubt that the greatest challenge facing women in the 1980s is the challenge of the chip. Not only will training and retraining programs have to be directed towards opening up new opportunities for women, but there must as well be public educational and information programs which show in a positive way the advantages that this new technology will have for women and thus encourage them to enter into the training programs that will be made available to them, I would trust, as we approach this new technology.

I would point out to the minister that such public information programs particularly geared towards women in the work force are already being carried out in France and Japan and have had a very significant impact on the attitudes of women towards these programs. Women in particular must accept the inevitability of the microchip revolution. They must see it as an opportunity to improve their economic position in the work force.

Last week a Statistics Canada report revealed that on average women earn about half the income that men earn. On average women earn about $8,200 a year, while men on average earn about $16,700 a year. That is the difference at the present time. Every piece of legislation that we deal with in the economic sense must be geared to overcoming that difference, to redressing that inequity. If this situation is to change, and change it must, then the bill we have before us must address itself particularly to the needs of women. It must address the problems that women face today in the labour force. It must also address the potential contribution that women can make to the economic development of Canada.

I would urge the minister to use this piece of legislation to take into consideration the very problems that are now confronting women as we go further into the decade of the 1980s, with the microchip revolution upon us. I would urge him also to make sure that the potential of women in the work place is realized by putting into place with his provincial counterparts public information programs which will encourage women to overcome the reluctance that they now evidence towards some of the changes that are taking place as a result of the new technology.

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, I am pleased to be able to participate in the debate on this legislation concerning job training. I recognize this issue to be of national importance as well as of local concern to residents in my constituency of Hastings-Frontenac-Lennox and Addington.

When I read this Bill, C-115, I read it with the same degree of skepticism as Canadians view the actions of this government. We have the appointment of Jack Horner as chairman of the CNR and Arthur Erickson as the architect for the New Canadian embassy in Washington. As we all know, the list is continuous. That is why, when I examine Bill C-115, I pose the same question that many Canadians are asking about government: Just what is the intention of this bill?

I would like to suggest that it is fairly ludicrous to establish a national training program for jobs that do not exist. The minister has stated that "major shortages averaging 9,000 skilled workers each year are predicted over the next five years unless the pace of expansion increases dramatically." If this prediction is made in the same manner as that in which the finance minister predicted good things from his November 12 budget, or the Minister of Energy, Mines and Resources (Mr. Lalonde) predicted good things from his National Energy Program, I cannot believe the figure quoted for skilled worker shortages.

• (1530)

I believe this is a Utopian bill. How does one determine shortages? Changes in the work place are occurring very rapidly today. By the time a response has been developed to suit the market by establishing a training program and then placing workers on the market, the situation will have changed and the market will have shifted to meet the new conditions. It makes much more sense to have industry train its work force and retrain on the job in the ever-changing marketplace.

Another point which concerns me about this bill involves the idea of a national training program. Other than the logistical problems and the corresponding increase in the size of the bureaucracy, how does one determine a national skill? Obviously the manpower training requirements will differ from region to region. I can see an individual moving from Nova Scotia to Manitoba for a job or job training in that province. However, I do not believe many individuals will undertake job training in Nova Scotia and start looking for work in Manitoba. What should really be addressed is the problem of job creation in the private sector for the 1.2 million unemployed in this country.

We are going from crisis to crisis and treating symptoms rather than the disease, which is a lack of confidence for private enterprise to invest in Canada with Canadian money.

The changes we are witnessing in industry will continue for some time. This process of change is exposing new problems daily. Shutdowns create problems which will be more difficult to address if we do not meet the challenge.

In my riding the spectre of the shutdown of a uranium mine looms. What good is this bill to the some 400 mine employees in Bancroft or other Canadians finding themselves out of work because of a lack of sales, bankruptcy or receivership? This mine, which employs over 380 people, is situated in a community of less than 1,400. The impact of this shutdown will be horrendous. The suggestion of retraining these people is unrealistic. Most people choose to remain in their locations, even if transfer opportunities exist. People who live in the rural areas of my riding do so because of the lifestyle, which is something upon which we do not put a price tag. People want to stay there and live in those communities. Of the few who do move, frequently they return to their previous locations. The end result is individuals on unemployment insurance and, ultimately, social assistance. This bill is like talking about shutting the barn door after the horse has escaped.

Let me expand on the effect the closing of this mine will have on 380 workers in a rural community who will be put out of work. First, there is the loss to governments of taxes which are collected. That loss would be in excess of $500,000 per year. Then there is money lost to local communities for supplies amounting to approximately $2 million. Then with respect to supplies bought from other Canadian businesses the loss would be approximately $10 million. The annual payroll is about $12 million. We see a budget forecast of approximately $24 million lost to the community and to Canada. Of approximately 400 employees, let us say 300 decide to relocate with their families. If the 300 workers who relocate request and obtain relocation assistance from the Canada Employment Centre and the amount requested is the maximum per family, that will cost the Canada Employment Centre something in the neighbourhood of $1 million. That leaves approximately 100 employees who will be qualified to apply for unemployment insurance benefits. Unemployment insurance benefits for

the first 12-month period would amount to in excess of $1 million. We cannot measure the human costs this would involve. When the decision to allow the Madawaska mine to close is made, the cost to government could easily exceed $5 million in the first year, including costs associated with the mining sector employment bridging program.

The Minister of Employment and Immigration (Mr. Axworthy) should address the seriousness of plant closings, bankruptcies and the social implications involved before establishing a national training program which, if the current trend continues, will train workers for non-existent jobs. I do not see a national labour market; I see a regional labour market. The people in my riding wish to stay there and be employed, a request I believe to be not too unreasonable.

Job-training programs may be a popular quick-fix remedial notion, but they do not address the problem of job creation today. We must move to protect existing jobs.

I would like to quote from the general development agreement of 1974, in which the Department of Regional Economic Expansion was a partner with the province of Ontario, as follows:

—to improve the opportunity for productive employment and access to those opportunities and to sustain existing productive employment opportunity . . . in need of special measures.

The mechanisms we have in this country for moving workers in declining industries from one area to another are extremely poor at the best of times. The workers who are currently being hurt by this recession are those with less formal education and older persons who have the type of family responsibilities that inhibit movement. With interest rates the way they are, anyone with a house is neither able to sell his house in a declining area nor able to afford to buy a new one in a growing area. We do not have the structures to assist the mobility en masse of those who are unlikely or unable to move on their own to areas where there are jobs or national training programs such as this bill envisions.

I would like now to address the purpose of Bill C-115 as I see it. I see it as another power grab by the current federal government, this time trying to carve out a piece of the education market. Education is clearly within the responsibilities of the provincial governments. On the one hand the federal government is withdrawing transfer payments to the provinces for post-secondary education and, on the other hand, through legislation like Bill C-115 the bureaucrats are building a larger empire for the Minister of Employment and Immigration—or will it be the minister of employment, immigration and education?

I acknowledge that there are good intentions involved in job training programs, but it appears that the minister seeks to exploit the situation to expand his department. The provinces have a real worry that the funds for this program will be diverted from funds allocated to universities and community colleges. I am skeptical about moving people from region to region, first for training and then for jobs. It is impractical, and it is not feasible.

The Madawaska mine, which is in real danger of closing, is a uranium mine. The present government's involvement in the marketing of uranium is an issue which, along with concerns respecting cartels and price fixing, lingers on in our minds. The people of Bancroft do not want to see the Uranium City solution applied to their community. The government is and should be responsible for its actions; I am sure foam insulation sufferers would agree with that.

The Prime Minister (Mr. Trudeau) has indicated that co-operative federalism will no longer be practised. The federal government wants more recognition for federal funding and new areas for further patronage. How will it be decided which regions receive funding for job-training facilities? Will a committee be established and then its advice be ignored, as was done when choosing the architect for the new embassy in Washington? If the minister is truly prepared to listen to provincial proposals and allow a really effective training program to emerge through co-operative federalism, I support his efforts.

The task force on work for tomorrow indicates that there could be employment opportunities for machinists, tool and dye makers, welders, electronic technicians, computer specialists and a host of other occupations which could assume a role of national importance if there are shortages in these fields, but business activity is necessary before these jobs can be created.

The federal government has recently set two records: the dollar has reached an all-time low, and unemployment has reached an all-time high. I suggest that the federal government test the intent of Bill C-115 with specialized training development in the armed forces. This could be accomplished without disrupting any of the excellent training programs which currently exist in some provinces.

The minister speaks about a national training program to place a national focus on a national problem. The Department of Regional and Economic Expansion was intended to have the same purpose. It was created, and I quote, "to assist and encourage each region of Canada in realizing its economic and social potential".

• (1540)

The figures indicate that over the life of DREE, since it was first formed in 1969, one particular region, which has a tendency to support the Liberal Party, has benefited to the tune of $1.524 billion compared to Ontario's $277 million. Ontario has always been regarded as a "have" province. However, regional disparities exist in Ontario which should have been addressed by DREE. DREE is riddled with patronage to the point of being a national disgrace. It was a good idea; but it has been politically sabotaged to the point of ineffectiveness in certain partisan areas.

The $350 million industry and labour adjustment program, ILAP, announced in 1981 also is a program that on paper sounds good. The reason it was established was, in part, as follows:

A program to promote industrial restructuring and labour adjustment . . . available to communities facing major lay-offs resulting from large-scale industrial dislocation.

At this point it is being used to funnel millions of dollars into western Ontario ridings whose members currently sit on the government side of the House. They are in trouble politically. Voters in Kitchener will recognize pork barrelling for what it is and it will not help the member for Kitchener (Mr. Lang) in the next election. Are we now to assume that the Kitchener riding has national importance?

The Minister of Employment and Immigration informs me that his ministry will be monitoring the Bancroft situation. The word monitoring is a catchword which says that if the people who are affected live in a Conservative riding, we will watch them being thrown out of work. Does the minister not realize that he is playing games with people's lives and their livelihood? In the Sudbury area approximately 26 per cent of the labour force work directly in the mining industry compared to 83 per cent in the Bancroft area. There will be a tremendous upheaval if this uranium mine shuts down in this community.

The type of job skills required to live in the North Hastings area around Bancroft are skills for which no "national occupational training program" will ever provide training. These people are independent and have learned to be versatile, regardless of government interference. It is a life to be envied and one I do not wish to see disturbed.

What is an occupation of national importance? I see the situation where a regional shortage may be deemed not to be of national importance, a region where there exists a shortage in all occupations, but which in the eyes of the Canadian Employment and Immigration Commission is not sufficiently serious to justify special action.

The tendency in the past has been to attract skilled workers from other countries to fill jobs in Canada. The minister wishes to reverse this trend. Canada will now have skilled workers to export to other countries where the jobs will exist.

Can this government not see the real problem? Is it so bankrupt of ideas, so old and tired that it does not see a frustrated populace? Canadians are tired of the federal government fighting with the provinces, and tired of the relentless empire building of Ottawa.

Occupational training for the work place in a changing work environment is a worthwhile goal. I would like to see a system implemented that encourages our provincial educational systems to assess students at an early age for occupational aptitude and direct students into training programs at an early age to remedy current and future skilled-trade shortages that Bill C-115 is attempting to redress.

I am in favour of the intent of Bill C-115, regardless of my pessimistic comments concerning federal government participation in educational matters. However, I do believe employment is the key solution to restoring confidence in the Canadian economy to promote private sector growth. There are some well-meaning programs that currently exist that can be used effectively to encourage this confidence. Instead of speculating about possible future shortages, let us protect existing jobs and work for their preservation and expansion. Business and labour need a sensible, stable, long-term industrial strategy if they are to be able to plan their future requirements. We have in Canada an abundant supply of resources in raw material and human resources.

During this worldwide recession, Canadians should be on top, not thirteenth on the list of nations behind such countries as Switzerland and Luxembourg. Canadians ask why countries like Germany and Japan, which import large amounts of raw materials and petroleum, have such vibrant economies while Canada's economy is suffering.

People respect hard-earned success and action in the face of challenge. In my riding I have constituents who are surviving only by being jacks-of-all-trades. They repair their own vehicles and cut their own wood for heating. They grow as much of their own food as possible just to make ends meet. Still this federal government demands more.

The Canadian government should make the creation of jobs, with a comprehensive industrial policy, its highest priority. When our people are working and our plants are at capacity, then perhaps the government can direct its talents to training manpower needs for the jobs of the future. The government must start within Canada to solve the real problems affecting Canadians before its goes off searching for other problems. We need to ensure that industry and business in Canada survive the current economic recession and grow to compete and serve markets both in Canada and abroad. This goal is vital, basic, and requires immediate government attention.

This nation has more than 700,000 small businesses. The wave of bankruptcy among these businesses, up 22 per cent from 1980 and up 37 per cent in the first quarter of 1982 over the same period last year, threatens the lifeblood of this country. The government has refused to address the problems being faced by so many. Small business needs help now as it is a vital contributor to employment in the Canadian economy.

One example of an area in which the federal government could direct some creative energy is the textile, clothing and shoe manufacturing industries. A comprehensive industrial strategy that looks hard at the needs and concerns of these industries would protect jobs for which the federal government wants to establish training programs. Between August of 1981 and May of this year there has been a net loss of 320,000 jobs, 157,000 of them in the manufacturing sector alone.

We have not moved forcefully enough in limiting the number of Japanese autos being imported into Canada or in working out some arrangement whereby Canadian jobs are created by the Japanese auto makers in Canada. Workers in the auto industry clearly are in an occupation of national importance. The preservation of those jobs is of national significance. A training program for non-existent jobs in the auto industry is of no significance.

Let us have an economic program that will give encouragement to labour and industry and the incentive for all Canadians to work and rebuild this great country to a place of prominence among industrial nations of the world.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, we continue to debate this legislation at a time of economic crisis. We were led to expect that the Versailles summit marked some new beginnings for Canadian economic policy. We do not need another new beginning like the last one, which ended in the crash of the megaproject strategy.

Today we are considering an employment training measure at a time when Canada suffers from post-depression high unemployment. I see nothing in this bill which will address the problem of the 1.2 million people who are unemployed by the count of Statistics Canada or the real unemployed who push the figure to 1.9 million and are victims of the government's fiscal and monetary strangulation of the economy.

• (1550)

I have looked in vain, Mr. Speaker, for an optimistic note about Canada's economic performance in recent months. Instead, I have found this kind of unrelenting pessimism as voiced by the Minister of Finance (Mr. MacEachen) on May 10, when he said:

> We are not in a position to offer an optimistic picture of the immediate future. The resumption of growth in the OECD area in the months ahead will be moderate at best, and total unemployment is likely to rise even further. While better inflation performance is under way in many countries, including Canada, it has been much slower than we would have liked.

He went on to utter the obligatory excuses about U.S. economic performance and U.S. interest rates, followed by criticism of Canadian workers for not taking part in "moderation of income demands". This, Mr. Speaker, can only be described as a threadbare excuse for threadbare policies. Surely the lack of confidence now being shown in the economy must suggest to the minister that there is a grievous lack of confidence in him.

In the same address on May 10 the minister said:

> Measures are being taken to reduce the immediate hardships of high unemployment, as dictated by particular national circumstances—but we all realize the route to genuine recovery must lead through lower inflation.

I suppose the bill we have before us today is one of those measures, a government band-aid to minister to the army of unemployed. Those of us who looked at this exercise in skills matching would much rather be looking at a job-creation policy. The Minister of Employment and Immigration (Mr. Axworthy) appears to have been far too occupied with a bail-out policy of work sharing to be bothered with addressing the national unemployment crisis which faces us now. There was a time, not long ago, when the Liberal leader of the day, Lester Pearson, talked optimistically of an unemployment rate of 2 per cent, the so-called natural rate of unemployment of people in transition between jobs.

Since that time we have been treated to a lot of buzz words or fuzz words, such as "participation rate, baby boom generation, structural unemployment" and all the rest. What it means purely and simply is a significant retreat from the goal of full employment.

The government acknowledged that in the 1980 departmental study led by David Dodge, which was made public by my colleague, the hon. member for Winnipeg North (Mr. Orlikow). That study said that full employment was not really an official goal of the federal government, and unemployment had to be traded off against price stability. Even though at that time we had a higher profile parliamentary task force study before us, which would define full employment at 4 per cent unemployed, most of us know well enough that it is the department's brief which catches the ministerial ears. As for Lester Pearson and his 2 per cent, that seems a part of Liberal history which is gone and has been forgotten.

The goal of the post-war generation of full employment, remembering only too well the misery and failure of the great depression, finds no place in this government at all. Yet providing jobs for every Canadian willing and able to work is the only worthy goal for any national government. Any retreat from that goal deserves to be broadcast not only to the unemployed but to every thinking and caring Canadian who realizes that employment goes a long way toward defining the dignity and self-worth of every person in our society.

The parliamentary task force made some other worthwhile observations. They singled out the "make work" nature of many employment and immigration programs when long-term job creation should have been the goal. It found that only 20 per cent of employers did on-the-job training, and that skilled labour shortages would require a commitment by industry to do much more. Unfortunately, the national training program as outlined by the minister will largely address the concerns of the Dodge study and largely ignore the concerns put before us by the parliamentary task force. We will plunge into another brave new world of skills-matching via Bill C-115, but does this bill really do the limited amount expected from it? We should take a good look at it and find out.

Earlier in this House the hon. member for Rosedale (Mr. Crombie) told us about the history of vocational training in Canada. He did it very well but he should have added that many of our problems today are the result of that vocational training act. I believe the mistakes in that act will be repeated. For example, for years government employment forecasts have depended on voluntary disclosure from employers. The results have not provided the accurate information needed to plan a training policy. That process has not been changed in this act.

Second, the Dodge report suggested that the western energy megaprojects should be the basis of new training requirements, yet these projects are in collapse. Should the federal government, therefore, unilaterally define the national training priority on the basis of a tenuous economic strategy? Past experience suggests that is a very doubtful process.

Third, we seem to be unduly occupied with industry's requirements. Where is the commitment to what people want to do? Why are so many community colleges, which most clearly aim their graduates toward available jobs, having to turn back thousands of applicants because of restraint policies? If we are not short of medical personnel and a lack of commitment to medicare which would employ them, why is the Canadian Medical Association talking about rationing medical services?

There is more than a government pleading poverty here, Mr. Speaker. Here we have a government with a poverty of imagination. Surely this is unforgiveable when the lives of so many of our youngest and brightest hopes for the future are at stake. All of us are aware that the post-war generation of skilled trades people who came to Canada from outside North America are now nearing retirement age. The bill refuses to come to grips with this most important issue.

• (1600)

The federal government is quite content to provide direct grants to industry in the hope that it will stimulate training. Yet there is no enthusiasm for employers who see such training only as a cost to them, not a real investment in their labour force. In the past they have found that they can spend time and money training a person, only to have him take a job with their competitors. The only fair way of dealing with this fear is to equalize the costs for all employers who use skilled labour. If skilled workers are trained, and if those who do the training are reimbursed by those who hire the labour, we will quickly have a policy which is both fair and which accurately reflects the demand for such labour. This is known as the grant-levy system. It has been endorsed by the Canadian Labour Congress and it is endorsed by the New Democratic Party. It is unfortunate that the government cannot bring itself to implement this system.

In short, I wonder whether this brand new bill will give us the same old results. Having been active in the educational field for most of my life, I know well the results of such training bills. Some of the results are as follows: institutional training which comes ten years after the need has passed; a lack of confidence in the ability of local and regional authorities to anticipate and deal with current employment demands; a continuance of "beggar the neighbour" employment practices among companies rather then a continuance of a system which gives assurance to companies that training is for their own good and for the common good of the country.

The government could move beyond the less than inspired ad hockery of Bill C-115, beyond work sharing, beyond winter employment projects and the rest of it, and into a planned economy with a full employment goal. However, the job of planning the economy for full employment awaits different ministers with different goals from those of the ones opposite. I will most readily and willingly support such a government.

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, the bill before us today is intended to ensure the existence of an adequate number of highly skilled workers to meet the needs of the Canadian economy. The basic need of the Canadian economy is to provide over one million jobs for Canadians who are unemployed and to provide thousands more for young Canadians entering the labour market.

The greatest single need in Canada today is a blueprint for the economic recovery of the nation. We need a national development plan of which the measure before us would be an important component. Standing alone, this bill is just one more good dynamic in a field of unrelated dynamics which have seen our nation plunge into the deepest recession in modern history.

The government's plan for economic development set out in the document entitled "Economic Development for Canada in the 1980s" raises serious concerns about the real commitment to stated policy objectives because of the vague statement of good intentions and promises compared with the absence of hard priorities and current contradictory federal actions. The non-identification of specific problems and opportunities and the apparent lack of appreciation of how relatively little regions have gained from assistance programs are discouraging notes struck in the document. Despite stated commitments, federal regional policy remains unclear and non-specific. The stated federal commitment to co-operation and consultation with the provinces is not reflected in announced policies to deliver programs unilaterally and the announced phase-out of general development agreements.

The ill-conceived consideration of moving the provincial office of the Department of Regional Economic Expansion out of the provincial capital of New Brunswick is one backward step illustrating the point I have just made and emphasizing once again the bull-headed, do-it-yourself attitude of a government on a mad march to nowhere.

Despite the expenditure of very substantial amounts of money over the past 20 years, the have-not provinces of Canada simply have not caught up. The disparity gaps have widened. In 1971, unemployment rates for Canada were 6.2 per cent and in the Atlantic provinces they were 7 per cent. In 1981, unemployment rates in Canada were 7.6 per cent and in the Atlantic provinces they were 11.7 per cent. The gap has widened.

When we compare the personal incomes per capita for Canada and for the Atlantic provinces for 1971 and 1980, we find that Atlantic Canadians earned 71.7 per cent of the national average in 1971 and 72.5 per cent in 1980. The range and value of federal instruments used to promote an economic catch-up by regions of Canada suffering from regional disparities have obviously not been equal to the task, but without them the gap would be widened even more than it is now.

It is very important to have effective job-training programs such as those being announced by the minister, but it is equally important to have jobs for the trainees to go to. With over one million Canadians unemployed and no jobs on the horizon, we must ask ourselves what we are to train Canadians to do. This government has no blueprint for action. It has no industrial recovery program. It has no national development goals or programs. It has no regional goals or objectives. It is a government which is not giving leadership to Canadian people at a time when it is desperately needed.

Indeed, in view of the frequent changes in federal policy, a sustained development effort is difficult and the private sector of the economy finds itself completely frustrated and bewildered. Canada is a country of great riches in terms of our natural resources and our highly educated, hard-working people. We need a national development blueprint to bring together all the resources of the nation and to get our economy

moving forward again. Whether it is a family farm or a major mining or manufacturing firm, business needs to know that there is a national policy framework, that the government is serious about the policies which will guide economic development, and that these policies will be fair and consistent and enable individuals and companies to plan and invest with confidence in the future of Canada.

Our educational systems need to know what is the economic strategy so that schools, community colleges, universities and businesses which conduct industrial training programs can take account in their own planning of future economic developments. Our municipalities, our regional economic development councils and organizations representing our primary producers have important parts to play in economic development. The federal government should recognize that it is the responsibility of provincial governments to provide much of the leadership, the impetus and the reliable information to allow them to participate fully.

• (1610)

In the Atlantic provinces we have some of the greatest universities in Canada and they perform their function well. We have not given appropriate attention to the need to relate certain kinds of training to the actual requirements of the work place. The acquisition of skills must be tied to the economy and the encouragement of economic growth.

We need both institutional training and industrial training. They are both integral parts of an effective and efficient training system. These training modes do not necessarily represent alternative approaches to training, nor are they expressions of divergent training philosophies. They are, in reality, no more than different training environments, each with different inherent advantages and disadvantages with respect to the training being conducted.

I have some suggestions for the minister to consider in respect to this limited but very important measure before us. We need a very substantial emphasis on on-the-job training, not only in the conventional trades where this is already happening, but also in almost every other fact of enterprise. We need an altered view of the role of educational institutions to increase their relevance to the community and economic development requirements. For example, an increased emphasis on continued adult education and a design of business administration programs which have a greater small business orientation are possible directions.

We must bear in mind that small production units are characteristics of Atlantic Canada and there are limitations on the ability of small firms to conduct effective training programs. Good export performance, effective research and development are often absent also and require some economies of scale. They are important to the creation of jobs.

The problem is how to achieve such economies without at the same time destroying the distinctive positive qualities of smaller enterprises. I would recommend that the minister consider a program to encourage consortia with regard to raw materials purchasing, production, warehousing, marketing and the operations of research facilities.

He might also consider a privately sponsored export development corporation to promote export documentation, insurance and financial services to Atlantic firms as well as initial market identification. At the same time we should also consider the use of incubator centres to provide a full range of services like bookkeeping, copying, and secretarial services to help new businesses get through the crucial start-up phase.

Another initiative that should be studied is a program to facilitate and encourage joint ventures of Atlantic enterprises with foreign firms. Often a joint venture in which the foreign firm provides the knowledge and expertise is the only way for local enterprise to enter new highly specialized fields.

High technology firms are at the cutting edge of the wave of the future. Canada is a world leader in electronics and communications. We have to build on our successes, go with the winners and pursue vigorously as part of a program dedicated to the economic recovery of this nation.

If this, indeed, is to be the policy of the government, then clearly there is an important need to structure our training programs to meet this challenge. We can act upon our opportunities, but first our heavy emphasis on natural resource upgrading, investment in large capital works and subsidization of existing enterprise will have to be supplemented by an emphasis on people's skills and productivity and on the attraction of new activities based on modern technology.

The government has brought forward piecemeal a reasonably good piece of legislation, the principle of which I shall have no difficulty in supporting.

I have proposed that this be placed in perspective as part of a national development plan for the economic recovery of our nation. It is great to have trained people—indeed it is essential—but it is better to have trained people with jobs to go to.

In Atlantic Canada, rural Quebec, parts of northern Ontario and in pockets all across our country, there are widespread regional disparities crying to be addressed. The solution to these problems is central to the economic recovery of our nation, requires the urgent attention of our government and requires it now.

Mr. Albert Cooper (Peace River): Mr. Speaker, I am pleased to have this opportunity to speak on Bill C-115. I believe it is a bill which focuses on many of the concerns of Canadians today, particularly in these times we are living in. We have a difficult economic environment today where not only are people facing high levels of unemployment and many Canadians are desperately looking for jobs, but they are desperately looking for training opportunities as well.

I would like to begin by pointing out the more positive aspects of this bill as I see them. The first significant proposal concerns the extension of the training period for people undertaking a training program. This is an important measure at a time when we are faced with a very complex work environment. As a result of our increasingly complex industries there

is greater demand for people with higher levels of skills. Hopefully an extension of the training period will remove some of the obstacles to vocational choice. The implementation of this measure may provide greater flexibility to people who are seeking training.

The second positive measure in the bill deals with the removal of the one-year waiting period for training. This applies to recent school graduates and drop-outs and is significant since that waiting period resulted in a wasted year for those people. Hopefully this will also allow some flexibility for those students and others who desire training.

Another aspect of the bill which I think is significant is the relaxation of rules for reporting for sponsor employees. I envisage this measure attracting more sponsors. This is an important aspect because on-the-job training is a very important element of any training which can be offered to Canadians, as my colleague has just emphasized. The reduction of paperwork will be of great assistance to the small business sector in becoming involved in this type of program, since paperwork is one of the most difficult functions that small businesses in our country face. It is an expense which they can ill afford. Anything which can be done to ease that burden will make it easier for sponsors to become involved. Hopefully, this measure will attract more of them.

The third measure which I find positive is the authorization of third party training for employers who are unable to provide training. This will allow improved co-ordination with licensed organizations in fulfilling the specific needs of particular employers. Training programs can be provided to small businesses which could not provide a proper training environment themselves.

Another significant and important measure concerns training Canadians where training is available. An example of this might be our requirements for offshore technologies. This is one area, which requires either foreign training, or the immigration of foreign technicians. Therefore this is an important step, a side benefit of which is the avoidance of institutional costs, for mere trainee support. As a result, the specific training objective is not obstructed or delayed by the costs of creating or supporting institutions.

• (1620)

Lastly, the increased benefits to apprentices while in training are significant. This can be applied while they are laid off or out of a job. As I understand it, there will be an increase in unemployment insurance benefits paid over that period. From people in my riding to whom I have spoken, I know this will be of significance, as many wanted training but simply could not afford it because they have dependants. As a result, they were not able to go out and expand their opportunities, to increase their abilities and thus qualify for more and better jobs. I hope that as a result of this bill we will see people retraining themselves, achieving higher levels, thus bringing home better pay because of their better skills and the wider range of opportunities available to them. The bill is not perfect, and I am sure that that comes as no surprise to the minister.

For a few moments I want to touch on some of my concerns. The first one is that the whole bill applies to occupations of national importance. The good things throughout this bill are designated for occupations of national importance. The government is implying a priority. If it is good for the country, it will do its best to fill that need. It will increase funding in those areas and provide time extensions for filling those priorities. The question is, just what are those occupations of national importance? Does that mean that we will once again be involved in the whole issue of regional disparities? Does that mean that one sector will be specialized and favoured while another is left to wilt? The whole matter invites a number of questions.

The impact of the bill will be to improve high-skilled training. Of course, all of us are convinced that that is good. We are concerned about some of the implications, but we feel, on par, that what we really want to see is an improvement in high school training in the country. The bill does, however, allow the training of adults immediately upon leaving school, which is logical and of importance and it does not apply to that target group.

The other emphasis of the bill is to encourage specialization. We need specialists but—and I emphasize "but"—the skills which will be developed as a result of this bill will be based on statistical methods or economic models of projections. However, we must remember that they are only predictions, and could therefore, present some real difficulties.

I would like to illustrate that by what could have happened concerning the late tar sands projects. Three years ago in the province of Alberta, anyone would have said that we needed a number of skilled employees or trainees, specialists in the field of tar sands technology. Had this bill been in place at that time, I assume that that would have become a national priority. We would have focused much attention on training many people in those skills. Where would we be today? We would have a bunch of people on the market with skills but with no jobs because, as we all know, those tar sands are not in operation and do not look like they will be in the foreseeable future.

My other concern about encouraging specialization is that we might tend to limit ourselves to developing only specialists and give little consideration to developing multi-skilled work forces which, of course, would give a much wider range of opportunity. We should be developing multi-talented work forces, a labour pool capable of filling a number of roles in a particular, singular setting. We do need some generalists to give our industry greater flexibility and to give the working man or woman the opportunity to move from job to job, if he or she wishes.

That becomes especially applicable in times like today. The German government supports a three-year program for individuals who are called skilled workers when their course is finished. They do not necessarily fill jobs of national importance. These graduates are generalists who can fill a number of

roles in virtually all industrial settings. Of course, this allows greater flexibility for the employers, greater leeway in planning and reacting to changing economic conditions, but it also allows greater flexibility to the individuals holding those jobs. I believe this sort of extended and detailed training could attract a growing number of young people as they begin to realize the skills to be gathered would be very comprehensive. Their vocational training would, and I believe should, regain respectability.

In looking at Bill C-115, we find that the emphasis is to upgrade special technological trainees. One of my questions in terms of context is still outstanding. The bill does not state where or how it will fit into the government's economic policies, only that it will "provide occupational training for the labour force and thereby to better meet the need for skills created by a changing economy and to increase the earning and employment potential of individual workers".

Essentially, as I see it, when we are dealing with this type of bill we must be able to relate it to a particular recovery plan. That is particularly true when we are dealing with the current situation in Canada where we have a national recession and record unemployment. Among those unemployed people are many with high levels of skill. What types of occupations of national importance are likely to be defined as such in a period like this? This bill must be attached to a plan or a strategy for the rejuvenation of the economy. Failing that, if there is not a general plan, then let us at least have some sort of sectoral stimulus. Something should be done to relate this bill to the jobs and the situation we now face.

My concern is that graduates of any vocational plan will find it difficult to find work. For us, that presents a whole new danger, because young people are investing much time and effort to improve their skills and gain these new opportunities, and then suddenly finding themselves dumped on the world market with no jobs or opportunity. What will happen to them? They will become angry or frustrated because their hopes, dreams and years of hard work will be destroyed before they even have a chance to start. We could end up spending much money on training centres and equipment which will be soon outdated unless, of course, we use it for teaching theory. We need a strong industry committed to supporting this kind of training, one that will teach and provide us with the practical expression and practical application of those skills.

The province of Alberta is probably a special case. It is not very long ago that this type of bill could have helped that province a great deal because unemployment was low and we needed a number of skilled workers. Unfortunately, if one looks at what has happened to the unemployment figures in our province today, one finds that we have a surplus of skilled workers. In Canada there are 1,241,000 recorded unemployed, or 10.2 per cent of the work force. In Alberta, it is about 7.2 per cent, which is up considerably from just last month. In Edmonton it is up again, at 8.2 per cent, and in Calgary it is 7.2 per cent. If one looks at the region I represent, one will find that unemployment has tripled in less than one year. Who is hurting? Who is losing these jobs? It is our young men who are facing 20 per cent unemployment and our young women who make up 14.7 per cent of those unemployed. We are at an all-time post-depression high for unemployment.

Even our so-called whiz kids, those who are especially bright and talented, are having a hard time, like my colleague from the maritimes. Two cases were recently reported in one of our local papers of young people who had received the gold medal of excellence. One was in the field of chemistry. Today those two gold medal winners cannot find jobs. It is not just the person with low skills or at the lower end of the employment opportunities who suffers from unemployment. It is coming through the whole gamut of those who are seeking employment.

• (1630)

As I mentioned, in our area we are facing increased unemployment. The Peace River tar sands project which we talked about in this House, and which the chambers and municipalities in that area have been desperately trying to get reactivated and are speaking to the federal government about, would allow the young people in that region a much greater opportunity as well as all young people in Canada. The economic spin-off of a $5 billion tar sands plant would be felt here in Ontario. Without that tar sands project there will be an even greater problem to be faced in that area. We need assurance from this government that that project, which would provide us with so many opportunities, will not be allowed to die.

I want to close by saying that this bill should and must be tied to an economic recovery program. The minister told us that the old program trains people for jobs that do not exist. Unless this bill is attached to an economic recovery program, we will be faced with precisely the same situation. Unless we can tie it all together and provide people with training that will allow them to take jobs that are available when they complete their training, we are defeating the whole purpose and we will be back to where we started.

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, in May, 1980, this House appointed a parliamentary task force to deal with the entire subject matter of this bill. I, along with six others, had the pleasure of being on that task force for employment opportunities for the eighties. The task force included four government members, two from the Official Opposition and one from the New Democratic Party.

For over a year and a half we studied this entire problem. During that time we heard from 342 groups and associations throughout this country. They had important input into this matter. They appeared before the committee. We questioned them to get their views. We received 92 other briefs dealing with the subject matter.

Our mandate was to find out why in this country we had serious unemployment side by side with important skill shortages. This was not only taking place in the country as a whole but in individual communities. In communities where there

was high unemployment, there were very serious shortages of skilled workers and professionals.

Our work confirmed that these mismatches or imbalances were in fact present in the marketplace. We made some serious recommendations to deal with this. The imbalances were due to either lack of or inadequacy in training programs in this country. We found that only 20 per cent of major industrial firms did any serious on-the-job training. It was a bit of a scandal. The large companies recognized and admitted that they had not done enough in the past and were now changing their ways.

The reason many of them had not done any serious on-the-job skilled training was that since the Second World War it had been easier to go to Europe and other countries, and through immigration find the skilled workers needed rather than train Canadians. None of us is against immigration, but we feel that much more should have been done and still can be done to train Canadians to fill those high-skilled jobs and professions rather than having to go abroad to get workers.

I might say the major companies today are not having success in finding the skilled workers they want from Europe. In the first place, there has been a decline in the birth rate in those countries such as we have had here. Also, the standard of living has increased considerably. Therefore, it is more difficult to attract workers in Holland, Germany, Scandinavia, France and so on to come here. Many witnesses told us that their recruiting teams going to Europe are becoming non-cost effective. Whereas they used to attract 15 or 20 recruits, but now come back with only three, four or five.

It is imperative that we improve our job training and on-the-job training program. As chairman of the task force, I want to say that, in my opinion, this bill moves very considerably in that direction. It will do a lot to deal with that serious problem.

The task force came to the conclusion that not only must we considerably improve the training programs for our young people through apprenticeship programs, co-operative education programs, technical colleges and institutions, but that training must become a lifelong process. We were told over and over again that no matter what you are trained for at 20 or 25, because of rapidly advancing technology it is very likely that in the future, and possibly even today, you will have to be retrained at least two or three times during your lifetime. Serious retraining will be required to keep up with the technology.

What we are aiming for is sound, basic technical and professional training in the first place, and a system of education and training where a person can retrain and upgrade throughout his entire life. We want a system which will facilitate easy entry at all stages of one's life, one with support systems, training allowances and bursaries to allow a person to go back and to keep up with new technology and new systems. If we do not do that, we will rapidly fall behind our chief competitors in the United States, the Common Market and Japan where they are doing these things.

We are saying that our training, retraining and upgrading programs must be improved. Also something must be done about this very shocking figure of 28.4 per cent of functional illiterate people in this country who at the present time are not ready for any training program. The only training program they can take advantage of is a very basic education program.

To a great extent these people are being wasted. It is a waste for them, for society and this country. If these 28.4 per cent functionally illiterate people, who cannot properly read, write, compute or express themselves, are going to be used in this rapidly developing society, they must have the basic tools so that they can train for the technologies that are coming on line.

Over and over again we have been told that the jobs in short supply—this has been put on the record before, but it is worthwhile doing it again—are welding, tool and die making, machinists, engineers of all kinds—

Miss MacDonald: All jobs that can be held by women.

Mr. Allmand: The hon. member says all jobs that can be held by women. We pointed that out in the report and we deplored the fact that more women had not been permitted or attracted into these particular fields. Our supervisors told us over and over again that where women had entered the fields of welding, machinists, tool and die making, the high-skilled trades, women had done as well as or better than men. They welcomed the policies and programs to encourage women to go into those particular high-skilled trades. There are shortages also in such fields as electronics financial analysis, administration, accounting, the health field professions, nursing, physiotherapy, psychotherapy and so on.

• (1640)

I think one of the major accomplishments of this bill is that it provides much greater flexibility, first of all in enrolment in training and retraining programs, entry into training and retraining programs, greater flexibility in the provision of allowances and support systems for those who are on training. It provides that the training programs can be carried on not only by provinces and by provincial training systems, but also to a greater extent by employers and by others. By "others", I presume it means private schools and private training institutions, of which we have some very good ones in the country.

The bill also provides for greater funding for equipment and machinery for training. Some pretty shocking situations were brought to the attention of the task force, cases where they were training electronic technicians on equipment that was out of date by ten years. That was a bit of a scandal, Mr. Speaker. This bill provides for more funding and more co-operation in the provision of equipment, machinery and buildings for training. All that goes along with the recommendations of the task force report.

Because this bill is going to committee and we will have a chance to study it at greater length, I will not spend much time on it here. I merely want to say, as chairman of the task force, that the bill does not provide the total solution to our training,

needs, but it certainly goes in the direction of the main recommendations of the task force. Of course, there is still more to be done in other areas, areas of mobility, areas of literacy training, areas of federal-provincial co-operation, areas of forecasting and information, all of which are important to the whole field of training and specialized education.

This bill is an important step and should be supported by the House. I will be looking forward to the sessions in committee. Perhaps some improvements can be made there. Nevertheless, I want to go on record today as pointing out that this bill is a very important step in line with the recommendations of the task force report.

Mr. Doug Lewis (Simcoe North): Mr. Speaker, I welcome this opportunity to place a few brief remarks on the record with respect to Bill C-115, to establish a national training program for occupational training. Undoubtedly, in the 1980s occupational training will be of vital importance to the work force, both present and future. Young people leaving secondary school will need skilled training to equip them to play a part in the work force of the 1980s and the 1990s. The not-so-young people who find themselves unemployed for reasons beyond their control will want retraining so that they can continue to participate in the work force.

The situation is aggravated by the current depression, caused by the Liberal Party's high interest rate policy. Unemployment has reached 10.2 per cent. It will probably go higher, as the November budget of the Minister of Finance (Mr. MacEachen) and the National Energy Program continue to cripple the Canadian economy.

The subject of occupational training is a national one. It is so vast that one cannot deal with it extensively in the short time allotted to it. I would like to deal with areas, some touched by the bill and some not touched by it, which are important to my riding of Simcoe North and which interest me as a Member of Parliament.

I was quite interested in the all-party task force report on labour market development in the 1980s. Some of the findings of that task force report are of particular interest to me and I would like to read a few of them into the record.

That report signals some important shifts in the demand for labour. It suggests that more jobs will be created in the resource industries, in non-residential construction, capital goods manufacturing, and high technology areas including communications, information and business services.

Fewer production jobs will exist in manufacturing based on standard technology, especially for relatively unskilled workers. There will be a marked, slowdown in the growth of jobs for clerical and office workers and for personnel in health, education, public administration and other service industries.

In the 1980s a larger share of employment growth is likely to occur in the goods-producing industries, in contrast to the 1960s, and early 1970s when the service industries provided relatively more of the new jobs, jobs of a kind which could be more easily filled by young new entrants and by women re-entering the labour market.

More attention will have to be paid to ways and means of integrating women into jobs in the goods producing industries, which they do not now enter in large numbers. We will have to pay more attention to the training of workers for the high-skill trades, particularly those skills used in the goods producing industries. More attention will have to be paid to measures designed to facilitate the adaptation of workers already in the labour force to changing industrial occupational and geographic structures of demand.

I am convinced that we can meet that demand in Canada with a co-ordinated effort. While it is true that under our federal system the provinces are responsible for education, we cannot hide behind that division of powers if Canadians are not given enough opportunities to equip themselves with skills which will enable them to earn a living. Unemployment is a national problem and we have to take action on a national basis. Mr. Speaker, that does not mean that we want Ottawa bureaucrats in the position of sole responsibility to decide on what should be done, because that would be a disaster. Ottawa is the ultimate company town, insulated from the reality of the marketplace, from the reality of where the jobs are. I suggest that to solve this problem we will need co-operation between the federal government, the provincial governments, the community college personnel and industry. All of these have a piece of the ideas on what is going on in the real world. These other parts must be actively consulted.

We are fortunate in Ontario in that we have developed a network of strong community colleges. Working within that provincial framework they have continued to offer courses which equip young people to earn a living. The House will be interested to know that my information is that the community college system works differently in different provinces. I understand, for example, that in Quebec there is very little communication between the community college system and the Canada Manpower offices, whereas in Ontario there is a great deal of communication between those two bodies.

It is also my understanding that the representatives of the community college system in the maritimes are amazed at the autonomy which the community colleges are given in Ontario to operate courses which apply to the marketplace. I am led to understand that in the maritimes they operate as an integral part of the provincial educational system. I think the federal government would do well to assist community colleges in various parts of Canada to develop systems of co-operation and systems of delivery which will give the best possible skill training to young people.

• (1650)

It is my understanding that the community college system desperately wants a better system to determine what the manpower needs will be in the future, and that system has to be developed on a national basis. Officials of the Department of Employment and Immigration admit their inability to project manpower needs. One official of the department is quoted as saying: "We have an expensive system, computers, etc., but nobody can say how many people of any particular

training we need." That is a tragic commentary on something which could very well be co-ordinated on a national basis. The Canadian occupational projection system is being put forward as the answer to that current lack of understanding and information.

Do hon. members know where COPS is going for its first information? Do hon. members know what will be the basis of where we head in the 1980s? It is the 1971 census. The first thing COPS is going to do is put the 1971 census on the record. I suggest that COPS start with the 1981 census and get going with respect to where we require skill training in Canada, and forget about 1971 because that is past history. That census is outdated in this day of rapidly changing demands for skilled individuals. We should be dealing with the 1981 census and not the 1971 census.

Under Clause 8 of the bill the Canada Employment and Immigration Commission is authorized to enter into contracts for the provision of occupational training courses with persons or groups other than employers or groups of employers where the latter are unable to operate a course or arrange for training. The organization in question must be registered, licensed or otherwise authorized by the government of the province where the course is given.

It has been suggested to me that that is exactly where the breakdown occurs, because there seemed to be agreement among all of the community college representatives who were at the meeting at which the minister spoke last week or the week before that in most provinces it is very, very easy to get a licence to operate a course, and if that is the safeguard, I suggest to the minister that there must be better safeguards than just the holding up of a licence to allow the federal government to enter into these arrangements.

I am also concerned about exactly what occupations will be considered national occupations. For example, it was reported earlier this year that chefs and cooks will be considered surplus occupations. That prompted a letter to me from one of my constituents, and in that letter he said:

> Since I have been in the country I have been employed by five different establishments as a chef. All of the positions could and should have been filled by a Canadian providing they were trained and qualified to meet the requirements. They obviously are not.

This does not lend credence to the statement that chefs and cooks are involved in a surplus occupation.

In fact, in the establishment where this gentleman works the sous-chef and he are the only chefs with papers.

> —in Europe the training involves a period of two years full-time before entering the industry at the bottom. At this time the trainee has his or her required qualifications.

This is an individual in my riding who read an article in the newspaper which declared chefs and cooks surplus occupations. Fortunately, this gentleman had the presence of mind and the concern as a new immigant to this country to write me, a Member of Parliament, and point out this discrepancy. When we looked into it, we found out this gentleman has a very good point. The Canadian Restaurant and Food Services Association estimates that 8,000 skilled food preparation personnel are needed each year, yet there are only 3,300 graduates per year. I suggest that an over 50 per cent difference certainly does not warrant the profession of chef being declared a surplus occupation. We must look into these matters before we decide holus-bolus what is a national occupation what is not.

One other thing which concerns me is the fact that the bill does not address the problem of mobility. I am particularly disappointed, in light of the comments made by the minister that improved mobility could contribute to the elimination of skilled labour bottlenecks. Mobility is a crucial factor in addressing the needs of employers, employees and prospective employees in Canada. It is of particular significance in these hard economic times when the economic burdens of moving to a job could far outweigh the benefits of having that job.

The Canada Act guarantees Canadians the right to move, to take up residence in any province and to pursue the gaining of a livelihood in any province except where any laws and practices of general application are in force in that province. Now that we have guaranteed the right to go anywhere to work, we must guarantee Canadians the right to go anywhere to obtain training and encourage them to take that training anywhere in Canada. I do not mean that necessarily means that the federal government should finance programs across the country so that every area has a program. There have to be some economies of scale that we can put into force in order to train Canadians. However, we have to address the problem of mobility because in a large and diverse country such as Canada we cannot always take the jobs to the people. Sometimes it is better that we take the people to the jobs. I think the same goes for training for those jobs.

The task force on labour market development in the 1980s said that a number of groups will need special assistance to find productive employment or to move up through a career hierarchy, and chief among those groups are adult women who will make up two-thirds of the labour force growth in the 1980s. The minister has mentioned this fact in his speeches and in press releases. What puzzles me is that I can find no evidence of that special assistance anywhere in this bill. It may come out of regulations; we do not know, but what we want to know is whether the government will implement affirmative action programs. Will the government pay additional training allowances to employers who train women? What about the mobility problems of adult women? How are these to be overcome in relation to national occupations? The attempt to help women train themselves for the jobs of the future is very important. The minister referred to this, but what I would like to see is just exactly how we are going to do it.

I would like to close my remarks by making direct reference to what, in my opinion, the community college system can do if it is properly backed up by this legislation and by a federal government which tries to bring co-operation and planning to the subject of national training. In the county of Simcoe in my riding of Simcoe North is Georgian College, which has 4,000 full-time day students. Three thousand of these are post-secondary students. One thousand of them are in business programs, 500 in technology programs, 800 in nursing and

health programs and 800 in design arts. Of the remaining 1,000, 700 are in skill programs and 300 are in academic upgrading. With the minimal amount of knowledge with which Georgian College and all the community colleges across Canada operate as to what the demands will be for the skills with which young people graduate, Georgian College has a placement rate of approximately 100 per cent. I think that speaks to the attitude of the community college system in Ontario.

I would like just briefly to mention what this attitude is built on. It is built on people in the community. It is built on a board of directors from the community. It is built on people who have proved themselves in industry and education and who spend their time, their free time—perhaps their not-so-free time—trying to set up training programs for young people so that they will have jobs. This is not an academic approach. It is a practical approach by people who have "been there" and who want to see the people of the county of Simcoe and others who come in succeed. It speaks to what we need in Canada.

• (1700)

I went to a convocation at Georgian College on the Orillia campus on the weekend. Any member on either side of this House who spends long hard weeks in this place should go to a community college convocation if he or she gets the opportunity. Nothing can give more of a lift than seeing the young people who have achieved something come out with a diploma which shows that they have the skills required to earn a living. It is great for parents to see their children achieve something that they can put to use in this country. I would encourage all members to attend the convocation of a community college if they can. It gives one an incentive to come back here and fight the good fight.

Some hon. Members: Hear, hear!

Mr. Lewis: That only comes about because we are undertaking training on a practical basis. Georgian College is training nursing assistants, mental retardation counsellors, bookkeeper-typists and machinists. Indeed, the only graduate in the welding course was a woman. These are the kinds of things we can do in community colleges and, backed by this bill, they will take a national approach to training for jobs in this great country of ours.

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, I am pleased to have the opportunity today to speak on, Bill C-115, the National Training Act. If this piece of legislation is properly enacted and guided, it can truly change the direction of retraining in Canada. It certainly will affect many thousands of Canadians male and female, young and old, able and less able, alike. The main principles behind this bill and others that it has superseded are honourable.

I do not intend to go through the whole history of training in Canada, as my colleague the hon. member for Rosedale (Mr. Crombie) has already done that quite adequately in his opening remarks regarding this bill ten days ago. He pointed out that in 1910, the Government of Canada established a royal commission on industrial training and vocational education. Sir Wilfrid Laurier, the Prime Minister of the day, in his wisdom actually acted upon the recommendations of that commission. His government enacted two pieces of legislation, the agricultural assistance act and the agricultural instructions act. In 1916 a further recommendation was fulfilled with the establishment of the National Research Council by Sir Robert Borden.

This bit of history is mentioned only to show that these early administrations understood that Canadians needed assistance in the retraining field. It is of particular pride to me to point out that these administrations understood the importance of the business of agriculture in 1910. I wonder if the minister and the government of today understand the importance of the business of farming in 1982.

I understand the minister when he says in his press release of May 21, 1982, that economic growth and change in the 1980s will require major increases in the resources devoted to the production of high level skills. I also believe him when he says in the same release that major shortages averaging 9,000 skilled workers each year are predicted over the next five years unless the pace of expansion increases dramatically. This is pure economics, and no one can question that more skilled workers must be provided for the rapidly growing technology industries. However, I urge the government to look back at the roots of training I have mentioned and remember the business of agriculture in Canada. Remember the importance of agribusiness and small farms when decisions are made to redirect national training funding. Remember the shortage of field workers experienced by produce crop farmers. Remember the skills it takes today to set up and operate a farm or an agribusiness. Do not dismiss agriculture when designating occupations of national priority. Remember, these are all individual small businesses, which must not suffer from any redirection of funds or designation of jobs of national importance.

Last Thursday, June 10, I attended the 125th anniversary of the town of Lindsay in my riding. They called it Charter Day. Our hon. Prime Minister (Mr. Trudeau) sent congratulations in the form of a scroll, which was sealed in a time capsule and buried for posterity.

As Lindsay has a twin town in Japan called Nayoro, I thought it fitting to invite Japan's ambassador to Canada to the celebrations. I had the pleasure of introducing him to the community at the civic luncheon. After the luncheon I talked with people familiar with Japanese industry. Our discussions brought up many details of the Japanese business and life that I had only read about.

Japanese industry and government operate under the guidance of the so-called theory "Z". One of its features is a remarkably high degree of employee-employer loyalty. It is not uncommon for whole families to work for one employer from generation to generation. This obviously means a very low employee turnover rate. It allows for much more internal mobility and flexibility of firm internal labour markets. I

understand that under this situation the Japanese government sees little need to control or regulate the kind or the method of industrial training. The on-the-job training is designed exactly for the needs of the job the company or organization wants the individual to do.

How does this compare with Canada? In the late 1970s the Japanese had almost doubled the number of firms providing in-house training. This is due in part to the fact that our labour force is much more mobile and our employee-employer relationships are adversarial in nature. We have very low levels of employee training in the private sector, with no incentives for improvement. We are not training our workers adequately for the jobs that exist today, let alone for the multiplicity of jobs that are being created in the technology based industries.

Coupled with this is the report by a Department of Employment and Immigration study group stating that skilled Europeans no longer want to work in Canada. It stated:

> Canadian wages and working conditions are relatively less attractive now than in the past, in comparison with those prevailing in western European countries, which have traditionally supplied this country with higher level skills.

So what do we have here? We have had a private sector which has had no incentive to train employees, and a government which, by the minister's own admission, has failed to provide for the training of at least 45,000 skilled workers required over the next five years.

On top of this, we have a government which allows foreign producers to eliminate jobs of skilled Canadians at home. Does the minister recall my question to the Minister of Finance (Mr. MacEachen) last week? If not, I will refresh his memory. I asked when the Lindsay rubber plant can expect the results of the investigation requested of the anti-dumping tribunal. A South Korean company's dumping of rubber products in Canada resulted in the loss of 30 full-time jobs at the Lindsay rubber plant. I have seen no response from the minister. Obviously the government is not too worried about the loss of 30 skilled labour jobs in Lindsay. It is interesting to note that South Korea's record of on-the-job training is much closer to that of Japan than to our poor record. It is about time we were thinking seriously about our retraining.

• (1710)

I read the minister's presentation to the federal-provincial conference of January 11, 1982, on skill training for the 1980s. I understand the proposals for the National Training Act were the result of the task force on labour market development in the 1980s, the report of the task force on employment opportunities for the 1980s, and extensive consultation with provinces and non-government organizations. This sounds like a great deal of consultation and co-operation, and it would seem everyone should be happy. It must therefore have puzzled provincial officials and non-governmental organization officials at that conference when the minister said:

> The main federal role is to determine the nature and scale of adult training needs, and to provide the leadership and financial assistance required by individuals, firms, groups and provinces to enable them to undertake or provide the required training. Provincial governments and their institutions are the main providers of training courses in an institutional setting and are responsible for their development, management and articulation. Although both orders of government have their main responsibilities, they must function in close collaboration to achieve common goals.

They were told the federal government will decide what the training needs are in the provinces, where the people should be trained, and what the priority jobs are in the country. It is then up to the provinces and non-governmental organizations to provide the programs. No wonder the provinces express deep concern. They worry about a program which allows the federal government to decide what is a priority job and shift funds from an existing program with or without their consultation. It is a program which allows the federal government to designate institutions, outside a particular province and possibly outside the country, to provide instruction in federally-designated skilled areas. The tabling of this bill has not lessened their fears. Clause 12 states:

> The Commission may establish with the government of a province a joint committee to assess the requirements of the labour market for skilled workers and the means necessary to meet such requirements.

The word "may" is what causes the worry. The existing legislation requires the Canada Employment and Immigration Commission to establish such a joint committee at the request of any province, and the bill says they may establish such a committee on their own initiative. There is no requirement that they do so, and absolutely no requirement for them to act upon the request for one by any province. Surely, if the government is committed to this badly needed bill, it will consider amending this clause. It was not part of Bill C-8, which we proposed in 1979 and which the Liberal Party forced to die on the Order Paper. It should not be in this bill. If anything is needed to make this program work, it is intergovernmental co-operation.

Now that I have pointed out objections to certain parts of this legislation, I would like to commend the minister on others. The extension of the allowable time for training beyond 52 weeks in higher level skills should be of assistance to those truly interested in learning a skill. Increased income support rate, should, as well, entice laid-off apprentices and workers to train for those jobs in which there is a shortage of people. Careful screening must be done, of course, to ensure those taking training are interested in getting a job, not just in retraining funds.

In closing, I want to reiterate my concerns about this bill. The National Training Act must above all be enacted in total co-operation and consultation with the provinces. In designating priority occupations, the provinces must be consulted. Occupations in agriculture, small businesses and other skill-related fields must be protected from unjust loss of funds. In short, the total needs of the economy, employers and employees must be reflected in Bill C-115.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are are follows: The hon. member for Provencher (Mr. Epp)—Labour Conditions—Increase in youth unemployment. (b) Role of government; the hon. member for Calgary West (Mr. Hawkes)—Energy—Service station cost of gasoline. (b) Request that price be reduced; the hon. member for Burnaby (Mr. Robinson)—The Judiciary—Canadian Judicial Council report on actions of British Columbia judge—government position. (b) Request for referral of subject to parliamentary committee.

GOVERNMENT ORDERS

[*English*]

NATIONAL TRAINING ACT

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. Axworthy that Bill C-115, to establish a national program for occupational training, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, this legislation is extremely important, and although many members have criticized its shortcomings, the feeling exists that this kind of direction is necessary. Certainly there are concerns, and we have heard the case made time and again this afternoon that this bill is only as good as the industrial strategy which underpins the Canadian economy. The point has been made time and time again that if you do not have jobs, there is little point in retraining people.

It has also been said that the data to be used in making decisions are based on material from an outdated 1971 census. The dislocation and other problems which could result I think are fairly well known.

Another of the bill's shortcomings is that it does not provide enough detail. There is certainly concern about how to encourage employers—insist, if necessary—to take some of the responsibility for training. We have seen situations where a great many industries will pirate from other regions of the country, or push for immigration, rather than offer retraining. Basically there are no provisions in here which outline how employers will exercise their responsibility to make the retraining program a success.

This House has sat for many months. I guess this is the longest session in history. If you were to ask anyone his impression of the Thirty-second Parliament, I suspect it would only be described as a rudderless ship in which a majority Liberal government has run the Canadian economy on to the rocks. Then, once on the rocks, it generally lets many sectors of the economy literally bash themselves to pieces. There is an absolute lack of sound economic policy which causes enormous problems in the area of training programs. Basically there are no jobs for young people.

• (1720)

I had a rather sobering experience with a number of my colleagues in a local Ottawa high school. The graduating students of that school asked what we thought were their opportunities for employment. Quite frankly, I was somewhat embarrassed to be faced with such a forthright question. Actually we reflected it back to them by asking what they thought were their opportunities for employment given the present economic climate. Basically the students said nothing, because they knew their chances were slim if not non-existent. Even with training their chances for employment are slim or non-existent.

In the present economic climate we find that unemployment is the real problem, not job training. The bill before the House today should be one dealing with the area of job creation. The House should be given an opportunity to consider mechanisms by which interest rates would be reduced, at least for specific sectors of the economy, to get employment rolling and for training to become meaningful. Certainly the inflation rate is an acknowledged problem. Those are the priorities, not job training.

The job-training problem could be dealt with by existing legislation, but if we could create employment, without a doubt efficient management of the employment and immigration operation could provide the trained people. We require full co-operation by employers in a functioning economy to provide trained people, but this is not what we have before us today. We do not find mechanisms to create meaningful jobs.

The rudderless ship which produced the bill before us today is faced with many problems. For example, the small business bankruptcy rate is enormous. I think the figures which came out last week are worth repeating. Bankruptcies were up roughly 49 per cent. In May there were 751 bankruptcies with total assets lost of $162 million. For approximately five months there were 4,429 bankruptcies for a total increase this year of 36 per cent, or a total loss of $817 million. Of course, the bankruptcies are only the tip of the iceberg. Many more businesses are closing their doors, are disappearing, and are being taken over by receivers. If we multiply the number of bankruptcies by two or three jobs, we realize that there are shrinking opportunities for trained people to find employment.

What is the point of training people if there is no meaningful employment? We should not repeat the former situation under the old legislation where training programs became an

alternative to employment. It took people off the unemployment rolls. Approximately $800 million per year was spent to take several tens of thousands of people off the rolls for several months. In many cases people completed one training program and did not obtain employment, so they attended another program. It was an alternative mechanism for collecting unemployment insurance.

The present situation, with unemployment, small business bankruptcies and shrinking opportunity for trained people to obtain employment, is a tragedy. The bill before us today indicates that the government's priorities are in the wrong place. I assume the bill will be improved in committee and that it will be satisfactory, but we should be looking at ways to create employment.

Tens of thousands of farmers are going bankrupt. I am sure hon. members have had farm representatives in their offices pleading with them to do something to stop farm bankruptcies. There is an enormous amount of employment associated with the farming community. One of the biggest examples of bankruptcy has been in the area of farm implement dealers. Certainly farming creates an enormous amount of employment. The opportunity for people interested in becoming trained in the agricultural field is shrinking. It is drifting away rapidly because the government is not finding ways to protect farmers from bankruptcies, to ensure that those assets and producing units remain intact, to ensure that opportunities for young people exist, and to ensure that the training is in place.

The hon. member for Nanaimo-Alberni (Mr. Miller) has often mentioned fishermen and the tremendous problem of bankruptcies in the fisheries. There are industries associated with fishing such as shipbuilding, processing and handling the product. Essentially many firms are closing down. There have been bankruptcies and other difficulties. Banks and financial institutions have been seizing the mechanisms by which these people earn their livelihoods, many of whom have worked all their lives in that area. This is another source of employment for young people and others which is drying up. Ultimately training programs in this area will disappear.

I have referred to bankruptcies in the fishing industry and the other tremendous problems with which it is faced because the bill before us today and the national training program of the minister referred a great deal to native Canadians and their access to the economy. This disadvantaged group does not have access to the economy. On the coast of British Columbia an important economic opportunity for native people is the fishing industry. A large number of them are involved in the salmon enhancement program which is being rapidly destroyed by high interest and inflation rates, as well as by the failure and mismanagement of government.

I should like to deal for a moment with home owners. Individuals are losing their homes, the most important possession of their lives. Again this is because of government policies. There are many low-income and medium-income individuals out there who cannot acquire homes and need decent accommodation. Because of the shortfall in housing units, this is perhaps one sector of the economy in which employment could be created by developing a rational housing program aimed at meeting the needs of Canadians who are desperately trying to hold on to their homes or to acquire affordable housing. It would provide tremendous opportunity for employment. Many programs today have been training plumbers, framers, carpenters, pipefitters and surveyors for the housing industry. There could be a tremendous opportunity in this area, but those programs will be for nought if the government does not straighten out its priorities.

Over the last year we have seen the pain and agony of individuals who are facing the block. Many small businesses, home owners, farmers and individuals have gone bankrupt. Also there has been a serious problem with the number of unemployed people in the country. We have watched major corporations such as the automobile industry go through tremendous changes and shifts in employment. The availability of that sector for trained people is disappearing, but there are still more to go. For example, it looks like Dome is hanging on by its fingernails. It was the great hope of the Canadian Government. The Liberal majority was looking seriously at the energy sector as a place in which to create opportunity. We see that sector in difficult straits. It is either backing away from major projects or facing difficulty, with bankruptcy looming around the corner. With examples like the Admiral Appliance Company, the auto industry, Dome Petroleum and Massey Ferguson, we might find in a short period of time that it is not individuals, small businessmen, fishermen and farmers who with go bankrupt, but that in fact the major corporations of this country may go down the chute because of mismanagement, high interest rates and the collapse of markets. These are the major employers who provide opportunity for training and the ones on whom we will count to pull the economy out of the ditch.

• (1730)

The previous speaker, the hon. member for Prince Albert (Mr. Hovdebo), mentioned that the training program which is before us today was largely based on a report from an employee of Employment and Immigration entitled "Challenge for An Uncertain Decade". That particular report, on which the national training program was based, had the underlying assumption that Canadians would find job expansion in western Canada and in the resource industries. These opportunities presumably would come from resource extraction and the sale of raw materials. This is not a new industry to those areas even though expansion occurs.

Much has been made of energy. I would like to deal with the forest industry for a moment. I believe that this industry provides an example of the dilemma faced by training and employment and of how faulty is the approach to extracting resources and selling them in an unprocessed state. There are about a dozen major pulp and paper mills on the coast of British Columbia. There are a number of saw mills and some plywood mills as well. There is also a large number of people who earn their living in the forests of British Columbia. The climate of the logging industry at the present time is flat. There are very few people employed in that industry, and some mills have closed because of the stagnant housing industry.

The pulp and paper industry, which was one of the strongest sectors in this country, is hovering on the edge of bankruptcy in many cases or is at least in a very restrained situation where there are no employment opportunities.

What has brought this about is the fact that we have been relying on foreign ownership in many cases or on foreign corporations to do the marketing for our companies and those markets have now disappeared. In many cases our forest resources have been abused to such an extent that the industry will not be able to provide for jobs in the future. One of the aspects of the megaprojects was the suggestion that major forest projects would provide an opportunity for employment. That opportunity will not exist unless the government moves very quickly to enhance those forests, to develop a forest products marketing board, and to move into the international field for the sale of forest products. If this is not done and we do not reconsider foreign control of our resource, we will be in very serious difficulty.

Another unique aspect of the forest industry was that a great deal of training was not required in order to gain employment. At the same time, however, pulp mills and saw mills hired enormous numbers of trained people. Instead of training them, these companies would go somewhere else in Canada to steal them from other regions. If you were to visit a plywood mill or a pulp mill on the coast of British Columbia, you would find a sign on the front gate saying, "Do not bother to apply for employment. If you are looking for employment, go down to the local Canada immigration office and get in." Tradesmen, however, could apply directly to the personnel office. The result was that these basic institutions in British Columbia, which were the mainstay of the B.C. economy, were not training a sufficient number of people or providing for the skill base upon which those highly technical operations are run. There was a tremendous shortage which was causing a problem. It is not a problem today since there are probably as many unemployed tradesmen in the forest industry in British Columbia as there are production workers. Tradesmen would have as difficult a time obtaining employment in any sector of the forest industry today as an unskilled production worker would.

One of the most tragic incidents involves those apprentices who have almost finished their program but have been laid off. As a result, their apprenticeships are in jeopardy of being lost.

If Mr. Dodge and the Liberal government are seriously considering continuing this approach to resource exploitation and the sale of raw resources, I suggest that it will not work. That area of the country faces a very serious situation. The employment opportunities within energy and the fishing industry are also in serious jeopardy. This is largely due to government mismanagement.

Another concern I have is native communities. It is interesting to note that this legislation identifies native people as a disadvantaged group. Certainly that is obvious to anyone who knows that native communities experience unemployment at a rate anywhere from 75 per cent to 90 per cent. Native communities do not need training; they need job opportunities.

A number of native communities along the coast of British Columbia have applied for forestry licences in order to establish an economic base from which to work. They have been told by the government, "No thanks. There is no forestry licence for you." What is the point of training these native people as forestry workers when Crown Zellerbach and Rayonier are laying people off and there are no employment opportunities? If natives in their own communities had licences they would have an opportunity to work.

Native communities have applied for roe on kelp licences and the government has told them, "No, thank you." Natives have asked for special consideration regarding fishing licences in order to have an opportunity to enter into the fishing industry, and they have been refused.

An interesting example involves one native community which exists side by side with a white community. An airport is being developed in that area. The native community is 10 to 20 times larger and is more permanent since the other one fluctuates in size. However, does the airport go to the native community which has been trying to get it for years? No, it goes to the other community which may go bankrupt and disappear. The airport is on an island about half a mile away. The cost of marine transportation and food makes the opportunity to create businesses in many of those native communities tremendously expensive.

A final interesting example concerns the fact that many native communities in British Columbia were not allowed any input into the budgeting process this year. They were given a period of two weeks in which to make any input into the budget-making process which directly affected their communities with respect to economic development and job creation. This created an absolutely hopeless situation when you consider the number of native people in British Columbia.

The point I am making is that there is no sense in training native people if the government continues to destroy an economic base which results in 75 per cent to 90 per cent of native people remaining unemployed. What is the point of having unemployed trained people?

There is a desperate need for a strategy to create economic development for native people so that young native Canadians will have the same opportunities as Canadians in other parts of the country.

Mr. Bill Domm (Peterborough): Mr. Speaker, the most alarming aspect of this act is the name with which it will end, namely, the national training program. This immediately puts one in mind of a number of other nationally oriented programs brought in by this government, particularly the National Energy Program. It is to be hoped that this new national training program does not cause such severe negative effects as its predecessor in the energy field.

I must admit that I can see many undesirable elements within the legislation before us. From a broad political point of view, I am disturbed that this act exemplifies once again the government's desire to intrude upon areas which are not traditionally within federal authority or competence. I am

alarmed, too, that these new laws which will emanate from this act will allow the federal government to apply its criteria and decision-making to what should truly be national priorities and objectives in the educational job-training fields. It will allow the federal government to designate critical national occupations and channel special funding and accelerated training schemes into these areas. It will allow the federal government to pursue social policies and programs through what should be a purely pragmatic industrial and institutionally based series of measures to better prepare working Canadians for the future.

• (1740)

What this measure proposes to establish is yet another Ottawa-based self-contained bureaucratic empire which will pump out unmanageable, unworkable and completely unrealistic studies, programs, plans, rules and regulations—especially rules and regulations—which will all ultimately lead to the old Ottawa law of diminishing returns. The good effects of the billion dollars or so which it is contemplated will be pumped into the national training program will be finally dissipated and diminished simply because an Ottawa-devised and administered program cannot possibly satisfy the local and regional needs of the Canadian economy. It cannot possibly interlock smoothly with existing provincial, institutional and industrial programs.

The whole philosophy behind this initiative depends on the Liberal government's view that it should no longer be merely a clearing house for tax money on its way to the regions. This national training program is simply the latest in a series of initiatives, all designed to increase the power and influence of the central government throughout the length and breadth of the country, in all economic sectors and at all levels of regional governments. As usual, this government is putting its own priorities of political survival before the country's priorities of national economic and social survival. It feels that its own influence and its own profite can be increased measurably by wresting the control and development of our labour force from the educational institutions and from the provinces. It is doing this, or attempting to do it, by changing parts of the basic funding and administrative arrangements now in place, which traditionally have adapted to our changing labour force requirements.

I am not saying that Canada in the future will not face serious problems with respect to her labour force requirements. It is obvious to everyone, especially to our technology and engineering-based industries, that we face extremely serious shortages in the skilled trades categories and that these shortages must be filled if our economy is ever going to approach its full potential.

I can certainly agree with the minister, for example, when he states in his paper that there have been "structural changes in the economy" which are having a profound impact on Canadian labour markets, and that these changes have resulted in "serious and chronic shortages in many highly qualified and higher level industrial skill occupations".

Certainly no one has to be told that in my own riding of Peterborough where fully one third of our labour force is employed by 70 manufacturing-industrial plants. Indeed, they are the very sort of operations which the minister says will benefit most from this new program. I can tell him that the 10 per cent of our 30,000 person total labour force who are unemployed fervently hope that the bill will do exactly that. And yet, how much confidence can Canadians put in their federal government at this time? Why should they take heart from these proposals and suddenly become convinced that the federal government is finally trying to do something that will work and which will put them back to work? Look at what the minister says to justify his program, which contemplates the redistribution of nearly $1 billion dollars a year. We will touch on the subject of redistribution of $1 billion a little later. He says, for example, that the federal government must respond to emerging labour needs because, "Major resource development projects are contemplated in all regions of the country." Are they indeed? I need not remind anyone in the House of the fiasco that has already occurred as a result of the National Energy Program, especially with regard to three of our largest resource development projects in the west. Would the minister care to ask the residents of Fort MacMurray, for example, what labour shortages they contemplate as a result of the National Energy Program? And, of course, Ontario, including my own riding, has suffered very much as well as a result of lost business which should have flowed from megaprojects in the west. Now the minister's colleagues are trying to scupper similar energy development in the maritimes.

It saddens me to say so, but the point is that the minister's plans for his national training program were made when there was still a reasonable chance that these western projects would come on line. The government's interventionist policies have effectively put an end to these for the foreseeable future and have actually aggravated the total unemployment situation in Canada. The minister now finds himself in the ironic situation of putting forward this grandiose plan to train people for highly skilled jobs which do not now exist and which will probably not appear as long as his government puts its own interests ahead of the wellbeing of the country.

Many might say to me, "Yes, but we must do something in the present climate to respond to the requirements of new industries and technologies which may eventually help us out of this mess." That is true. But first I would say in reply; be very sure you realize what got us into this mess in the first place. It was not "the world" or "the recession" or "the energy crisis" or any single excuse which we hear from the other side. Indeed, it was no single reason, but a combination of them, all significant, which have caused Canada to fall from the second highest standard of living in the world to the fourteenth in the short space of 14 years—a spot for every year the present Prime Minister (Mr. Trudeau) has been in power. But people must also be aware that, along with all the other radical changes which have affected our society in the past 20 years, this federal government is right up there as one of the most counter-productive elements in the total equation.

The minister has correctly identified chronic shortages in many highly skilled industrial occupations and has put his plan forward as his government's single most important attempt to alleviate them. Do keep in mind that the whole positive effect of his plan is dependent on the revitalization of the economy through a dramatic drop in interest rates, inflation and so on. It will not, in itself, contribute to reactivated industrial activity, but will only come into play after the economy has enjoyed a major period of recovery. It would be useful, however, for parliamentarians for once to learn from the past and not be tempted to approve programs which have the gloss of currency but which will be redundant within a few years.

In Canada, procurement of skilled labour has come primarily through immigration, training within industry such as apprenticeship programs, government manpower training programs involving the private sector, or graduates of community colleges and post-secondary institutions. Before 1960 especially, the declining agricultural sector along with heavy immigration patterns provided adequate labour for a resource-based pattern of economic growth, as Canada had then. As a result, there was little pressure for our educational institutions to provide vocational training and we paid the price for this when, in the late fifties and early sixties, highly-skilled workers were in short supply.

In the mid-sixties, despite government immigration policies to the contrary, there was a measurable decline in the proportion of skilled workers coming into the country, and Canada's potential economic-industrial growth and development was again arrested. Certain things were realized in the sixties, however, and a major expansion of university and college enrolment occurred, student populations rising two and a half times between 1961 and 1971. A similar though slightly lesser expansion occurred in non-university enrolment during the same period.

Since the great numbers of allegedly unemployable university graduates started to flood the labour market in the early seventies, both provincial and federal governments have launched a number of institutionally-based programs designed to bridge the gaps between basic secondary school training, post-secondary training, and productive roles in the job market, productive for individuals and productive for the country.

Indeed, the precursor of this bill, the Adult Occupational Training Act, was an example of this, and it worked reasonably well within the limits of its design. However, as experts in the industrial-employment sector have pointed out, instead of providing truly relevant and useful educational alternatives to institutionalized forms of training at the college and university level, these programs merely constituted "short-term manpower policy instruments to alleviate temporary skill imbalances", provided retraining opportunities for marginal workers, and offered alternatives to the UIC rolls. These hardly addressed the major long-term staffing needs of Canadian industry and indeed, as we see now, these programs just could not hold up in the face of a rapidly-changing industrial world. This is not to say that colleges alone can provide the full range of skilled workers that we need today if we are to have any hope of benefiting from the recovery if and when it comes. Colleges can take up a good deal of the slack in areas such as service occupations and production crafts such as tool and dye making. The major input of federal funds must be put where it will do the most good but at the same time without causing detrimental effects to our post-secondary education sector which is absolutely crucial to the national good.

• (1750)

In the sixties and seventies, only 5 to 15 per cent of government manpower programs were conducted in concert with the private sector. Between 1966 and 1970, industrial firms reporting some form of in-house training actually declined from 26 per cent to 23 per cent. In the manufacturing sector, only one firm in five provided some source of training. In all of this, only 16 per cent of those being trained by industry itself were female. I must say that I am glad some sort of assertive action element is to be included in this act, not only on behalf of Canadian women but also on behalf of our native populations and disabled workers.

It is clear that skilled-labour training needs are not being fulfilled either by institutionalized training or by traditional immigrant sources of skilled workers. Canadian wages are now too low. It is clear too that the lack of commitment to industry-based training schemes has resulted in skilled worker shortages in a number of occupations.

The principal point of attack to alleviate this situation is at the industry level and guided by a philosophy of co-operative training between the private sector and our educational institutions. This does not mean that the government should reallocate resources from universities to other institutions or to private sector training schemes in light of labour changing conditions. We have seen that such a policy is shortsighted in the extreme. What it means is that the errors and imbalances of the past should be neither repeated nor sustained, and that the federal strategy should promote a stable multi-level education level where short-term labour demands can be absorbed without the huge lurches which have characterized federal government policy in recent years as it responds to current, high profile, but not necessarily crucial pressures.

As the OECD recently observed about Canada's training policies, the general tone of policy-making is adaptation to short-term pressures, doing a little more of what already has been done and, above all, response to pressures or economies and reductions of expenditures.

The point is that nothing should be done to endanger the integrity of our institutions of higher learning for the sake of what may be very short-term labour market pressures. At the same time, the private sector should be encouraged and made aware of the very great potential benefits to be had from an internally-trained, highly-skilled and fully adaptable labour force. The bill before us does neither of these things, either philosophically or pragmatically.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I will speak for only five minutes. I do not want to take a lot of time. I know that people are eager to have the bill go to committee. With that in mind, I will keep my remarks shorter than I intended.

I am a little puzzled and somewhat perplexed by the expression "occupational training". I have wondered about it since I was 15 years old. I went to a technical high school and was trained to do certain technical things. Although they served me well in terms of being able to analyse problems of a mechanical nature, what served me better was that in the process I received an education.

I am not sure that the norms and practices of years gone by of training people for specific jobs is a very satisfactory way of proceeding today. There are far too many changes in the workplace for anyone to be able to make an accurate analysis of what might be considered adequate training for any young or not so young person in an effort to provide them with the skills necessary to enable them to lead a reasonable life through their working years. I do not know what you would offer a young person in terms of advice, even if you can provide them with training. I have two sons. One is now almost 21 and the other is coming on 20. For the past six years I have been thinking about what kind of advice to give them in terms of where they should go for their future, what kind of training and education they should take, what are the job possibilities and how long they would last. If they were to start a training program today, would they still have that same job opportunity after having completed three or four years of occupational or other kinds of training?

I have come to the conclusion that, with few exceptions, the answer to the question is no. There likely would be no jobs for them, even if you were to make some kind of analysis today as to what kind of job availability and job market there was. At the moment I do not know what we would urge young people to train for. I do not know what kind of training we would give them, what kind of suggestion we would make with regard to it. The question is, training to do what?

There is a tremendous problem in Canada. To a great extent it rests with companies not recognizing and planning for the future. Too many companies found it far too easy to reach offshore to find individuals who had the necessary basic skills and could make the transition to employment in Canada. As a result, far too many major and not so many major corporations had no training or on the job program that would raise the skill levels of people in their operation.

If you were trying to run a manpower centre, for example, the kind of co-operation you would need from a broad cross-section of the manufacturers in this country would not be forthcoming. There is no willingness on the part of the vast majority of manufacturers to offer to those people who must co-ordinate the educational process what the future holds in their particular field of endeavour. They are afraid to sit down and openly discuss their plans for the future for fear they might give their competition some kind of insight into where they are going and how they propose to get there. Therefore, it is awfully difficult to imagine how we will ever get these training programs in place and get them to work satisfactorily.

I realize it is almost six o'clock. There is much more I would like to say, but I will not. I do want to say that I have come to the realization that the best possible thing we can do for our young people is to give them the maximum—

[*Translation*]

The Acting Speaker (Mr. Ethier): It being six o'clock, I do now leave the chair until eight o'clock this evening.

At 6 p.m. the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

Mr. Deans: Mr. Speaker, I intend to be brief, as I have to go to a finance committee to discuss matters of interest rates. I do want, first of all, to go back to my last sentence when I ended at six o'clock. I ended on a word that would make no sense to anyone if they were to read what I was saying. I am not sure that many people in the country would read it anyway, but that is not important.

An hon. Member: You never know.

Mr. Deans: I have come to the realization that the best possible thing that we can do for young people in particular is to give them the broadest, most comprehensive amount of general education. I want to see a system that opens up their minds to the widest possible scope of occupations, that provides them with the opportunities to learn about and to use the latest and the most innovative equipment. In that way, as time passes their aptitude to use that equipment and their interest in pursuing a line of endeavour that would either fit into or not fit into the areas of education provided to them would become clear.

I believe we must do more to encourage the major employers to become part of that integrated program I am speaking of, to give them that sense of national purpose. When speaking about education in the broadest possible sense, or training in the more narrow sense, one realizes that there is an obligation on employers at every level to be co-operative. They should make available the opportunities for not so young people who may be going through the retraining process, or young people going through a training process, to go into the work place and actually see in operation the equipment they are being educated to use or training to use, depending on your use of the words.

We must make sure that on the job training is not simply a training in in-house skills that might just fit one employer but that rather it is a more universally portable training. In that manner, it would allow more insight to persons who may be in a general way defined as pipefitters—for want of a better term or better occupation—but who find that what they were taught

to deal with in one particular company by one set of employers really does not fit them for employment with anyone else, because the practices used by one employer are so vastly different from the practices used by another employer.

We must try to instil across the land the sense that there is by far a greater range of occupational opportunity that will come the way of the vast majority of people and that they ought not to be narrow in their focus. The example I would give is that, prior to coming to Ottawa, it would not have occurred to me to suggest to any one of my three children that they should consider language training in order that they could become *Hansard* reporters or in order that they could become interpreters or perhaps so that they could travel to the United Nations and become interpreters there. It is a skill that would not have occurred to me and I am sure would not have occurred to the majority of parents. In fact, it brings to mind that today I noted with some interest that in the Conservative Party, during the question period today, a number of their members rose in their places and in addressing the Chair they did so in French. In fact, one of their members—from Annapolis Valley-Hants (Mr. Nowlan), I believe—offered his first question in French.

Some hon. Members: Hear, hear!

Mr. Deans: That was commendable in the first instance and was a little surprising, quite frankly, because it does not happen every day. I wondered why, and then I realized all of a sudden what the reason was: this is the first step into bed with the PQ. That is what it was. This is their initial foray into the unholy alliance of separatism.

The Conservatives have recognized that language training is a skill, an occupational skill which is required in this line of work. There they were, they were prepared to a person—I would have said "to a man" but I guess I had better not use that any more—they were prepared to a person, even in the crudest of terms—and in fact, frankly, their use of the language was almost as bad as my own—they were prepared to follow the lead of René Lévesque, who on the weekend invited them to join him in the cause of separation for the province of Quebec. I can see it emerging now. To be honest, I thought to myself it was strange it had not dawned on me before that this was happening. Then I remembered the battle at the end of the constitutional debate when they were in bed with Mr. Lévesque, and I thought, no, I should have twigged to it then.

• (2010)

Mr. Deputy Speaker: Order, please. With all due respect to the hon. member, I call to his attention the subject of the bill before us.

Mr. Skelly: We are talking about training.

Mr. Deans: What I am speaking about is the training process that is made available in order, presumably, that one can widen one's opportunities. Just as my family might be encouraged to undertake language training, it is clear to me that the Conservatives have twigged to this early and decided that kind of training would be very useful to them and that over the course of the next two years we will see more and more of this as they pursue that unholy alliance, that attempt to divide this country and that power-at-any-cost thrust, and as they attempt to find common ground with the PQ in this effort to destroy the country.

In any event, I use that as an example of how anyone could take advantage of this kind of thing. I go back to my initial comments. There does not seem to me to be much doubt that training in the traditional sense no longer fits the needs and that for some that fond dream of becoming a skilled journeyman which will guarantee a man or a woman the opportunity to provide for himself or herself is not nearly as valid as it was some years ago. It is therefore important, if this program is to work at all, that it be a joint effort. There must be a significant contribution by employers. They have to be more open in their approach. They have to be prepared to offer the people who are doing the educational planning the widest possible scope in terms of information and access to the machinery of the day. They have to work out with the government an alliance not unlike the alliance the Tories and the PQ are working out together in an effort to undermine the country.

Mr. Rod Murphy (Churchill): Mr. Speaker, we in the New Democratic Party are very concerned about this bill. It was developed without any real consultation with provincial governments. Most of us in the House recognize—it appears there are a few members in the government party who do not recognize it—that this matter is a concern which should be approached with the participation of the provincial governments. Most of us recognize that there is a real need for the federal government and the provincial governments to make sure our community colleges and other training institutions provide the type of training we need to meet the job opportunities that will be available to Canadians in the future. When the minister announced this program, the provincial ministers responsible were surprised at what the minister had in store. They were surprised for a very simple reason. They were surprised because the minister did not consult them.

Mr. Bujold: That is not true.

Mr. Murphy: If that is not true, one of the members of the government can tell us about that afterwards. The minister announced this program just prior to meeting with the provincial ministers. The point is that if we are to develop the types of programs we need so that we no longer will have to import 30,000 or 40,000 people from offshore, the only way we can do that is with co-operation between the provincial governments and the federal government.

Every year we hear about the number of trained people we need for jobs that are available. Last year the Minister of Employment and Immigration (Mr. Axworthy) told us we needed approximately 30,000 people to fill the skilled job requirements of the western provinces. We recognize that with the downturn of the economy of western Canada we may not need 30,000 people at the present time. We may need only 20,000 or 25,000 people. But skilled Canadians to do those

jobs are not available. The number may be fewer than the 30,000 the minister said were needed, but 20,000 jobs could nevertheless be filled by Canadians. It is not as if this were something new. It is not as if all of a sudden we discovered we needed skilled engineers, skilled mechanics, industrial mechanics and people in a number of other professions and trades. We have known that for years. If we do not have co-operation between the provincial governments and the federal government, we will never train the people we need. As the spokesman in my party for federal-provincial relations I feel it is unfortunate that I must point out that this is another example of the federal government's having made no serious attempt to talk with the provincial governments in an effort to come up with a training scheme which would meet the needs of each and every one of our provinces and the needs of the nation as a whole and make sure our young people are trained for the jobs we need.

You know, Mr. Speaker, as do most Canadians, that a large number of young people are unemployed in this country. The latest statistics indicate that over 20 per cent of the young people in Canada do not have jobs. Those same statistics indicate that a majority of young people are not getting the kind of training they need to do the jobs which are available.

The minister's statement of last year is just an indication of the problem. Why in the name of this country should we have to import 20,000, 25,000 or 30,000 people for western Canada alone? After all the dollars the Canadian government and the provincial governments have put into occupational training, why should we have to import that number of people to meet the demand for trained, skilled people? Our unemployment rate grows every day; we all know that. The unemployment rates among the young, women, natives and the handicapped are so high that it is obvious the Canadian government should be acting. What we need is a bill to meet that need, a bill that is shared by and agreed upon by the provincial governments and the federal government. But the bill before us tonight represents just another step taken by this Liberal government. It ignores the real need of Canadians.

• (2020)

Let me give an example of this, Mr. Speaker. Two years ago in its budget the government set up a Western Development Fund. That fund was supposed to provide jobs for western Canada and to provide development for western Canada. But nothing happened, Mr. Speaker. One year later the same government and the same Minister of Finance (Mr. MacEachen) announced in the budget of November 12 that the Western Development Fund would receive only half the money that had been allotted to it in the previous budget. I should remind hon. members that not one cent of that money was spent between the fall of 1980 and the fall of 1981. It was a big budget item of $4 billion but not one cent of the money was spent. In the budget in the fall of 1981 there was a rehash of the announcement but with only half as much money. The money was supposed to create development in western Canada and, presumably, to provide the jobs that people would need.

We were told that a certain amount of the money would be allocated to the province of jobs for native people. But now, some seven months later, there are no funds, there is no agreement and there are no programs. In one year the amount was reduced from $4 billion to $2 billion, and in the seven months following that nothing happened.

Tonight we have before us a training bill which deals with native unemployment and the problems that affect Canada as a whole. All I can say is that if there was a budgetary item over a year and a half ago providing for $4 billion and then the same budgetary item was reduced to $2 billion in the budget of last November 12, the fact that the bill before us today supports to do certain things in the area of training does not impress me. Let us see the specific programs for once. Let the parliamentary secretary explain that when he gets up to speak. We want to see the specific programs that prove the government is committed to providing jobs for native people.

I had the opportunity to study political science under the Minister of Employment and Immigration when he was a professor, Mr. Speaker.

Mr. LeBlanc: Even teachers make mistakes!

Mr. Murphy: I agree with the Minister of Fisheries and Oceans (Mr. LeBlanc)—even the minister makes mistakes! His mistake was not in picking his students but in saying that the government is responsible for providing leadership. Leadership is not speeches, it is not press releases, it is not announcing a program that is not fulfilled. Leadership is providing the economic direction, the regulations, the programs to fulfil what a government promises. We have not had that, Mr. Speaker. Thirty per cent of the population of my riding of Churchill are native people, Mr. Speaker. Amongst the native population the unemployment rate is probably over 80 per cent. This bill and last year's budget and the budget before that were full of promises, but what does all that mean? Is the government really offering a new program or is this just another program in which it promises so much and delivers so little?

The native people in my riding, the young people in my riding whether white or native, want a training program that will provide them with jobs and with some hope in the future. I do not want to make a long speech, Mr. Speaker, but if this program had any substance at all, then the minister would speak about it. If this program offered something worthwhile to the nation as a whole the minister would have negotiated with his provincial counterparts to make sure that everyone works for the same objective. If this program were worthwhile, the minister would get up in the House and explain what the future holds for Canadians.

I believe, as I am sure many people do, especially the unemployed, that the government is bankrupt of plans. There are all these programs the government talks about, such as the Western Development Fund and a new program announced today, but again there are no specific plans for fulfilling them. We recognize that there are problems all over the world and

that we are tied into the United States' market, but if the government had some concrete plans perhaps we could solve the problems that the country faces.

I will give a specific example of the problems we face when dealing with the government, Mr. Speaker. Last April the Minister of Employment and Immigration, the Minister of Industry, Trade and Commerce (Mr. Gray) the hon. member for Dauphin (Mr. Lewycky) and I met with the provincial minister of northern affairs to discuss the Northlands agreement. It is just a small part of the economic strategy of the government but in the last five years it provided $155 million for the northern part of the Province of Manitoba, most of which I represent. That is not a large part of the Canadian budget, Mr. Speaker. There is a shared agreement, 60 per cent to come from the federal government and 40 per cent to come from the province. The agreement is significant to the people of northern Manitoba however, particularly the native people. We were told there would be a follow-up meeting with the Minister of Industry, Trade and Commerce and the provincial minister of northern affairs and that an attempt would be made to solve the Northlands agreement. We were told by the federal minister that that meeting would occur in the last week of April or the first week in May. Here we are at the end of the second week in June and the meeting has not taken place yet, we have been told by the provincial minister that he is available at all times. As I said earlier, $155 million may not be a large amount in the Canadian budget, but if we really believed we are going to help develop those parts of Canada which are underprivileged and provide training for those who need it, then the Canadian government would have that meeting. The minister was at the previous meeting where the Minister of Industry, Trade and Commerce promised this meeting. If this government were serious, that meeting would have taken place and this training program would provide the specifics to ensure that we do not have to import another 30,000 people three or four years down the road.

• (2030)

Two years ago I spoke with a master mechanic in the Manitoba forest industry in The Pas. He had been trained in Sweden, came over to Canada as a foreman, and he looked around and said there is not one person in this province that is trained to work on these machines. He talked about the intricacies of his own training in a program within what we would call a community college, and a training program in the industry he went to. He talked about all of that and said there are just no Canadians available. So part of the 30,000 people who must be brought to Canada are filling the need that this man was speaking about. I do not believe this program will meet that need, a very small one but very representative of the problems that we as Canadians face. I spent many years as a teacher and guidance counsellor for high school students. It was very upsetting to me to say that there are no programs in Canada. Certainly you can go to Red River Community College in Manitoba, or Keewatin or Assiniboine and take a program, but it is a very limited program and you will have trouble getting in because there are not enough places available to meet the needs of students in Manitoba.

Yet when I go to Winnipeg and talk with the professors, lecturers and instructors they say all of their graduates can get work. So what we are saying is, let's work together to develop these programs. Let us not have the minister make an announcement and then go to a meeting with the responsible provincial ministers. Let us have programs where the provinces and the federal government work together to meet the needs of Canadians. Let us have programs which will give our young people some hope for their future and one which will give Canadians hopes for our collective future.

Mr. Howard Crosby (Halifax West): Mr. Speaker, let me begin my remarks by indicating that I am in basic agreement with the intent of Bill C-115 as expressed in clause 3 which is:

—to establish a national program to provide occupational training for the labour force—

Indeed, Mr. Speaker, few could argue with that kind of purpose, and I know previous speakers for the Progressive Conservative Party have indicated their concurrence with that basic purpose of the bill. But at the same time we would be remiss in our duties to the Canadian public and our constituents and the people who must be served by this kind of legislation if we did not point out, in very dramatic and graphic terms, the drawbacks contained in this legislation which will cause problems perhaps for generations in the future. We know that once legislation of this kind is enacted it has a tendency to stay on the statute books for decade after decade without substantial change. We fear that possibility. So I rise to bring home again the features of this bill which ought to be underlined because they will create difficulties in the future.

The basic mistake in this bill, Mr. Speaker, is that it neglects the principle of co-operative federalism on which this country was built and on which most of our institutions rely. We have in Canada an educational system which has been developed as a mosaic over a long period of time. It consists of grade schools operated by municipalities, high schools operated by school boards across the country, and post-secondary education supported by private institutions, in many cases with the assistance of government. What the Government of Canada proposes to do in this legislation is to embark on its own course of action; one which is not based on the mosaic of our educational system and which is not the product of consultation with the provincial authorities who are charged with the management of that system in their provinces. This is not the first time the government has backed away from the principle of co-operative federalism; it culminated in a statement by the Prime Minister (Mr. Trudeau) not too long ago that co-operative federalism was dead. By bringing forward a bill purporting to establish a national program to provide for occupational training, the government has again confirmed that statement by the Prime Minister.

What price will we pay for killing co-operative federalism? We will destroy many of the educational institutions we have built up over a long period of time. The promoters of this bill, including the Minister of Employment and Immigration (Mr.

Axworthy), have to take responsibility for that. They have to take responsibility for the fact they did not call together those interested persons in the provinces for consultations, and ask them: What kind of occupational training program should we have in this country? What should be the thrust of federal assistance in this field? Through our work in the provinces we know it was provinces like Nova Scotia who pioneered in the field of adult training at a time when it was simply not available to those who had left the school system. The knowledge which they have built up over a long period of time could greatly benefit the constitution and construction of a national training program, but the minister chose not to take that course of action. He chose to go it alone, so to speak, to impart and place the federal will on all provinces, and to say, "Here is the program. Here is what we think it should be. You will have to live with it".

• (2040)

If they continue to take that kind of attitude at the federal level to the involvement of the provinces in matters of common interest, they will destroy the whole basis of federalism in Canada. Surely the constitutional process taught us that. Surely the constitutional process, through which we have just gone has shown the error of unilateral action on the part of the federal authority. Surely the federal authority realizes that the road to successful programs is co-operation and consultation with the provinces, leading to a program which is acceptable to all involved. It was amazing to realize, having gone through the constitutional process and having seen the havoc which it would have wreaked across Canada and the potential harm it would have done, had we not at the last moment sought the concordance of the provinces to the constitutional changes. What irreparable harm could have been done to Canada and the people of Canada.

I want to leave that point by underlining once again that co-operative federalism must be brought back to life in the country, and it must be brought back to life by the persons who form the government. They must abandon the position taken by the Prime Minister that co-operative federalism is dead. They must take every action possible to bring it back to life, and they will not do it by bringing forward legislation like Bill C-115 which does not have the support and the agreement of the provinces across Canada.

We in the PC party are often accused of carrying the case for the provinces, of wanting a Canada which does not have a strong federal authority. I do not believe in that kind of Canada. I do not believe in a kind of Canada which has a federal authority that simply imposes its will from coast to coast without consultation with the legitimate, democratically-elected governments of the provinces, whether it be the New Democratic government which was recently elected in the Province of Manitoba or the government which was re-elected in the Province of Newfoundland. They are all democratically-elected governments, the same as this government represented in the House of Commons was democratically elected. They must share in the Government of Canada. They must co-operate and bring things to a rational conclusion. Otherwise, there will be turmoil and upset in the country. We only have to look to the Province of Quebec to see what happens when the federal authority and the provincial authority lock horns. Who could possibly gain from that kind of confrontation? We have yet to live through that chapter of our history where we see all those Liberals gathered in the Province of Quebec and gathered in the House of Commons ending in complete disagreement on the course of action which ought to be followed in the country. The government is starting down a road which does not involve co-operative federalism. In the words of the late Right Honourable John Diefenbaker, it has gone down a road which has no ashcans. They will have to bear the responsibility for that course of action.

The reason for bringing forward the measures contained in Bill C-115 surely is the drastic unemployment situation which exists in Canada today. It is trite to say that we have an unemployment rate in excess of 10 per cent. It is trite to say that we have a million and a quarter persons unemployed in Canada. Believe it or not, the situation is even worse than that.

In addition to the one and a quarter million officially unemployed in Canada, there are at least another 250,000 persons who are no longer looking for work. They live in areas like Nova Scotia and Newfoundland where they know there are no jobs available, so they simply stop looking for work; they stay home and find other means of occupying themselves. There is a quarter of a million people like that in Canada who have lost the hope of obtaining employment. Across the country there are an additional 300,000 persons who are working at jobs much below their qualifications, such as school teachers who work in restaurants and engineers who seek minor roles in engineering offices. They are depressed by the situation in which they find themselves. They have all the qualifications. They have worked hard to obtain those qualifications, but they cannot have the kind of work and employment which those qualifications ought to allow them to have. We have to add them on to the list of unemployed.. In addition, there are hundreds of thousands of Canadians who are employed part-time. They cannot find full-time jobs, so they work at jobs which only provide payment for a portion of their available time. We must include those in the rolls of the unemployed. When we add them up, there are probably as many as 800,000 people in that position. When we are talking about the unemployed in Canada, we are not only talking about the million and a quarter who are officially unemployed. We are talking about the quarter of a million who have given up looking for work, over a quarter of a million who are working at less than their qualifications, another 800,000 or so persons across Canada who are working part-time and cannot find work to fill their available time. When we add up all these numbers, we do not come to a million and a quarter; we come to a figure well over two million Canadians. We must bear in mind that the work force in Canada numbers only about 11 million Canadians, so almost 25 per cent of the work force in Canada have unemployment problems. This is why the minister must rush into the House of Commons and claim to be doing something about unemployment in Canada.

What should he have been doing? His own parliamentary committee, which was constituted as a task force a year or so ago, produced a report entitled, "Work for Tomorrow—Employment Opportunities for the Eighties". It gave us a damning indictment of what has transpired in government circles over the last decade in creating training to allow Canadians to meet the changes in the economy. The document faults the government for not having started proper programs years ago, in fact decades ago. Anyone who lives in Canada could see technological changes occurring, and anybody in Canada knows that ten years ago people could not work at the jobs with which they have traditionally found employment in the past.

What was it doing to change it? The parliamentary task force dealing with employment opportunities for the 1980s came up with many recommendations, but only one of its minor recommendations was included in the bill. One fault which we must demonstrate and underline with respect to Bill C-115 is that it goes only a little way toward resolving the problems in Canada.

There are other faults which could be found in the bill. As I indicated, it violates the educational system in Canada. It destroys the mosaic of educational services which have built up over a period of years. It puts many people in the educational system in jeopardy and it gives them concern. This bill does not specifically deal with university training programs, but if we talk to any university president in Canada, he or she will tell you—and in the case of the university in my constituency, Mount Saint Vincent is, of course, a women's college with a woman president; we are very proud of that—that the universities across Canada fear the Government of Canada. They fear its thrust into the field of education because it is not prepared to consult with the educational authorities, it is not prepared to deal with the realities, and it is not prepared to sit down to talk about the experiences of students over the last decade. It simply comes in with an ad hoc program which is designed to cure some evil, to allow them to issue a press release and to say that they are working to stop the problem. It does not appreciate the development of the educational system over the years. It does not appreciate the roles of universities and university administrators who have toiled at their task, in some cases for decades.

What sort of thing do they fear? They fear that the Government of Canada will step in and provide funds for very narrow programs, programs which its departmental advisers claim are needed but are not necessarily desired by those who have completed their secondary education. If we asked the president of Saint Mary's University in Halifax, Dr. Ozmon, he would tell us that the record and ability of university students to choose courses and to seek training which will qualify them for employment has been demonstrated time and time again over the years, that is to say, young Canadian people have the ability to educate themselves in such a way as to provide job training for the future. If we look at the records of universities across Canada—but I will use Saint Mary's in Halifax as an example—we will see the shift in student population from liberal arts courses and similar courses, which did not train persons directly for employment, to business courses such as commerce and economics. That shift has been demonstrated and is part of the records of universities across Canada. They know what to do. Canadian students and their advisers, the faculties of the universities and the secondary schools know how to direct the funds to provide training for the jobs which are available. The only time they need the advice of the government is when it is offered in a friendly, constructive and co-operative way. They do not need government direction; they need assistance. That is the warning which we want to give Canadians through the medium of the House of Commons in the debate of this bill. We want a government in Canada which co-operates. We want a government in Canada that helps the existing institutions. We do not need a government which simply introduces another program to deal with an existing problem on an ad hoc basis and without regard to what has taken place in the past or to what will happen in the future.

• (2050)

I would like to discuss for a moment the student aid program in Canada. If one has ever seen the provisions embodied in that program one would find a high level of bureaucratic action that worked. It is not hard to identify a student who needs aid. That student is simply someone who indicates that he wants to go to university or some other post-secondary institution and submits his financial situation to show that there is a deficit and that he needs some money. You do not need many definitions of what students are eligible. You do not need many definitions of what courses are included or what kind of institutions they can attend. This bill has simply turned what is a sensible program, backed by a desire to assist students in need, into a bureaucratic maze.

I can give an example of this from an actual case which I encountered. This person had worked for a number of years at what turned out to be a well-paying job in the sales field after completing high school. Now his employment has terminated. The current recession—some would say depression—has created a situation where jobs that were always thought to be secure are being lost. People who are losing their employment realize that there is no hope in the near future of returning to their jobs because their friends and neighbours are also experiencing it. They know that there are simply no jobs available as sales representatives or in similar occupations. Such a person, recognizing the difficulty and seeing that it is semi-permanent at best, takes the opportunity to seek further education. This gives him and people in similar situations the opportunity to qualify in another field. They take this opportunity to acquire the post-secondary education that they did not get after finishing high school. However, what do they find? They find a set of rules applying to students who are 18, 19 or 20 years of age. These rules simply do not apply to a married man who, after working a number of years, has acquired basic assets such as a car and furniture. They discover a rule which says that they must include their wife's income in order to determine their capacity to pay for their education. Although I

do not know what the proponents of women's rights feel about this point, I never thought, as a husband, that my wife had any obligation to pay for my education. I do not know what other hon. members feel about their wife's obligation to assist in their education, but it is a fact that the rules applying to student aid programs presume that a Canadian wife has an obligation to pay for the education of her husband. Who created that rule? Is that based on any Christian ethic or any other religious ethic? I suggest that it is an idea simply conjured up by a bureaucrat who then wrote it on a piece of paper. As a result, this individual who is trying to solve his employment problem by using his lost time to develop his own employment capacity in the face of a deepening recession is confronted with a rule that stops him in his tracks. He might as well continue on unemployment insurance and seek whatever work he can find. His ability to resolve his problem on a more permanent basis is stopped by a bureaucratic regulation that no one ever thought of applying to this situation.

That is the danger of legislation which is so general. We do not know how it will apply to different situations. That is the danger of legislation which defines "occupational" in such general terms that it can only be imagined how it will be applied to particular situations.

When we see bills such as this which simply define occupational training in such general terms and state the purpose of the legislation in such general terms and then apply regulations to put the real meat on this legislative frame, we need to have a lot of faith in the government. You have to trust the government when it presents legislation such as that. I have to ask hon. members how they can trust this government's legislative proposals at this point in our history? How can we trust a government which had come forward with a constitutional proposal which was rejected by the provinces and subsequently took unilateral action to force that proposal on the people of Canada without the consent and concurrence of the duly elected provincial governments? How can a government such as that be trusted? How can it be trusted when it indicated it will keep energy prices at low levels but then turns around to increase prices dramatically beyond levels which anyone ever considered fair and proper.

When we are being asked to consider legislation which does not specify its contents and remains so general in form, we are being asked to trust the government. I do not believe that anyone on this side of the House or, in fact, anyone in Canada has any reason to trust the government with this or any other bill. That is why we rise in the House to convey that message to the people of Canada. That is why we rise to say that while we embrace the principle of a national training program for occupational training, at the same time we want to warn Canadians that this may not be the answer. It may only be another government hoax. There may be no funds available to set up proper programs which will resolve the problems.

What is needed in Canada is a great effort to create jobs. The only way to accomplish that in areas such as Atlantic Canada is through the implementation of projects and the restoration of the faith and confidence of the private sector in the economy of the region so as to allow them to do the job which they are capable of doing.

I would like to turn to other problems which exist in Atlantic Canada that necessitate such programs as the program for occupational training and other job-creation and training programs. It is evident in the very constitutional document which I spoke of that the government is prepared to declare war on regional disparity. The government said in its constitutional document that the Government of Canada as a matter of law was going to direct its energies toward an equalization program which will remove regional disparities.

I defy any member of the government to stand in the House and tell Canadians what the government has done since the enactment of the constitutional measure which was approved by the House in December of 1981 and officially enacted on April 17, 1982. What has the government done to remove regional disparity? I ask those hon. members to cite one piece of legislation it has introduced to implement the constitutional challenge to remove regional disparity.

Inaction is reflected again in this Bill C-115. There is no indication that funds will be directed to those areas which have the greatest need, particularly areas in Atlantic Canada where unemployment is the highest. It is an area where students graduating from high school, universities and other trade and educational institutions can find no employment. Student unemployment there is at the highest level in history. Students who rely on summer employment to provide themselves with the necessary funds to continue their education are unable to find any work. What will the government do about those situations? I believe this is the question which must be asked at any time when we consider legislation that purports to resolve any part of the unemployment or educational problem.

I repeat that we are asked to trust the government at the very time when the Minister of Employment and Immigration is coming before the House to ask it to approve a measure which will help people who are unemployed and seeking employment through the provision of educational programs. We must think of the actions taken by the Secretary of State (Mr. Regan) and the Minister of Finance (Mr. MacEachen) cutting back vast amounts of money from the funds available to the provinces for post-secondary education. These were vast amounts of money which provinces like Nova Scotia, New Brunswick and Prince Edward Island cannot provide and simply must receive from the federal authority. The only alternative is to cut programs or raise taxes. That is exactly what the government is doing. That adds to the difficulties faced by people in the maritimes and other parts of Atlantic Canada. They have a federal government which is continually cutting back on the funds available to assist them in the educational field. They are actually worse off in 1982, this very month of June, than they were a year or two years ago. At the same time, the Government of Canada, through the constitutional document, has declared war on regional disparity. So, Mr. Speaker, what can you say about a government that says, on the one hand, "We are moving toward equalization and we are declaring war on regional disparity," while, on

the other hand, it cuts off the very funds necessary to fight regional disparity and to create equality among the people of Canada?

Let me simply end by saying that the government is not kidding anyone any more. The Minister of Employment and Immigration is not kidding anyone any more. We see all the measures brought before this House of Commons in a suspicious light, that is to say, we must examine all these measures with great attention to their veracity. We must ask the question every time, does the government really mean this or is it just another hollow promise to rectify a deteriorating situation?

• (2100)

Let me say to the Minister of Employment and Immigration, who sat in the House through some of this discussion, that I for one wish him well in his endeavours. I hope he succeeds in solving the tremendous problem of unemployment that we have across Canada. I hope he can come up with job-creation and educational programs which will help to relieve the situation. However, I also warn him not to look for any help from his colleagues in cabinet, from the Prime Minister, from the Minister of Finance or from the Secretary of State because the government is taking away from the ministers who might provide help and assistance the very funds which they must have to provide that assistance.

I say to the minister that it is good that the government allowed him to introduce this bill which purports to help people who need occupational training, but I hope that it will give the funds to back it up and I hope it really means to help. Even if the minister does, we still suspect his colleagues, so I hope the minister will watch them very carefully and report to this House if they give him the kind of difficulty in implementing this program that I am almost certain, as I stand here, they will.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Mr. Kempling: On division.

Motion agreed to, bill read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

[*Translation*]

CANADA PORTS CORPORATION ACT

MEASURE TO AMEND

Hon. Jean-Luc Pepin (Minister of Transport) moved that Bill C-92, to amend the National Harbours Board Act, the Government Harbours and Piers Act, the Harbour Commissions Act, the Canada Shipping Act and the Fishing and Recreational Harbours Act, be read the second time and referred to the Standing Committee on Transport and Communications.

He said: Mr. Speaker, all countries with access to navigable waters have a ports policy which strives to meet their local, regional and national requirements and by which their ports are integrated within a broader and preferably multimodal transportation system, at both domestic and international levels. Although these policies may vary from country to country, they have in common a desire to reconcile local autonomy with the interests of the country in general. In fact, all countries with a ports policy try to reconcile these two spheres and interests. Bill C-92 cannot escape this imperative.

Canada is actually one of the world's major trading countries. Our external trade accounts for nearly 30 per cent of our gross national product, and nearly 80 per cent, I am told, of all our imports and exports are shipped by water. As a result, the quality of our ports and the efficiency of their operations have a considerable impact on the cost of our products on our competitive position on world markets and finally, on our balance of trade and our balance of payments. It is clear, Mr. Speaker, that we must have the best ports policy we can muster.

An hon. Member: Amen.

Mr. Pepin: Amen. What is the administrative situation of Canada's ports today? At the present time, we have in Canada three types of commercial ports: the ports of the National Harbours Board, the ports of the Harbours Commission and the government harbours and piers for which the Department of Transport is directly responsible. Each type of port is governed by a distinct body of legislation.

The ports of the National Harbours Board are governed by an Act of Parliament passed in 1936. The legislation reflects the conditions of that period, namely the depression and the need for centralization. The Act has been amended only twice since 1936, and one of these amendments consisted in substituting for the name of the port of Three Rivers the name of Trois-Rivières. This change was undoubtedly necessary but had a negligible impact on the port as such.

Some comments on the first type of port. The Board of Directors of the National Harbours Board, which governs this type of port, has four full-time members. The Board does not claim to reflect the national dimension of this country,

although one of the members is from Saint John, New Brunswick, and another is from Vancouver. On the other hand, the legislation does not provide for local autonomy with respect to the management and operation of the fifteen ports under the National Harbours Board, nor does it provide for regional input in the process of planning and establishing a national ports policy. As a result, the administration of these ports is highly centralized. So much for the first kind of port.

The Government Harbours and piers Act, the second body of legislation covering the administration of ports in Canada, governs more than 500 public facilities. This Act also goes back to 1936 and is just as outdated as the National Harbours Board Act. The facilities in question are also subject to the Canada Shipping Act and the Public Works Act, and this checkerboard of legislation constitutes a hindrance to sound planning and is not conducive to the investments that could be made in these port facilities. The ports usually come second to the National Harbours Board ports, but also include some that are fairly large.

The Harbour Commission Act, which governs the third kind of port we have in Canada, provides the most up-to-date legislation and as such is more compatible with present port administration practices. Under this Act, which goes back to 1964, ports may be operated and administered at the local level, which is more in line with the intent of Bill C-92, which I shall be discussing presently. However, the Harbour Commissions Act does not define a common objective for all ports where a national ports policy is concerned. Nor does it stipulate that the development of harbour commissions is an integral part of regional and national ports planning. In addition, the Act does not provide for the transfer from one type of port to another.

So that, Mr. Speaker, is the fairly complex situation in the administration of Canada's ports today.

[*English*]

Efforts have been made to improve the situation affecting ports in Canada within the existing structure. I would not want to leave the impression that our ports are in a generally backward state; far from it.

I must admit, however, that the public port facilities under Transport Canada have not seen a great deal of development in recent years. That is changing now. Planning for the future is improving considerably. For example, we currently have a series of master plans in progress with the objective of providing a coherent basis for future development of public port facilities in different areas of the Country.

• (2110)

Commission ports are doing much better. They are performing well. Thunder Bay, to mention one, maintained its position as the world's largest and most successful grain port. In terms of capacity to undertake new projects, I would point to the new forest products terminal at Duke Point at Nanaimo, British Columbia, which is the result of co-operation between the federal government, the provincial government and the local harbour commission.

Most interesting, however, is the progress made at the 15 National Harbours Board ports which, by the way, handle 50 per cent of Canada's waterborne commerce. The other two types of ports each handle about 20 per cent.

In recent days I have been making an extra effort to focus attention on these ports. I believe their significant achievements are largely unrecognized, and that is regrettable. One need only look at the National Harbours Board latest annual report to see how well they are doing. For the first time in history, all 15 ports have a positive net income. Total tonnage, while down slightly from the record set in 1980, is still the second highest ever handled by the National Harbours Board.

The number of tonnes handled per employee, which is a good indication of productivity, increased from 58,000 in 1976 to 91,000 in 1981. Capital investment is up substantially, from $38 million in 1980 to $65 million in 1981.

The reorganization of the National Harbours Board debt—$350 million of principal and $150 million of interest, which was erased in 1981—contributed quite considerably to this positive picture I am painting tonight. It is equally true to say that the National Harbours Board, in spite of the drawbacks of its statutory environment, has developed into a sound organization which is now operated on a largely commercial basis by experienced professional employees.

If everything is so good, the obvious question is why the need for a new bill? I have already touched on a few of the reasons. I might emphasize the severe limitation on local autonomy which is symbolized by the famous statutory ceiling on contracts. Anything over $50,000 requires governor in council approval. That is a symbol of the lack of autonomy given to these major port organizations. Others ports in Canada, the harbour commissions for example, and other ports in the world of the same size as Vancouver, Halifax, or Montreal have a lot more autonomy in their administration than those ports under the National Harbours Board. This is an anomaly the bill will correct.

Another reason for new legislation is the inability of the National Harbours Board to set its rates quickly and on a commercial basis to respond to local needs and to particular circumstances. It is a problem in that a port the size of Halifax or Vancouver, cannot act rapidly to set rates in relation to the competition.

The inability to transfer from one type of port to another is also a difficulty. The fragmentation of the legislative basis is also a problem as well as the lack of a common stated objective. These are difficulties the bill will attempt to cure.

This is not the first time such a ports bill has come before the House of Commons. Between 1977 and 1979, hon. members, in my absence, dealt with three bills, Bill C-61, Bill C-6 and Bill C-50. All died on the Order Paper without even getting to second reading. Therefore, we are making great progress tonight. With the assistance of all friends of Bill C-92 on all sides of the House, maybe it will be passed by the House this time.

In order to appreciate the present legislative proposal, it is useful to note the different approach that was taken in previous attempts. That is very important. Previous bills all tried to consolidate fully the different pieces of legislation which I already mentioned. I have extensive notes on the subject. I will not go into them except to mention that contrary to the other bills which attempted the monumental task of bringing the whole legislative apparatus under a single bill, this bill is much less pretentious. The bill leaves aside the grander scheme of reshaping the entire port system and takes a more evolutionary approach. It recognizes that the existing system has strengths that can be built on without the need for a total overhaul. I would not like to leave the impression that the bill does not change much. Thirty of the 40 sections in the National Harbours Board Act are being amended, and 16 of 19 sections of the Government Harbours and Piers Act are being amended.

The bill is not as all encompassing as the previous bills. The reason is simply that different parts of the country have different types of ports. There is some validity in that. We try to accommodate local circumstances, historical precedents, fashions and the like. I do not think the country will be handicapped because of that.

It is clear that the National Harbours Board ports have reached a level of financial and administrative maturity such that they are now being held back by the 1936 legislation which governs them. Having demonstrated their ability—this is a key sentence for those who will comment later—to operate soundly and efficiently, Parliament owes the ports a new framework which will give them the opportunity to respond the new challenges in a modern environment. In other words, these ports have done well with the support of the National Harbours Board. They are now fully grown and developed. They are adult. The time has come to give them more freedom of operation than in the past.

I now want to say a few words about Bill C-92. In my view, it is an excellent example of what I like to call the balancing act, which is the only act that Parliament has never passed, because it tries to combine a number of forces.

As I said earlier, it does not attempt to reshape the entire system. The three types of ports are maintained. The statutes governing them are amended to remove the shortcomings. For example, rather than having one central piece of legislation, a common statement of objectives is included in each of the separate statutes. A balance is thereby achieved between a single, unwieldy act and three unrelated ones. They are tied by a single objective, a single statement of principle.

Another example of balancing is between the national interests and the local autonomy. The first objective in the common statement of objectives is to ensure that the port system is an effective instrument of support for international trade objectives and also for national, regional and local social and economic objectives.

The fourth objective is more specific. It calls on the port system to provide ports with a high degree of autonomy consistent with the responsibility to ensure the integrity and efficiency of the system as a whole. We see the obvious preoccupation of the national interest and the local interest which is balanced by a degree of centralization and a higher degree of decentralization. Therefore, the bill is a masterpiece of balance!

Mr. Nowlan: I wish you were selling Mississippi oil.

Mr. Pepin: Give me a barrel and I will try.

• (2120)

Let us look at some of the most important amendments. Taking first the amendments to the National Harbours Board Act, the principal amendment creates a part-time board of directors, up to 17 of them, representative of broad regional interests in important matters. The new board will have the power to recommend the establishment of local port corporations with a high degree of delegated authority to manage and operate. Ports that do not acquire local port corporation status will be operated as divisions of the new parent corporation. That, by the way, will be named the Canada ports corporation.

To repeat, within what is now called now the National Harbours Board system there will be two types of ports. There will be some fully grown, with full local autonomy, the "mini" corporations under the "maxi" or parent corporation. There will be others which will remain divisions of the National Harbours Board, which is to become the Canada ports corporation.

The corporation will have new powers to set contractual limits by bylaws. Rates for commercial services will be set by the corporation itself for its own divisions. The local port corporations will set rates themselves for their own requirements. Harbour dues, however, will continue to be set by bylaws and will therefore be subject to governor in council approval.

The Canada ports corporation, and the local port corporations, will remain category "C" Crown corporations under the Financial Administration Act. Members will realize what that means. It has some advantages, obviously; for example, not to pay taxes, not to pay dividends, and the possibility of getting Canadian government contributions to investment. There are some advantages also to becoming a category "D" corporation. The law as it is now will make that possible without having to pass a new law to move corporations, the "maxi" and the "mini", from category "C" to "D". Also to be stated is that it will be the possible to transfer from one category of port to another category without having to introduce new legislation to do so.

I should say a few words, Mr. Speaker, about local port corporations. As I indicated, this is the major factor and the major motivation for the new policy. It is the decentralization of authority and decision making to the local level of port corporations, and a move away from the centralized administration of National Harbours Board ports.

It is rather important, I think, that I should put on record the powers of the local port corporations. Here is a list. First, there is the authority and responsibility for the day to day

operation of the port. This is a local corporation responsibility. Second, there is the setting of commercial rates. Third, there is the responsibility for all personnel matters. Fourth, there is the tendering and contracting within new designated limits. Fifth, there is the management of port property. And the sixth one, which I should have first, is the appointment of the chief executive officer of the port. The appointment of the manager of the port is obviously symbolic of the transfer of power from the National Harbours Board Act to the local port corporation.

I was in Montreal during the weekend. The chairman of the National Harbours Board referred to Mr. Beshwaty as "my general manager". The president of the Montreal authority referred to the same gentleman as "my general manager". In this case one person was speaking for the present and the other person was speaking for the future. So it is a very important change.

In general terms, the local port corporation will be responsible and accountable to the Canada ports, corporation for maintaining the port in a financially viable position. To ensure that the decision and management initiatives of the local port corporations are consistent with national policy objectives, that they make the best use of their resources and serve the best interests of the users, the Canada ports corporation will approve the annual capital and operating budgets of the local port corporations. It will also monitor their actual performance. This will be done in much the same way as a large private corporation would oversee its subsidiaries.

Financial viability is an important aspect of the new policy. The capability of an individual port to sustain its operation is one of the main criteria for the very establishment of the local port corporation. Other criteria, by the way, include the national and regional significance of a port and the degree of local interest in the affairs of the port.

On the other hand, financial viability is not the only criterion on governing port development. It is recognized that ports form an important element of broader regional economic development schemes and that large port investment requirements cannot always be met from port revenues at the outset. In other words, the port may not have the means to achieve its full development. Consequently, the legislation contains a provision whereby the government may give directives to the Canada ports corporation, to undertake ports development in the national and regional interest.

An hon. Member: I have a question.

Mr. Pepin: I will entertain questions afterwards.

Having given such a directive, the government, in the circumstances, when the capacity of the local corporation is not great enough, will be expected to provide assistance by way of a grant or otherwise.

Again there is a balance—the theme of balance being my main theme tonight—between the commercial objectives of individual ports which help ensure their efficient operation with a high degree of autonomy, and the broader government objectives relating to regional and national economic development.

How will this be set up, Mr. Speaker? It is hoped that within 18 months of proclamation of this bill, the new board of the Canada ports corporation will have examined all the former National Harbours Board ports and will have recommended to the Minister of Transport which ones meet the criteria of local port corporation status. An order in council will be needed to create such a local port corporation.

How many National Harbours Board ports are likely to become local port corporations? That is a question that the board of the new corporation will address and on which it will make a recommendation to the minister. At this time I expect that most National Harbours Board ports will seek and should be able to attain this status, so it will be very much open to them to make their case.

I should say a few words, Mr. Speaker, on the amendments to the Government Harbours and Piers Act. The amendments to that act propose to redress the situation of divided responsibilities, by consolidating into a revised act, to be called the public harbours and ports facilities act, all of the responsibilities necessary to plan and fund maintenance and capital works for these public facilities. Again, that type of port will be asked to apply a common statement of objectives.

I have a few words to say, Mr. Speaker, on amendments to the Harbour Commissions Act of 1964. As all members know, there are seven ports now—four in British Columbia and three in Ontario—administered under this newest of port acts. This act already recognizes the objectives of local autonomy, as we all know. In fact, these ports provide an excellent example of how well the concept of autonomy can work. This act is therefore subject only to minor amendments, it being the most modern and most recently passed. The statement of objectives mentioned previously, is added. The section on the establishment or dissolution of a harbour commission is amended to permit the transfer of any one of the present National Harbours Board ports to commission status without need to amend the law.

There are a few words to be said also, Mr. Speaker, about the process of consultation and about the regional and local participation in the administration of this new bill.

• (2130)

First, the new Canada ports corporation provides for full regional participation on its board of directors—and I mention en passant that there will be a maximum of 17 members on that board—and local participation also at the port corporation level, so there will be plenty of participation both in the maxi and in the mini corporations. Harbours commissions already have local participation in their administrations, as we well know. Public harbours and port facilities will benefit from greater delegation of authority to the regional port administrations of the Department of Transport as well as the establishment of public harbour advisory committees.

However, one of the major weaknesses of the present port system lies in the absence of an identified body responsible for

advising the Minister of Transport on regional port planning and development as they affect all types of ports. In order to bridge that gap, the bill provides for the establishment of regional advisory councils to include the chairman of each local port corporation, harbour commission and port advisory committee; that is the advisory committee of a division of the new Canada port corporation. All this will be brought together with representation from other public interests in a regional advisory council.

Mr. Nowlan: Sounds good.

Mr. Pepin: I hope it sounds good, and I am sure it will be. Each province in a region will have the right to appoint at least one member to these regional councils.

This bill deliberately maintains flexibility in defining the size and range of activities of these regional councils. We are letting it be flexible so that different regions of Canada may have slightly different regional councils, depending on the mood of the area. It is my intention, however, that these councils form an essential part of the regional and national port planning process.

Reaction to this bill is my last point. What has it been? The bill itself is the result of extensive consultation—"extensive consultation" underlined three times—for a good period of time.

Mr. Nowlan: You are impossible.

Mr. Pepin: It has been good for a good period of time, I must say. Briefs, representations and telegrams have been received from a great number of interested parties. I have a list of some of them, but I will not mention them all.

It is obvious that the bill will not satisfy everybody. Some are looking for a greater degree of autonomy; others, presumably, are looking for a lesser degree of autonomy. However, generally speaking, I think hon. members are aware that it is the general belief that reasonable compromises were struck. That is a very important sentence.

Mr. Crosby: How about labour representation?

Mr. Pepin: The provinces are not all happy with this bill, but, generally speaking, I think there is support, if not for all the clauses, at least for the intent and purpose of the bill. I was talking to Mr. Lévesque the other day after his speech in Quebec City which was partly on ports policy. Somewhat to his amazement and to the amazement of many others I said I agreed with 95 per cent of what he said. The reason was that what he had said was all in Bill C-92.

Mr. Nowlan: No.

Mr. Pepin: Oh yes. The main difficulty he has with it has to do with the selection of the people who will constitute the local port corporations. For example, he alluded to his admiration for municipal representation on these port corporations. Everybody knows this is debatable. There are cases in which there is a conflict between the objective of the municipality and the objective of the port. I will not give cases, but some of them are pretty well known. It may be that a municipal council would like to see a park where port authorities would like to see a port facility grow, so there is quite a difference there. In any event, we can have a good discussion of the subject.

The legislation has the support of the port authority chairmen, of the National Harbours Board ports, the chairmen of the commission harbours, the Canadian Port and Harbour Association and a whole list of other institutions. One of the reason is that most of them have worked well on the bill and have made contributions to it.

By the way, I would like to thank all those who have made a contribution, some of them members on all sides of the House. Bill C-92 goes a long way towards addressing the major weaknesses of the present system while respecting historic preferences for the existing organization and building on the strengths and the good works of the past. I am quite sure all members would be honoured to have voted in favour of this bill.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I welcome the opportunity to participate in the debate at the second reading stage of Bill C-92. At the outset I cannot help but wonder why the minister started off on what was a very critical passage for him, such an Alice in Wonderland stage setting for this bill. It is a piece of legislation which makes legal that which has been illegal for five years. It is time to get on with the damned thing, I agree, but let the minister not stand up and tell us about the great and wonderous autonomy the bill will extend to local ports. Let him be simple and honest and say it is a first step. It should have been taken seven, eight or ten years ago. This is not the solution to the problems of the ports in this country, and the minister knows it.

He spoke about the historical record. I suppose once every 40 or 50 years the government is entitled to speak about the record with respect to ports legislation. As the minister indicated, the National Harbours Board Act was passed in 1936 as a result of the Gibbs commission report.

We have difficulties with this bill. The minister had better be aware of that, and so had the government House leader.

On June 4 in this chamber the minister casually said we were holding the bill up. We are not holding the bill up. We want this kind of legislation. It is constructive legislation, but it is what the government should have been doing over the last two years. The government has been so preoccupied with esoteric matters that it could not find time to get on with this. That is the truth of the matter. What is more important to the minister, off-track betting or ports legislation?

Some hon. Members: Hear, hear!

Mr. Forrestall: This is not a good bill in its present form. It was not a good bill seven years ago when it was first introduced, but this is a first step. The minister knows I personally want to see this bill through second reading, into committee and back into this chamber before we adjourn for the summer,

and I will do what I can to facilitate that. However, the minister had better go with open eyes to the committee because many of my colleagues are very disturbed about this bill, so am I, and for the next few minutes I will put forward a few reasons why I am disturbed.

This is not the first time we have seen this bill. I hope it is the last, but it is not the first. We saw it in 1977 as Bill C-61, again in 1977 as Bill C-6 and in March of 1979 as Bill C-50. All those bills died on the Order Paper.

We have serious reservations in probably 13 areas of this bill. Many of these reservations are well known to the minister and well known to his officials. They are well known to the members of the Standing Committee on Transport. I am hopeful that in committee many of these minor difficulties can be dealt with, and dealt with efficiently, by way of amendment. One or two of them may be viewed as substantive, but they are not substantive in intent.

Our first serious reservation about this bill stems from the fact that it is predicated in part upon Crown corporations legislation which we have not seen. When the former minister of transport, the hon. member for Vegreville (Mr. Mazankowski), introduced this matter, it was done in a manner consistent with proposals in a Crown corporations bill. We do not have that bill in front of us, Mr. Speaker. We have not seen the government's white paper or its green paper on the Crown Corporations Act. That is what we are setting up—Crown corporations with 20 subsidiaries. At this time we do not know the government's intention with respect to Crown corporations. It is absurd of the government House leader to ask us to give this matter second reading, put it through committee stage, report stage and third reading between noon and four o'clock on a Friday afternoon! I know he has problems, but that is not our fault. We tried to help the minister, but it is an affront to us that he did not deal with the Crown Corporations Act. He did not give us any indication how the bill will affect the government's intentions in that regard.

• (2140)

We support the principles of the bill that there is a need for efficiency, that there must be co-ordination with other transport modes, that there must be accessibility to users in order to develop an import-export trade.

The minister says that autonomy will be expanded. I believe that it may be enhanced slightly. When you have to refer to five different authorities in order to get something done, how does that expand autonomy? The matter has to be referred to the minister, to the President of the Treasury Board (Mr. Johnston) to the governor in council, to the bylaws of the local port corporation and to the parent corporation, that means from five to six different levels of approval before something can be done that is regarded as necessary by those charged with the responsibility of administering an efficient and well organized port.

The minister will be hearing from my colleagues representing the Vancouver area who will speak about the long sticky fingers of Treasury Board. There is reference to "excess moneys". What does that mean? We have been told that there will be different limits, and of course we realize that the limits of 1936 are not applicable to 1982. We have not been told what the limits will be, however. During this debate we will ask the minister for an undertaking that at committee stage, if not before, he will reveal the four or five parts of the authority that deal with matters such as financial limits so that we can see all the bylaws. The minister is very good to the House in that respect as a rule. Transport officials, not only under this minister but under ministers before him are open and allow members on all sides access to schedules and rules and regulations that flow from these things at committee stage so that we can understand what is going on. The sooner we have those, the better we will understand how serious the minister and the government is about autonomy.

The matter of equity between ports also concerns us. Of course the borrowing authority for the Port of Vancouver must be different from that for the port of Chicoutimi. They are two different worlds. But we do not know what the formula will be. It will have to treat Halifax, St. John's, Prince Rupert, Montreal and Quebec City equitably, yet it will have to be different. I hope the minister will let us in on his secret so that we can help him.

I want the minister to understand clearly what our concerns are. On a number of occasions in committee he indicated to us that he considered the tax levied on the marine transportation industry with respect to fuel for vessels leaving Canada, to be somewhat inequitable. But he did not do anything about it, apparently, although I am sure he tried. It is not good enough for the minister to say that such and such is autonomy; we want to see it in writing. We do not trust the President of the Treasury Board and I do not want to rely on the Minister of Finance (Mr. MacEachen). Look at the mess he has got this country into! Does the minister expect members of the opposition to take his word for it? He should not stretch our credulity too far. Were he the only one standing between the governor in council and port corporations, then that might be an interesting proposition for the entire port community to consider. It would have been interesting for us and it would have made a basis for autonomy much faster than the four or five levels that the bill provides for, but the minister should not stretch our imagination too far. He should not make us reach too far beyond our capability to help him.

The minister knows that the majority of any entity, business or corporate, public or private, are governed to a large degree by the form and type of their incorporation, their powers and sources of finance. How autonomous can a local port be when its entire existence is to be determined by a Crown corporation whose entire existence, in turn, depends on the whim of the government? That is not a rhetorical question, Mr. Speaker. There is mention of the LPC, the CPC, the LAC—we have lance corporals in the air force and we have Canadian Pacific. Could we not call these the Halifax port corporation, the Vancouver port corporation, the Montreal port corporation? Can we get away from that and get into some useful and appropriate designations? This sounds as if we have given

them all a social insurance number or something. How can you be autonomous when everything you do is in the minister's back pocket or, worse than that, in the back pocket or the back of the mind of the local Liberal chairman? How autonomous can a port be when it is the minister who makes all of the decisions?

• (2150)

There are a number of small amendments we are going to move, Mr. Speaker. For example, we will move to change the wording "in the opinion of the minister" everywhere it appears. You have to have a reason, then make a judgment, and we will accept that. But it will not be in your opinion; it will be the opinion of the local Liberal hatchetman or appointer of great people. I accept the minister's argument about the difficulties of including the municipalities in the local port corporation because conflicts of interest will develop. But I will not support the minister's argument, for example, when it comes to whether or not he will extend to labour the right to recommend someone to the authorities. I can see the possibility of conflict when dealing with municipalities, but I cannot see it when you are dealing with the makeup of the local port corporation. How autonomous can the LPC be if the Canada ports corporation can determine which statutory powers it can give to the LPC as listed in the act? No rationale has to be given under the act. Worse, there is no legislative appeal built into the act. If an LPC wishes to contest a decision, how does it appeal and to whom? How autonomous will it be if it is unable to borrow or invest in the private marketplace? It would only be able to do so if the CPC, on its own presumably, changed its status from a schedule C to a schedule D Crown corporation under the Financial Administration Act. I do not know whether or not any of the ports would want to start that process. We have heard from some officials of government, not within the Department of Transport, that they are not all that enamoured of schedule D under this legislation until they themselves have had an opportunity to take a look at the provision of the Liberal government's down corporations proposals.

On February 28, 1982, during a CBC radio interview the Auditor General was asked why the government was proceeding so slowly on the Crown corporations bill, and this is what he said:

> Well, it's a source of frustration for me because I think it's very important that we have Crown corporation legislation. I'm not exactly sure when the Crown corporation legislation started, but I know that when the new Auditor General Act came out in 1977, the parts of our legislation regarding Crown corporations was left a little loose because the Crown corporation legislation was expected shortly. Well, that was 1977. When the PC's were in power, they brought forth a paper that died when their government died. Subsequently to that, the present government has had a study paper on the topic of Crown corporations—I'm not exactly sure why that's not proceeding rapidly.

The Auditor General was then asked if he had seen this Liberal government paper on Crown corporations, and he replied:

> No. I've been denied access to that paper. I think that's part of the—what I find rather strange political science notions in Ottawa. I don't know that it's necessarily a high level political decision. I suspect it's some bureaucrat who's accustomed to defending his rear.

Thus it seems the Auditor General is in somewhat the same predicament as members in this House. He has not seen it, nor have we, and it does not look as if we are going to see it. Not only is there lack of accountability in terms of the missing Crown corporations act, there is no mention at all of how we are going to audit. We asked for joint audit by the Auditor General of Canada and we did not get it. We are going to ask for it again, and I do so right now. I serve notice that we will move an amendment the effect of which will be to join the Auditor General either in joint audit or to extend to him the responsibility and right to audit these many Crown corporations. In the absence of a Crown corporations bill or any indication of what the government wants to do, what other choice do we have? Very little, I am afraid.

Furthermore, there is no legislative provision for the annual report of the CPC or those of the LPCs to be referred to the Standing Committee on Transport. We would ask for that. I have touched on the financial aspects of this legislation. We want the Treasury Board to release through the minister the financial limits to be set in the LPCs bylaws. We hope and trust, and knowing the minister we are certain, that once we see them they will be realistic and meet the requirements of 1982. We would like to see it before it reaches the committee stage, but at least let us see it at the committee stage. We want a good explanation of what excess moneys are and under what conditions the long arm will reach out and take moneys from Vancouver, Halifax, Montreal or Toronto. We want to know what will happen to that money. We want to know about the transfer of funds from LPCs to the parent corporation. We have been through the banking concept proposed by the minister in Bill C-92. When we look at Bill C-92, we realize that there is not a trace of the banking concept of transferring money back and forth between local port corporations and the central corporation. There is not one word indicating in fact how it will happen or under what guidelines. Why was it not spelled out? It was certainly in the notes of the minister and in everything he had to say about it. It was in the discussion paper, but it is not in the bill. We have asked for it to be placed in the bill.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

Adjournment Debate

LABOUR CONDITIONS—INCREASE IN YOUTH UNEMPLOYMENT. (B) ROLE OF GOVERNMENT

Hon. Jake Epp (Provencher): Mr. Speaker, I rise tonight on the adjournment debate following the questions I asked of the Minister of Transport (Mr. Pepin) and the Minister of Employment and Immigration (Mr. Axworthy) on June 4, as reported at page 18109 of *Hansard*.

On June 4 the May unemployment results were published. The national unemployment average in Canada stood at 10.2 per cent; double digit unemployment. What was not added to the roughly 1.2 million Canadians were those Canadians who have simply left the labour force and have stopped looking for work or employment. That day I asked what plans the federal government had to address one specific aspect of the national unemployment picture, namely, unemployment for young Canadians between the ages of 20 and 24 years. If one looks at that age group, one finds a startling figure of 20.2 per cent of Canadians listed as a statistic; the statistic that they are unemployed. One out of five people who are entering what we could call adult life, who might just be out of university or technical school with some kind of training and looking for their first job, do not have work this summer. I do not think anyone in the House can accept that kind of statistic. It is easy to say that it is one out of five, but everyone in the House knows young people in that age group who have come and asked how he or she could find work.

There used to be a time when people would say that these young people were not obtaining work because they were being too particular about the type of work they would do. They might be university graduates, for example, who did not want to drive trucks. That is not the case today. When I speak to them, I find that they are primarily concerned about finding some work.

The government and the Minister of Employment and Immigration have said that there are Summer Canada make work projects. That afternoon the minister said that if members of the opposition co-operated we could pass the national training act and we could get people working. That act is being discussed and debated right now. I would suggest that it is going forward fairly well. The minister also said that work-sharing is in place. Yes, for roughly 69,000 Canadians that is so, but that does not add up to 1.2 million Canadians.

I am concerned about that group of young Canadians. That does not mean I am not concerned about other Canadians who are unemployed, but that group of young Canadians has to be drawn into the labour force and has to become part of the market economy. If this is their first experience, one can imagine what attitudes they might have both toward the work ethic and toward Canada generally. It is a concern and a fall-out about which hon. members of the House should be very conscious.

The Minister of Finance (Mr. MacEachen) said that as we drop inflation, employment will increase. I have news stories here. Although I do not have time to read them all, in an article dated May 11, 1982, in *The Globe and Mail* the heading reads, "Must shift focus to unemployment, MacEachen tells industrial nation." He said in his meeting with the OECD in Paris that, "Unemployment is likely to rise even further." Those are very difficult signals.

• (2205)

What I am pointing out to the government today is that while we know about the national training act, Summer Canada and the make-work programs, at the time these programs are all in place the fact remains that unemployment among young Canadians is still going up. That is the fact. Nobody can escape that fact. What plans does the government have in mind to get young Canadians back to work or to work, because it is their first job in many cases? What I am asking, as well, is why the government does not go back to the marketplace to give incentives—not grants—but tax relief for businessmen and businesswomen so they will hire Canadians and create employment?

Forget about the grants system. People come here with cap-in-hand for grants. Those grants come from taxpayers' money and it is an inefficient way of operating. Why not use the approach of having average Canadians investing $2,000, for example, in Canadian industry to create jobs so they would then get the same tax break as any corporation? Those are some suggestions. We often accused of not making any suggestions. I have just given some.

Mr. Rémi Bujold (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I would like to thank the hon. member for Provencher (Mr. Epp) for his comments and suggestions tonight on the serious problem of youth unemployment. I think that we have to correct some of the figures he has mentioned tonight.

First, according to the latest statistics compiled by Statistics Canada, the actual unemployment rate for the youth group between the ages of 20 and 24 during the month of May was 16.4 per cent. The seasonally adjusted rate, however, was somewhat lower, at 14.8 per cent. The 15 or 20 age group is the one experiencing the highest unemployment rate at the present time, as the hon. member mentioned.

As was indicated earlier, all industrial countries of the world have been experiencing a general economic slowdown during recent years which has resulted in a above average level of unemployment. The Canadian employment situation is merely a reflection of the state of the world economy.

[*Translation*]

The slow rate of economic growth is responsible for the present relatively high rate of unemployment in Canada. In addition, in May a wave of about 100,000 young people, from 20 to 24, surged on to the labour market. As we all know, this is the yearly crop of post-secondary students who are seeking employment, but despite this fact, between April and May 1982, unemployment among young people between 20 or 24 years of age did not increase. We certainly do not wish to minimize the seriousness of the situation, but I merely wish to point out that it is no use blaming government programs for youth employment, although the member for Provencher (Mr.

Epp) did make a few suggestions that would bear closer scrutiny to see if they would not be acceptable to the government.

In Canada today, jobs remain unfilled because many job seekers do not have the required qualifications. The hon. member very correctly pointed out that the bill now before the House which, I believe, will be quickly passed by both opposition parties and the government side, may provide some solutions to the problem.

Every year, we are spending about $700 million to help young Canadians. Without government programs, youth unemployment would be even worse, but there are still limits to the amount of money that federal and provincial governments can spend. This week, the minister wrote to 1,400 employers across Canada, asking them to co-operate with the federal government and the provinces in finding job opportunities for students. He also wrote to all his cabinet colleagues and to all the members of this House, asking them to do what they can be hire young people. Mr. Speaker, I should like to take this opportunity to add that unlike what is being done by some provincial governments, the federal government has this year increased funds earmarked for summer employment to $120 million, which will, of course, provide jobs for many young people across this country.

• (2210)

[*English*]

ENERGY—SERVICE STATION COST OF GASOLINE. (B) REQUEST THAT PRICE BE REDUCED

Mr. Jim Hawkes (Calgary West): Mr. Speaker, just listening to the parliamentary secretary, I am reminded of the fact that some seven hon. members of this House of Commons spent 14 months of their lives on a special committee on Employment Opportunities for the 80s. Much of that report was dedicated to young people, but not one single recommendation from that all-party committee was adopted by the Minister of Finance (Mr. MacEachen) in his last budget, and the tragedy of unemployment in this country continues.

The question which I asked of the Prime Minister (Mr. Trudeau) in the month of March, which was not answered satisfactorily, relates to that issue of unemployment. In Canada in the last two years we have had in place a system whereby all oil and gas which comes through the refinery gate is taxed. The money is collected and it is spent in subsidizing foreign oil. Late last winter and this spring, those subsidies have been such that oil from Mexico, which really costs $9 a barrel more than equivalent Canadian oil for the same level of crude, ends up to be $9 a barrel cheaper than equivalent Canadian because Canadian taxpayers are taxed and importers are given a subsidy of $18 a barrel. In percentage terms, we have subsidized that oil to the point at which it is 40 per cent cheaper than the equivalent Canadian crude.

We should not be surprised as a nation to find that refiners choose to purchase the imported oil. When that happens, Canadian oil stays in the ground, jobs are lost, money goes out of the country, consumers end up paying more, there are fewer people employed and more people are on unemployment insurance. Surely that is a policy which defies common sense and logic. If people have trouble understanding that, let me refer to the fact that a number of people from the shoe industry will be in Ottawa tomorrow. If the federal government, the Minister of Energy, Mines and Resources (Mr. Lalonde), the Prime Minister or the Minister of Finance proposed to those people from the shoe industry that there should be a tax on all shoes sold in Canada, that moneys should go into a pot and we should then take that money and subsidize those who import shoes from other nations, I think we would have a riot. I think people would be petitioning on the front steps. The Members of Parliament who represent areas where there are shoe factories would be besieged with calls, letters and angry phone calls; yet in this chamber, time after time, the Liberal government asks opposition members to support policies which continue that situation affecting oil. We use the dollars of the Canadian taxpayers to subsidize imported oil, and in some cases we make it cheaper than comparable Canadian oil. Therefore, Canadian jobs are lost, Canadian dollars are lost and the price goes up.

In March I stood in this House and said, "If the oil is 40 per cent cheaper because you subsidize it and because you pay refiners to import it, then I would hope that if I drove my car to Montreal, where that oil comes in, I would be able to buy gasoline cheaper than I might buy it in other parts of the country, for instance, in western Canada." But I think we all understand in this House that when we do drive our cars to Montreal, we do not find that gasoline is cheaper; we find that it is more expensive.

I asked the Prime Minister, and I hope the parliamentary secretary will tell me today, where the money goes. If taxpayers' dollars make that oil 40 per cent cheaper, but it is the same price or higher at the pump when I buy it, then where does the money go? Does it go into the pockets of the oil companies and is it being paid by retired people, people on fixed incomes, people who have to get to work each day? Where does the money go was the essence of the question. Certainly I received an unsatisfactory answer. I hope this evening with a little more time and preparation the parliamentary secretary will explain to the nation, and to our satisfaction, where the money goes.

• (2215)

If taxpayers' dollars are used to make it cheaper than when it is sold to the consumer, it should be cheaper. That is not the case. What it exemplifies for all of us is that when we put a dollar's worth of gasoline in our gas tanks, some 65 cents on average is for taxes and 35 cents is for the gasoline.

We have created a situation in this country where we must import more. Therefore, we drive down the value of our dollar, increase the cost of the goods we buy and at the same time throw Canadians out of work. That is the logic of the National

Energy Program and the logic of the situation I bring to the attention of the House.

I remind hon. members that the Mexican oil I have been talking about is the only oil purchased by direct order by the Minister of Energy, Mines and Resources. It is a curious coincidence that the oil which he chose to purchase, which was a bad deal in the beginning, receives so much taxpayers' subsidy that it is all of a sudden cheaper to refineries than Canadian crude.

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): First, Mr. Speaker, I take very serious objection to the hon. member's comments when he refers to the fact that the Conservative Party of Canada has great concern and compassion for the consumer in this country. I find that to be somewhat misleading.

I would like to immediately clear up one misconception contained in my hon. friend's question. The cost to Canada of the Mexican crude imported into Canada is $3.50 less than domestic crude delivered into Montreal, not $9. Some people believe incorrectly that the oil import compensation program provides an incentive to refiners to buy low-cost, offshore crude oil at the expense of both domestic producers and the consumers. This misconception results from a misunderstanding of the functioning of the program.

There is, without a doubt, an incentive to individual importers to minimize offshore crude costs. This is one of the basic objectives of the flat rate compensation system. However, any low-priced cargo brings down the average industry import cost and reduces, correspondingly, compensation to all importers. Therefore, on average, there is never any incentive to use imported rather than domestic oil.

The fact that crude oil is being brought in from Mexico at a considerably lower price in relation to other crude imports is a measure of the effectiveness of the state-to-state negotiations initiated in 1979 by the Government of Canada with the Mexican government at a time of great international uncertainty about foreign crude supplies.

You may recall, Mr. Speaker, that the winter of 1979 was an unsettling time for those involved in energy planning. It was the time of the Iranian revolution and oil exports from that country virtually had ceased. You may also recall the incident of a multinational oil company diverting Venezuelan crude destined for eastern Canada to another offshore market that was heavily reliant on Iranian exports.

These circumstances led the energy minister of the day to start negotiations with Mexico for crude oil, negotiations which culminated in the energy co-operation agreement. This was an important agreement for Canadians in that eastern Canada has a new, secure oil supplier on the same continent, and one which, moreover, is not a member of OPEC.

In August 1980 an agreement was signed between Canada and PEMEX for the purchase of 50,000 barrels per day. When the purchase contract was completed, the government came under considerable attack from opposition members for not signing a contract for 100,000 barrels a day.

Finally, I might point out that Mexican crude imports have not been increasing and taking over a market previously held by western Canada crude. They have been maintained at or below the 50,000 barrel level.

THE JUDICIARY—CANADIAN JUDICIAL COUNCIL REPORT ON ACTIONS OF BRITISH COLUMBIA JUDGE—GOVERNMENT POSITION. (B) REQUEST FOR REFERRAL OF SUBJECT TO PARLIAMENTARY COMMITTEE

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise today to pursue a question which I asked of the Minister of Justice (Mr. Chrétien) on June 8 last concerning the Canadian Judicial Council's investigation into a complaint about the activity of Judge Berger in connection with the constitutional resolution and certain remarks he made on that resolution, and subsequently on the accord which was signed by the Prime Minister (Mr. Trudeau) and his ministers.

• (2220)

As a very brief background, Mr. Speaker, I would note that Mr. Justice Thomas Berger spoke out following the signing of the Constitutional Accord in November of 1981. What he indicated was that in his view there had been a very significant betrayal of the very important aboriginal rights in a section of the Constitution, as well as a removal of the veto powers of the Province of Quebec.

I would note as well that Judge Berger had spoken out in support of the constitutional resolution on a number of occasions, including the report of the Canadian Bar Association in September of 1981. There was no complaint, I might note, at any point about his speaking out in support of the constitutional resolution.

Judge Berger stated, and I quote now from Judge Berger's letter of April 1982:

> I believe that a judge has the right—a duty, in fact, to speak out on an appropriate occasion, on questions of human rights and fundamental freedoms, particularly minority rights. Parliament and the legislatures represent majorities; they are not always mindful of the interests of minorities.

And how true that has proven to be, historically, Mr. Speaker. Judge Berger has noted, as have others, that we are in a situation in which perhaps a judge would have been criticized in the late 1940s had he spoken out against the internment of Canadians of Japanese origin, even though it is certainly recognized today that that constitutes a black mark on Canadian history. Would that there had been a few judges with the courage to speak out at that time on that important question.

In response to Judge Berger's remarks and his criticism, Mr. Speaker, Mr. Justice George Addy of the federal court of Canada filed a complaint in which he indicated that he believed that Judge Berger's remarks were worse than a judge sleeping with prostitutes or drunk drivers. Mr. Speaker, that absurd statement speaks for itself, surely? What is far more serious is that shortly after that statement the Prime Minister urged the judicial council to get involved in this matter. He stated, and I quote:

I just regard this as the judiciary getting mixed into politics and I hope the judges will do something about it.

And the Prime Minister said:

I wonder why he didn't support the bill when it was there and when it gave Quebec the vote and gave the Indians aboriginal rights. He didn't support us then.

That is transparently false, of course, because Mr. Justice Berger did support the resolution when it contained those elements.

Following the urgings of the Prime Minister, and following Judge Addy's complaints, the Canadian Judicial Council embarked upon what I have described as a judicial witch hunt, a witch hunt which unfortunately was supported, at least by their silence, by the Conservative Party.

I would note that recently, Mr. Speaker, the Conservative Party, through their critic, the member for Saskatoon West (Mr. Hnatyshyn) has fully supported the actions of the judicial council and indeed the remarks of the Minister of Justice I have noted in the past the irony of a situation in which the judicial council criticizes Judge Berger on the one hand, but on the other hand some of those same members of the bench were actively lobbying, albeit quietly and behind the scenes, their friends in the Senate and elsewhere, during the time that the Judges Act was before Parliament. They were seeking to ensure that their lucrative pension plan would be made even more lucrative.

When the Minister of Justice received the report of the Canadian Judicial Council, he made the report public, which certainly I welcome and in fact had urged upon him. But then the Minister of Justice completely misrepresented the position of the Canadian Judicial Council. Mr. Speaker, the Minister of Justice stated and I quote:

The Canadian Judicial Council has accepted the report.

That is certainly not the case. Far from accepting the report of their investigating committee, the Canadian Judicial Council in a three paragraph resolution explicity rejected the fundamental conclusion of that report. For, Mr. Speaker, the investigation committee found that the complaint filed by Mr. Justice Addy—the complaint of *non se bene gesserit*, a latin expression meaning, in other words, the complaint that Judge Berger had failed to uphold the good name and the condition of good behaviour—was well founded. They did say he should not be removed from the bench, but they certainly stated that his actions constituted grounds for removal. The Canadian Judicial Council entirely ignored the report of its investigative committee and found only that Judge Berger's remarks were indiscreet. The council went on to say that they constitute no basis for a recommendation that he be removed from the bench.

• (2225)

We see therefore that the Minister of Justice, in suggesting that the Canadian Judicial Council had accepted the report of its investigative committee, was competely misrepresenting the truth. In fact, that report—that appalling document—of the investigative committee was rejected, as it should have been, by the Canadian Judicial Council.

Mr. Justice Berger, in his reply to the report of the investigative committee, indicated that in his view if the judicial council was relying upon conventional wisdom, conventional wisdom had not always proved to be accurate in the past. He said:

The council should remember what Hamlet said: "Our indiscretion sometimes serves us well, when our deep plots do pall".

He went on to say of the council:

Theirs is, I suppose, the conventional wisdom, but how often has conventional wisdom been right about anything that truly matters?

The Minister of Justice has deliberately misrepresented the position of the judicial council, and I call upon him to set the record straight.

Mr. Jim Peterson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Mr. Speaker, I will not dignify with a response some of the aspersions cast on Canada's judges or Canada's judicial system. Rather, I would like to respond to the particular issue at hand.

On March 8, 1982, the Canadian Judicial Council, acting pursuant to the Judges Act, appointed from among its members an inquiry committee for the purpose of conducting an investigation into a complaint made in respect of Mr. Justice Thomas Berger of the Supreme Court of British Columbia. The council designated as the inquiry committee the Hon. B. J. Mackinnon, the Associate Chief Justice of Ontario; the Hon. W. R. Sinclair, the Chief Justice of the Court of Queen's Bench of Alberta; and the hon. James Hugessen, the Associate Chief Justice of the Superior Court of Quebec. That committee conducted an investigation into the complaint made in respect of Mr. Justice Berger and duly presented a report of its investigation to the judicial council. The council deliberated upon this report on May 31, 1982 and presented its conclusions to the Minister of Justice (Mr. Chrétien) on June 1, 1982.

In studying both the council and committee reports it is fair to conclude that neither report recommended the dismissal of Mr. Justice Berger. Regardless of the controversy as to whether or not the actions criticized by both the council and committee constitute grounds for dismissal, the Minister of Justice feels it is important to ensure that the legislative and judicial branches in Canada remain separate and independent of one another. In addition, he is concerned that a most important issue not be sloughed aside, namely, the rights of Canada's native peoples, an issue which is important to Mr. Justice Berger.

This issue is most important to the Minister of Justice, who, for more than six years, served as the minister of Indian Affairs and Northern Development. During that period he worked closely with Canada's native peoples in all parts of Canada. That is why he fought before the constitutional committee, before this dispute arose, for inclusion of their rights in our new Constitution. That is why the minister does not welcome any controversy such as the present one which

detracts from the important job that must be done at Canada's next constitutional conference, namely, the enshrining of the specific rights of Canada's native peoples in the new charter of fundamental rights and freedoms.

The minister accepts the report of the judicial council. Its conclusions have been made apparent. Enough has been said in this House and in the public media. A much more important issue lies ahead.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock in the afternoon.

At 10:30 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, June 15, 1982

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

LABOUR CONDITIONS

JOB SECURITY OPTIONS FOR CNCP MARITIME EMPLOYEES—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, effective June 19 the CNCP telegram offices will be closing in Saint John, Moncton, Fredericton, Sydney and Charlottetown, displacing some nine people. A direct conflict has arisen between CNCP and the employees concerning the employment options provided by CNCP, as CNCP wishes to amend a portion of the agreement before taking further action. In view of the fact that the persons involved have between 29 and 40 years of service, I move, seconded by the hon. member for York-Sunbury (Mr. Howie):

That the House urge CNCP to deal fairly with these workers and provide the job security agreement options they have enjoyed since 1962 and funded by the very employees now being denied these benefits.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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EXTERNAL AFFAIRS

FALKLAND ISLANDS—CONGRATULATIONS TO GREAT BRITAIN ON RESOLUTION OF CONFLICT—MOTION UNDER S.O. 43

Hon. John C. Crosbie (St. John's West): Madam Speaker, I rise under the terms of Standing Order 43. I move, seconded by the hon. member for Sault Ste. Marie (Mr. Irwin) and the hon. member for Hamilton Mountain (Mr. Deans):

That this House congratulates Prime Minister Thatcher, the Government and the people of the United Kingdom on their resolution of the conflict in the Falkland Islands that maintains the principle that armed aggression must be resisted, that respect for the United Nations Charter and the role of law in international affairs be observed and force not used to settle territorial disputes between states, regrets the loss of life and injuries on both sides and urges a peaceful settlement of all outstanding issues between the U.K. and Argentina.

Some hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

THE ECONOMY

EXCHANGE VALUE OF DOLLAR—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, whereas the value of the Canadian dollar reflects international confidence in the Canadian economy and in the government's ability to manage national affairs, and whereas the dollar is now as depressed as the Liberals' credibility, I move, seconded by the hon. member for Peace River (Mr. Cooper):

That this House deplores the policies of the Liberal government which have resulted in a 78-cent dollar, thereby causing a de facto 22 per cent reduction in all wages and pensions right across this country.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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PUBLIC SERVICE

DESIGNATION OF NURSES AS ESSENTIAL EMPLOYEES—MOTION UNDER S.O. 43

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, the government has increased the designations in the nursing group of the professional institute from 800 to 1,600. In view of the fact that the President of Treasury Board (Mr. Johnston) told this House on Tuesday that such designations were only made when "these employees are carrying out their duties necessary in the interests of the safety and security of the public", and in view of the fact that the 1,600 designated nursing positions come to 110 per cent of the nursing group, since there are actually only about 1,450 nurses working for the government in that group, I move, seconded by the hon. member for Churchill (Mr. Murphy):

S.O. 43

That the government either admit that it is using designations to remove the right to strike, or that it hire the extra 150 nurses which the government claims through its designations are necessary in "the interests of the safety and security of the public".

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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AUTOMOTIVE INDUSTRY

TAX POSITION OF DOMESTIC CAR LEASING COMPANIES—MOTION UNDER S.O. 43

Mr. Joe Reid (St. Catharines): Madam Speaker, under heavy pressure the Minister of Finance (Mr. MacEachen) has agreed to revise the capital cost allowance rate to assist about six multinational car rental companies while continuing to penalize and discriminate against some 2,200 Canadian auto dealers in the car leasing business. Whereas these Canadian auto dealers employ over 75,000 Canadians, which dealers are already hard hit by slumping sales and mounting overhead costs, I move, seconded by the hon. member for Brampton-Georgetown (Mr. McDermid):

That the minister practise the equity he preaches by extending the capital cost allowance rate increase recently given the six multinationals to the 2,200 Canadian-owned dealerships which lease their cars on a monthly and yearly basis, not by the day.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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AGRICULTURE

APPLICATION OF CAPITAL GAINS TAX TO EXPROPRIATED LAND—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, whereas the federal and provincial governments acquire agricultural land for public agricultural purposes and secure such lands from unwilling sellers, that is, from farmers who are, many times, unable to replace the land and thus are penalized through capital gains taxes; I move, seconded by the hon. member for Peterborough (Mr. Domm):

That this House recommends that where agricultural land is acquired or expropriated by a provincial or federal government for another agricultural project, no capital gains taxes be levied by the federal government on the amount the farmer receives for said land.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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[*Translation*]

INDUSTRY

FOOTWEAR—REQUEST THAT DECISION TO PROTECT JOBS BE MADE BEFORE JUNE 30—MOTION UNDER S.O. 43

Hon. Roch La Salle (Joliette): Madam Speaker, I rise on a matter of urgent and pressing necessity under the provisions of Standing Order 43.

In view of increasing problems in the footwear industry as a result of the government's refusal to meet the demands made by the industry, in view of the fact that the minister responsible stated yesterday that he would be in a position to make a decision after meeting with his provincial counterparts on June 21, and with a view to safeguarding existing jobs, I move, seconded by the hon. member for Cambridge (Mr. Speyer):

That this House unanimously urge the minister in question to make his decision not later than June 30.

Madam Speaker: Under the provisions of Standing Order 43, the unanimous consent of the House is required to present this kind of motion. Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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• (1410)

[*English*]

FISHERIES

CHINOOK SALMON FISHERY ON FRASER RIVER, B.C.—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I too have a motion under Standing Order 43. Because of the steady decline in the stock of Chinook salmon the Department of Fisheries is contemplating a complete closure of the Fraser River gillnet fishery this season, meaning a tremendous loss of income for all fishermen, especially for the Katzie Indian band which depends on fishing for 90 per cent of its income. I therefore move, seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett):

That to ensure that Chinook conservation is shared by all other user groups, a 24 hours per week fishery be permitted from April until November, and failing this demand, that gill-netters be given full compensation for lost fishing time and redundant gear of $10,000 per licensed boat.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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ESTIMATES

SUGGESTED APPOINTMENT OF SPECIAL COMMITTEE TO EXAMINE POSSIBLE REDUCTIONS—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, on Thursday, June 10, the Minister of Finance (Mr. MacEachen) indicated that he would expect Members of Parliament, in examining the estimates, to reduce those estimates. In view of the fact that, by virtue of the rules, committees have ceased meeting on estimates, if the Minister of Finance is serious about the reduction in the cost of government I think the following motion would be found practical by the government. I therefore move, seconded by the hon. member for Fundy-Royal (Mr. Corbett):

That the government set up a special committee of this House to examine such matters in the estimates that might in these difficult times be reduced or eliminated and that that special committee be entitled to call witnesses to examine expenditures with a view to reducing government expenses by 10 per cent.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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EMPLOYMENT

STAFFING OF SASKATOON OFFICE—MOTION UNDER S.O. 43

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In Saskatoon, the local employment centre is overworked and understaffed as the number of those seeking employment has increased from about 5,000 requests at this time last year to around 12,000 now. Therefore I move, seconded by the hon. member for Churchill (Mr. Murphy):

That the Minister of Employment and Immigration assign extra staff to the Saskatoon office to help handle the long lines of unemployed seeking jobs.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

SOCIAL DEVELOPMENT

PROPOSED CLOSING OF CHILDREN'S LISTENING CENTRE IN TORONTO—MOTION UNDER S.O. 43

Mr. Neil Young (Beaches): Madam Speaker, I too rise under the provisions of Standing Order 43. In view of the decision by the Ontario Minister of Community and Social Services to allow the Children's Listening Centre in Toronto to be closed at the end of this month because it is not on his list of spending priorities, and in view of that minister's further decision not to apply to the Minister of National Health and Welfare (Miss Bégin) for financial assistance to maintain this invaluable centre for disturbed children, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That this House request the Minister of National Health and Welfare to investigate the possibility of providing the necessary funds to keep this children's centre open and to initiate negotiations with the province of Ontario to provide ongoing funding for the centre in view of that province's reluctance to do so.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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HOUSE OF COMMONS

HIRING OF PARLIAMENTARY GUIDE—MOTION UNDER S.O. 43

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise pursuant to the provisions of Standing Order 43. In view of the fact that an independent House of Commons selection committee rejected on the merits the application of the daughter of a member of the executive of the Prime Minister's riding association, and in view of the fact that the young woman was hired as a guide by the Executive Committee because a letter was written indicating that the Prime Minister (Mr. Trudeau) supported her application, I move, seconded by the hon. member for Beaches (Mr. Young):

That this House condemn this blatant political interference in the House of Commons hiring process—

Madam Speaker: Order. This is a matter dealing with the internal administration. The hon. member has, I think, been told once before that matters of this nature should be discussed either privately with the Speaker or with the Members' Services Committee. Therefore, I cannot accept a motion on that particular subject.

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RAILWAYS

CALL FOR INCREASE IN PENSIONS—MOTION UNDER S.O. 43

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, the plight of many railway pensioners in Canada grows worse with every increase in the cost of living, yet the CPR and the

CNR continue to deny them the increases in their pensions which justice clearly demands. I move, seconded by the hon. member for Beaches (Mr. Young):

● (1415)

That the federal government instruct the CPR and the CNR to finally do something substantial finally about railway pensions, implement the recommendations of the Hall Report on Pensions, and give these deserving pensioners their due, i.e., a retired life free from the threat of poverty.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

WAGE AND PRICE CONTROLS—GOVERNMENT POSITION

Hon. Erik Nielsen (Yukon): Madam Speaker, I have a question for the Prime Minister. Is the government giving any consideration, now or at all, to the imposition in any form or to any extent of wage or price controls?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the hon. member is asking me to tell this House what discussions are going on in cabinet, he would be asking me to break my oath of office.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

INTEREST RATES—GOVERNMENT POSITION

Hon. Erik Nielsen (Yukon): Madam Speaker, I am not asking the Prime Minister such a question at all. I would simply like an answer to the questions that I am putting to him. Is the government giving any consideration, now or at all, to the pegging of interest rates in this country?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, that is the same question in another form. He is asking me to comment on discussions in cabinet. If he wants to know whether outside of cabinet such things are being discussed, Madam Speaker, the answer is that I do not know.

EXCHANGE VALUE OF DOLLAR—GOVERNMENT POSITION

Hon. Erik Nielsen (Yukon): Madam Speaker, I am simply trying to establish government policy. Is the government giving any consideration, now or at all, to the devaluation of the Canadian dollar?

An hon. Member: The further devaluation.

Right Hon. P. E. Trudeau (Prime Minister): The same answer, Madam Speaker.

FOREIGN EXCHANGE CONTROLS—GOVERNMENT POSITION

Hon. Erik Nielsen (Yukon): Madam Speaker, it would appear that this government is vacuous on the question of policy. I make one final attempt. Is the government giving any consideration, now or at all, to the imposition in any form or to any extent of foreign exchange controls in this country?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the same answer, to the same type of question.

ECONOMIC POLICY—GOVERNMENT POSITION

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is supplementary to those of my colleague, to the Prime Minister. The Prime Minister went to Versailles vowing to force the United States to change its interest rate policy. Since he failed to achieve this, how can the Prime Minister justify to Canadians who are losing their jobs, or to home owners who are being forced to rollover their mortgages at increasing interest rates, or to his own caucus members, making the statement that he is not considering any fundamental changes in economic policy?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I indicated to the House yesterday that any announcement on the government's economic policy would be made by the Minister of Finance in this House before the session adjourns.

GOVERNMENT DEFICIT

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, the Prime Minister is very forthcoming today. There are many Canadians looking for the answers to the questions that we are putting to the Prime Minister. Let me put a supplementary question to him.

The Minister of Finance has for several months been blaming our high interest rates on the federal government deficit position in the United States. Since the Government of Canada budgetary deficit is proportionately almost twice the level of that which it is in the United States, is the Prime Minister asking Canadians to believe that his runaway deficit, the runaway deficit of his government, has nothing to do with the high interest rates in this country, and the weak Canadian dollar, and the bankruptcies and the lay-offs that have been caused by it?

Right Hon. P. E. Trudeau (Prime Minister): Now I understand, Madam Speaker, why the hon. member and his prede-

cessor, the hon. member for Yukon, are asking what the government's thoughts are on these various aspects of policy. I have just been handed a quote from their leader, the Right Hon. Leader of the Opposition, who in an interview given to *La Presse* on May 4 said, "We did look for a solution other than that of the government but we do not have an alternative. Today I do not have a better solution." So I can understand the member for Yukon.

Mr. Clark: Read the whole article, read on. Have the guts to read the whole article.

Mr. Nielsen: Have the honesty; read on.

* * *

● (1420)

HOUSING

REQUEST THAT NEW PROGRAM BE INTRODUCED

Hon. Edward Broadbent (Oshawa): Madam Speaker, we have been saying for some time that neither the Liberals nor the Conservatives have alternative solutions.

Some hon. Members: Hear, hear!

Mr. Broadbent: My question for the Prime Minister concerns both the shortage of housing in Canada and the need for jobs. In each of the past three years we have built many fewer houses than we have actually needed in our country. Today we learned from the housing industry that in 1982 once again there will be 100,000 fewer houses built than we need as a nation. At the same time today we learned that there are 31,000 unemployed in the logging industry and that 143,000 construction workers are out of work.

Given the basic needs of Canadians for both shelter and jobs, will the Prime Minister assure us that the measures the government will be bringing in soon will include among them a serious housing program to get under way this summer?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I can only tell the hon. member that I will give serious consideration to his suggestion.

REQUEST FOR REALLOCATION OF FUNDS

Hon. Edward Broadbent (Oshawa): Madam Speaker, I appreciate the answer the Prime Minister has given, but I would like to get a little more specific clarification from him on this matter.

In its budget the government allocated billions of dollars for megaprojects in the resource sector. As we all know, many of them have now collapsed. One of these was the Alsands project which included, in terms of dollar allocation this year, $1 billion. This $1 billion would have created only 5,000 construction jobs. There is a means, without increasing the deficit at all in terms of what the government was planning to spend, to use this in housing. If we used half of this in housing, for example, we would stimulate the production of an additional 50,000 housing units and, in addition, create more than 60,000 jobs. Will the Prime Minister give us more assurances that the government will simply reallocate these funds, which it already had planned to use, to produce the jobs and homes Canadians need?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the suggestion might be worthy of consideration if there had been some funds allocated for the purpose the hon. member suggests in the case of Alsands, but if he recalls the agreement which had been reached between the Minister of Energy, Mines and Resources and the Alberta government, it was in the form of a guarantee of loans, a guarantee against tax liabilities. In that sense the hon. member is asking that we take half of the cash amount when there was no cash amount at all.

Mr. Broadbent: My information on the financing of that for this year is different from the Prime Minister's interpretation, but I will set that aside for a minute and go back to the general housing situation and the capital expenditure program of the government.

REQUEST THAT GOVERNMENT ACT TO STIMULATE CONSTRUCTION INDUSTRY

Hon. Edward Broadbent (Oshawa): Madam Speaker, considering that the thousands of construction workers I have just talked about, and those in the lumber business who are out of work, are collecting unemployment insurance or collecting welfare, which are drains from the Treasury, instead of paying the taxes they would be paying if they were employed, and considering that we have a genuine and serious need for housing, does it not make immense social and economic sense to stimulate economic activity in this sector of the economy, which would not be inflationary?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as I just said, I understand the hon. member is making a representation on what the government should consider for inclusion in its economic statement. I take the representation as such, and I will consider it.

* * *

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF PARLIAMENTARY DELEGATION FROM THE FEDERAL REPUBLIC OF GERMANY

Madam Speaker: I would like to draw the attention of the House to the presence in our gallery of a delegation of parliamentarians from the Republic of Germany which is headed by Mr. Peter Schmidhuber, the State Minister for Intergovernmental Affairs of Bavaria.

Some hon. Members: Hear, hear!

• (1425)

PRESENCE IN GALLERY OF MINISTER OF MINES AND ENERGY OF COLOMBIA

Madam Speaker: I also have the honour to call to the attention of the House the presence in our gallery of Dr. Carlos Rodado Nortega, Minister of Mines and Energy, of Colombia.

Some hon. Members: Hear, hear!

* * *

THE ECONOMY

POSITION OF PRIME MINISTER

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is directed to the Prime Minister. Yesterday the Prime Minister indicated that he did not foresee any change in government policy. He implied the same today in responding to the Leader of the Opposition. I want to say to him, and I do not say this to him—

Some hon. Members: Order.

Mr. McGrath: —as a representation. I want to ask him, as the leader of this nation, what he proposes to do about the 1.5 million unemployed, about the 4,400 business bankruptcies in this country so far this year, and about the 11,000 personal bankruptcies. I ask the Prime Minister as leader of this nation, is he trying to shirk total responsibility for the hardship he is imposing on these average Canadians?

Right Hon. P. E. Trudeau (Prime Minister): No, Madam Speaker.

Mr. McGrath: Madam Speaker, that reply may be smart, but under the circumstances it is contemptible.

Some hon. Members: Hear, hear!

Mr. McGrath: The Prime Minister told us that we had to wait for Versailles. Now that Versailles is over, we have to wait another six weeks.

QUERY RESPECTING POSSIBLE ACTION

Hon. James A. McGrath (St. John's East): Madam Speaker, as of noon today the Bank of Canada tells us that the dollar was trading at $78.39. It is on the way down, Madam Speaker. I want to ask the Prime Minister if he intends to do anything about the severe economic crisis in this country which is dramatically touching the lives of average Canadians day after day, through unemployment, through rising interest rates, through personal bankruptcies, through business bankruptcies.

Madam Speaker: Order, order.

Mr. McGrath: Is he trying to tell us—

Madam Speaker: Order, order.

Mr. McGrath: —he bears responsibility for that—

Some hon. Members: Hear, hear!

Madam Speaker: Order, order.

Mr. McGrath: He is disgraceful—

Madam Speaker: Order, order.

Some hon. Members: Oh, oh!

Madam Speaker: Order, order.

An hon. Member: No answer.

Madam Speaker: The hon. member for Cambridge.

An hon. Member: Smile, you are on candid camera, you clown.

Mr. McGrath: My friend, you are the clown.

Madam Speaker: Order, please.

Mr. Clark: On a point of order, Madam Speaker—

Madam Speaker: Order, please.

Mr. Clark: On a point of order—

Madam Speaker: Will the hon. member please resume his seat? I am sorry, but the Chair does not entertain points of order during question period.

Mr. Clark: Nor questions.

Some hon. Members: Oh, oh!

Madam Speaker: The hon. member for Cambridge.

An hon. Member: No respect.

LEVEL OF INTEREST RATES

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is also directed to the Prime Minister. Punishing interest rates are the single most important factor in driving businesses into bankruptcy and ordinary citizens on to the dole.

What commitment did the Prime Minister get from the President of the United States at Versailles with respect to U.S. interest rates coming down in the immediate future? If he did not get any commitment, is the government prepared to act unilaterally so that Canadians do not have to absorb the punishing interest rates that are sending so many of them into a state of destitution?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, at Versailles the President of the United States made it quite clear that he believed that high interest rates were causing a lot of the economic difficulties in his country and in

other countries, and that he would undertake to do his best in negotiations with Congress.

An hon. Member: He said that a year ago.

Mr. Trudeau: I understand that I have been asked about Versailles, not about Ottawa. He undertook to do his best to achieve an agreement with Congress which would have the effect of reducing the deficit and therefore bringing inflation, meaning the rate of interest, down.

REQUEST THAT GOVERNMENT TAKE ACTION

Mr. Chris Speyer (Cambridge): Madam Speaker, may I put a supplementary question to the Prime Minister. What is his judgment and that of his government on the success of the United States in bringing interest rates down? Will that affect Canadian policy and will the government act unilaterally to peg interest rates?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member knows, as I do, what has happened between the administration and the Congress of the United States. They have apparently reached some compromise which might be agreed to by Congress, but it is too early to say whether the House of Representatives will be followed by agreement in the Senate. We should know that in a few days.

* * *

• (1430)

INDUSTRY

FOOTWEAR—REQUEST THAT IMPORT QUOTA DECISION BE REVERSED

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is also for the Prime Minister, who knows there are one and a quarter million people out of work in Canada at the present time. Would he inform the House whether he is willing to use his good offices with the appropriate ministers to reverse their decision with respect to footwear quotas, and thereby give work to at least 7,000 people who have been needlessly thrown out of work as a result of his government's action?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I understood the hon. member's colleague, the hon. member from Edmonton, to advocate exactly the contrary, that we should have no quotas or any form of restriction on imports. So perhaps this is an area again where the Conservative Party—

Mr. Clark: What is your policy, Prime Minister?

Mr. Trudeau: Madam Speaker, I am trying to answer a question from the opposition. The Leader of the Opposition asks me what my policy is. I say we have two different policies from his own members.

Mr. Clark: What is your policy?

Mr. Trudeau: Madam Speaker, our policy has been announced in this House. Representations have been made to the government, the Minister of State for International Trade has met with representatives of that industry, and we are considering the representations.

Mr. Stevens: Madam Speaker, those people out of work have been hearing that answer for more than nine or ten weeks because of the government's inactivity.

* * *

THE ECONOMY

EXCHANGE VALUE OF DOLLAR

Hon. Sinclair Stevens (York-Peel): Madam Speaker, as the Prime Minister undoubtedly knows, the dollar has now fallen to 78.29 cents in relation to the American dollar, approximately six cents below where it was when the government indicated it would not like to see it fall any further. Would the Prime Minister inform the House why the Canadian dollar is so much less desirable than the American dollar at the present time in the eyes of foreign investors, and is it true that the six cents decline is also going to contribute to more inflation in this country?

Right Hon. P. E. Trudeau (Prime Minister): I do not recall if the hon. member was in the House yesterday, but I gave quite detailed figures indicating that in the eyes of investors all over the world—

Mr. Stevens: In relation to the American dollar?

Mr. Trudeau: Yes, in relation to the American dollar, all currencies of major countries—

Mr. Stevens: Ours has fallen. Why?

Mr. Trudeau: Madam Speaker, if the hon. member needs a lesson in economics, this is not the place for me to give it to him.

* * *

[*Translation*]

EXTERNAL AFFAIRS

INQUIRY RESPECTING MEASURES GOVERNMENT INTENDS TO TAKE TO HELP LEBANON

Mr. Pierre Gimaïel (Lac-Saint-Jean): Madam Speaker, my question is directed to the Minister of Employment and Immigration, and it concerns the situation in Lebanon. As a result of the war in Lebanon and the battles being fought by Israel and Syria within the territory of a neutral country, there are many Lebanese who have lost everything they own and are now wandering the streets of Lebanon. Could the minister inform the House what the Canadian government intends to do

to help the Lebanese people, who are caught in a war that is being waged at their expense?

[*English*]

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, as the hon. member will recognize, the situation in Lebanon is still very confused as a result of the tragic events of the past two weeks. Therefore, no decision has been made by the U.N. or other agencies concerning refugees. However, in the meantime the government has taken a decision to allow the approximately 1,000 visitors of Lebanese origin presently in Canada to apply to stay here for a full year, with the minister's permit to work during that period of time. After the year obviously we will review their situation. This is comparable to what we did for the Polish refugees.

Similarly we will allow Canadians of Lebanese origin to sponsor family members in Lebanon, who can come here at the same time under relaxed criteria, and we will not require anyone whose visa has expired during that period of time to return to Lebanon during the serious period of crisis. Those are the measures we have taken during this period, Madam Speaker, and when other decisions are made by the international community relating to a larger refugee movement, I will announce them in the House.

* * *

[*Translation*]

TRADE

FOOTWEAR INDUSTRY—PROTECTION OF JOBS IN QUEBEC AND ONTARIO—INQUIRY WHETHER MEASURES WILL BE TAKEN TO CORRECT SITUATION

Mr. Dan Heap (Spadina): Madam Speaker, my question is directed to the Minister of State for International Trade. Whereas government import policies are hurting the footwear industry and workers in Quebec and Ontario are unemployed because there are no reasonable quotas on leather footwear, I want to ask the minister whether he intends to take prompt action to protect these Canadian workers.

[*English*]

Hon. Ed Lumley (Minister of State (International Trade)): Madam Speaker, as I have said three or four times, because of representations made by members on both sides of the House, as well as by all segments of the industry, the government is reconsidering its position of last November, and we will announce our decision in the last week of June or the first week of July.

TIMING OF ANNOUNCEMENT

Mr. Dan Heap (Spadina): Madam Speaker, given that it was March 4 when it was first promised there would be an answer probably within a month, and that the minister announced on May 20 that he hoped to have an answer within a week, can the minister undertake to give an answer within this month as to whether he will restore the quotas and give the industry a chance to regain the 7,000 jobs lost and protect the other 13,000 jobs? Will he answer that this month considering that there have now been six months of delay since the original wrong decision?

Hon. Ed Lumley (Minister of State (International Trade)): Madam Speaker, I hope the hon. member recognizes that exports as a percentage of Canada's gross national product are one of the highest of any country in the world. Therefore, any protectionist action we take could have some adverse effects on our future trade and job creation. Thus, it is a very complex decision and not one that should be made overnight. I have already indicated, four or five times, that we will make a decision in the last week of June or first week of July.

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CANADIAN NATIONAL RAILWAYS

ANNOUNCEMENT OF LAY-OFFS

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, my question is for the Minister of Transport. CNCP Telecommunications have just announced they are pulling out of New Brunswick and Price Edward Island; the result is canned jobs. The Water Quality Control Branch in Moncton has announced its relocation; more canned jobs in New Brunswick. Mitel has been delayed for months; the result is canned aspirations. The strangulation by the minister of VIA Rail and of the Atlantic Limited has resulted in dozens of canned jobs. Now CN says it will lay off thousands of workers across the nation, including hundreds in Moncton. Will the minister assure those very concerned workers that indeed they will be rehired, that the lay-offs are only temporary, and will he advise them when they will be rehired?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I understand the lay-offs are until October 15, if my memory serves me well. That is what CN is saying, so obviously that is what will happen. On the question as a whole, I think my hon. friend would not like to accept the principle that CN should isolate itself from the rest of the economy. There is a reduction in traffic, so CN feels it has to adjust to that. If it did not, the future of CN might be compromised, and obviously the government would be asked to pay for the cost of maintaining these people in the CN labour force.

Mr. Corbett: Madam Speaker, we have seen all kinds of situations where this government has made different work projects available to different parts of the country where it might be more favourable to the government. It is hard to get at these fellows all at once because they are all in it together.

Madam Speaker: Order. Hon. members would help the Chair if they refrained from commenting on the answers, and instead just proceeded to their questions.

REQUEST THAT MINISTER MAKE REPRESENTATIONS TO CABINET

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, Atlantic Canada is folding up. Its very economic foundations are being undermined, and the Minister of Transport and his cronies are the moles responsible for it. Will the minister at least speak sympathetically to some of his colleagues on our behalf in order to salvage some of those doomed jobs, aspirations and broken dreams in Atlantic Canada—just to save some of them or must we be satisfied with just a hint of a tear?

• (1440)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I was merely asking the hon. member a very pertinent question. Does he believe that CN should insulate itself and keep all of its labour force even if there is no work to be done? That is a question.

Mr. Jelinek: Why are you asking the question?

Mr. Pepin: Do you believe that?

Mr. Corbett: Yes.

Mr. Pepin: It's good to know that you do. With respect to the sympathy that I have for the workers, particularly in the maritime area, I think I demonstrated that fairly clearly in recent days with respect to SYSCO.

* * *

ADMINISTRATION OF JUSTICE

CASE OF DONALD MARSHALL

Mr. Howard Crosby (Halifax West): Madam Speaker, I have a question for the Minister of Justice concerning the case of Donald Marshall. The minister will know Mr. Marshall is a Micmac Indian who was convicted of the murder of Sandy Seale in Nova Scotia in 1971 when he was 17 years old, and that he has spent 11 years in federal prisons. There is public speculation now that he is innocent, and there have been published reports that another person has admitted to the crime. Will the minister tell the House now what has transpired and whether action can be taken to allow all the facts to be made public? If an injustice has occurred, can he take steps to have it remedied?

Miss MacDonald: Somebody answer the question.

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, with respect to the Marshall case, I am reviewing it and I am having discussions with the Attorney General of Nova Scotia, but we have not as yet resolved the problem. However, I hope to be able to do so by the end of this week.

ACTION TAKEN BY MINISTER

Mr. Howard Crosby (Halifax West): Madam Speaker, the Marshall family and other people devoted to this case have been waiting months for some kind of an indication from the Minister of Justice about what course of action he will follow. He has the power to grant a pardon; he has the power to order a judicial inquiry; and he simply tells us that he is taking time to decide. Can the minister not tell us a little more about what is going on? This case has been the subject of national magazine articles. It has had headlines in newspapers. Why is the minister so unwilling to disclose the facts in this case? What considerations are being applied to Mr. Marshall who may have been wronged by our justice system in Canada?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, if this case was such a problem in the mind of the hon. member, he might have asked the question long before. Some members on this side of the House have talked to me about this problem for many weeks—

Mr. Lawrence: The hon. member has asked you.

Mr. Chrétien: —and some people from the Cape Breton area also. I am working on that at this time. I am in communication with the Attorney General of Nova Scotia. I have said that I hope to make a report to this House before the end of this week.

* * *

CROWN CORPORATIONS

PRESENTATION OF PROPOSED LEGISLATION

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, my question is for the President of the Treasury Board. It concerns Crown corporation legislation. This legislation was recommended by the Standing Committee on Public Accounts in its report to the House over a year ago. This recommendation was repeated recently in the fifteenth report. I know the minister himself recognized the need for such legislation, as was stated last year. Could he tell the House when Crown corporation legislation will be presented?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I expect that legislation dealing with the control, direction and accountability of Crown corporations—and very responsive, I might say to the concerns of the hon. member for Vancouver Quadra—will be presented in the very near term.

QUERY RESPECTING CONTENT OF LEGISLATION

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, could the minister state whether consideration is being given to including comprehensive audit provisions in the Crown corporation legislation?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, the legislation, I believe, will be very responsive to the concerns of the government and of the hon. member with respect to better control, direction and accountability. He will have to await the tabling of the legislation, and at that time he will then be able to examine the specific details of the government's policy.

* * *

CANADIAN NATIONAL RAILWAYS

DECISION TO ABANDON SERVICE BETWEEN LIVERPOOL AND YARMOUTH, N.S.

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I wish to direct my question to the Minister of Transport. The Canadian Transport Commission has decided to abandon the service provided by Canadian National Railways from Liverpool to Yarmouth, Nova Scotia, a distance of some 135 miles, on August 1, 1982. This is a retrograde, reprehensible, repugnant step which is not and cannot be condoned by any Nova Scotian, especially those citizens whose industry and livelihood in Lockeport, Shelburne, and all along the South Shore will suffer as a result of the government's actions. Will the minister halt this madness since the action can only be implemented provided a new loading ramp at Yarmouth belonging to the Dominion Atlantic Railway has been upgraded or rebuilt, which according to the commission must be done on or before August 1? Will the minister please call a halt to what is going on?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, as all hon. members know, decisions of the CTC are appealable to the minister. If my hon. friend feels as strongly as he does, and I am quite sure other people feel similarly, they can appeal the decision. I will then be seized with it and will have to render a decision.

Mr. Crouse: Madam Speaker, I thank the minister for that answer. I would point out that I wrote a letter to him on May 21, 1982, which I hope he will consider an appeal. What a farce this government is making of the Prime Minister's promise made during the last election campaign that his government would improve the services of the CNR to all Canadians.

Mr. Crosby: That is another broken promise.

Mr. Epp: The Liberals have broken every other one, why should they worry about this one?

Mr. Crouse: Yes, another broken promise.

REQUEST THAT DECISION BE REVIEWED

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, since the removal of service means the relocation of an explosives storage area from a remote spot in Queens County, which can no longer be serviced by the CNR, to a more settled area in Lunenburg County, the re-establishment of which is a very great concern to my constituents, will the minister, in the interests of maintaining employment on the South Shore, review this entire matter? If not, will the minister please tell my constituents through this House how in the name of all that is reasonable will the heavy industry in the area between Liverpool and Yarmouth hope to be serviced?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there is a procedure for appeal to the CTC. I would doubt whether a letter to the minister is sufficient to bring about a review. However, I will send the hon. member notes indicating the procedure to be followed. If the hon. member wants the minister to review the matter, that is the best way to do it.

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[*Translation*]

CRIMINAL CODE

ALLEGED DIFFICULTY IN APPLYING CERTAIN PROVISIONS CONCERNING PROSTITUTION IN OTTAWA

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, my question is directed to the Minister of Justice and Minister of State for Social Development. During the past few weeks, I have received a number of complaints from people in my riding regarding the problems caused by prostitution in the western part of Lower Town here in Ottawa. The area has seen a considerable increase in prostitution among young people who are probably being exploited by pimps. Since the police admit they are unable to control the problem effectively because according to them, the sections of the Criminal Code that deal with this matter are ambiguous, can the minister inform the House whether the government intends to take any action to facilitate the work of the police, and finally, would he undertake to meet again with his provincial counterparts to discuss such action and how the law is to be enforced?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, the problem was referred to committee with the unanimous consent of the House a few weeks ago, and is being discussed within the context of the debate on Bill C-53 which is before the committee at the present time. The members of the Committee on Justice and Legal Affairs have received presentations on the subject, and they are now considering the various options open to the government for changing the legislation or taking other kinds of action if necessary. If the hon. member wishes to make representations, he could do so before the committee.

[*English*]

THE JUDICIARY

CANADIAN JUDICIAL COUNCIL REPORT ON CONDUCT OF BRITISH COLUMBIA JUDGE

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is for the Minister of Justice. A week ago I called upon the minister to correct his statement made outside the House that the Canadian Judicial Council had accepted the shocking report of its three-man investigation committee into the actions of Justice Thomas Berger. The minister refused then, but since that time he has had an opportunity to consult with Ontario Chief Justice Evans and British Columbia Supreme Court Chief Justice Allan MacEachern, among others.

Will the minister now finally agree that while the conclusion of the two reports, that is, that Judge Berger should not actually be removed from the bench, was the same, the Judicial Council rejected the major and important conclusion of its committee that there existed grounds for removal and that the fundamental condition of good behaviour had been breached by Judge Berger by his action in speaking out on behalf of Canada's aboriginal peoples?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I think my parliamentary secretary dealt with the matter last night. Of course, the Judicial Council received the report from the committee. I do not think the resolution is a repudiation of the report. Both the report and the resolution called for the same thing, that it was an indiscretion or something reprehensible on the part of Mr. Justice Berger, but because of the circumstances he should not be removed from the bench. I have accepted the conclusion, as I am obliged to do, of the resolution. That is the only legal body that can make recommendations to me.

• (1450)

MINISTER'S STATEMENT

Mr. Svend J. Robinson (Burnaby): Madam Speaker, on a supplementary. Of course there is a fundamental difference between an indiscretion and a breach of the condition of good behaviour. I have before me a transcript of an interview with Chief Justice Evans, acting chairman of the council. My supplementary question is this. In view of the fact that Judge Evans states in this interview, in response to a question, that it would not be correct to say that the council accepted their committee report, and in view of the fact that the minister stated on the same date, June 6, and I quote, "The council have accepted their report—

Madam Speaker: Order. How long is the hon. member going to quote? This is the second time he has quoted. Would he go directly to his question.

Mr. Robinson (Burnaby): In view of the above, will the minister now stop deliberately misleading the Canadian public on the position of the Canadian Judicial Council, particularly when Judge Berger is unable to reply to this attack, from the bench?

Some hon. Members: Order.

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, again, I think that the hon. member did not read all the quotations from what I said in Sudbury. I would like to point out to him that I said that they have accepted the result of the report. I think that he should read the two questions before, and he will see that.

I just say, as I have stated so many times, that we have to ensure that there is a clear distinction between the legislative and executive power and the judiciary. That is a cornerstone of our system. In that case, both the resolution and the report say that the conduct of Mr. Berger was reprehensible but he should not be removed from the bench. I have accepted the resolution of the council. I do think that in the best interests of the justice, that the matter is settled. I have received their resolution and I have accepted it.

I do not intend to proceed with removal, but I think that I must state again that it is extremely important in our system that there is a clear distinction between the judiciary and the House of Commons and the executive, and it is in the best interests that we follow that very closely on both sides, not only when Members of Parliament have to deal with that system but when the system must deal with public issues.

* * *

EMPLOYMENT

SUMMER WORK PROGRAM

Mr. F. Oberle (Prince George-Peace River): *Danke schön*, Frau Präsidentin. My question is for the Minister of Employment and Immigration. Could he make a brief statement on the success or failure of his program to engage in a sectorial way, namely in fisheries and forestry, a number of Canadians who are out of work, in a summer work program involving Section 38 of the Unemployment Insurance Act?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would like to say to the hon. member *danke schön aussi*. In answer to his question I would like to point out that it is a fairly extensive program. We have now signed agreements with the provinces of Ontario and British Columbia and we have negotiated agreements which will be brought to culmination with the province of New Brunswick and Quebec, as well as all the other provinces which are in various stages of discussion.

The programs in both Ontario and British Columbia are now in operation. In recent discussions which I have had with the province of Ontario, they have submitted proposals to extend Section 38 to include areas of renovation of housing, agricultural reform, and areas dealing with tourism. We are looking at all of these proposals, as well as the mining area

where we are doing a number of environmental clean-up projects in company with the mining associations and organizations.

The program is being undertaken with co-operation. The fisheries part of the program is one that is being delivered directly by my colleague, the Minister of Fisheries and Oceans. Again, that program has been signed and delivered in several of the ocean provinces and will also be available to provinces in the interior of the country.

Therefore, it is one means that we are providing, not the only means, but one that we are providing to help alleviate the unemployment problem—

Some hon. Members: Order!

Mr. Axworthy: —and I think other hon. members should be interested in it.

REQUEST THAT MINISTER REVIEW PROGRAM

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my supplementary question will not elicit such an extensive answer. At the end of this month 200,000 young Canadians will leave our school system, a great majority of whom will enter the job market. Since the program has not produced the results that the minister had earlier indicated—very few people are involved in it now and very few dollars have been spent—would he make another review of the program, particularly with the view to involve industry in the program, especially in those provinces where the provincial governments are not as receptive to his ideas as we would like them to be?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, in many cases we have been involved in discussions with industrial business organizations concerning those programs. I would point out to the hon. member that in the circumstances of young people coming on to the job market, particularly students, it is very important, as I pointed out in the House before, that we try to recruit the maximum effort by the business community to offer places and opportunities for summer students to gain employment during this very difficult period. Again, I would repeat my appeal to hon. members of the House to use their own communications and efforts in their constituencies to involve business people. I have written to many business leaders and associations, but that effort would be substantially enhanced if I could recruit the assistance of Members of this Parliament for this very noteworthy effort.

* * *

SCIENCE AND TECHNOLOGY

COMPOSITION OF DELEGATION TO VERSAILLES SUMMIT

Mr. Bruce Halliday (Oxford): Madam Speaker, my question is to the Prime Minister. Why was Canada the only country attending at Versailles that did not have a significant component of its delegation containing special expertise in science and technology and research and development?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I try to keep the number of members of my delegation lower than those of the other delegations.

COMPARATIVE LEVEL OF FUNDING

Mr. Bruce Halliday (Oxford): Madam Speaker, my supplementary question is directed to the Minister of Environment and Minister of State for Science and Technology. Did the minister make recommendations to the Prime Minister that our delegation be composed of people including those experts in science and technology? As well, what are his views on the present trend in France where they are putting a much greater emphasis on science and technology and research and development?

Hon. John Roberts (Minister of the Environment and Minister of State for Science and Technology): Madam Speaker, while it is certainly true that the effort of the French government to increase the proportion of the GNP in France devoted to research and development are impressive, it is even more true that the rate of expansion of research and development in Canada is outpacing the projected growth in France.

* * *

ADMINISTRATION OF JUSTICE

URANIUM PRICE FIXING TRIAL—EFFECT OF CROWN CORPORATION APPEAL DECISION

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is for the Minister of Justice. Last Friday the Ontario Court of Appeal dismissed the Minister of Justice's appeal in the case with respect to Uranium Canada and Eldorado Nuclear Limited in the uranium cartel question on the basis that these two Crown corporations were immune from prosecution in the criminal courts. What method does he now propose to make public provisions of the Bertrand report with respect to the activities of these two Crown corporations in order that there will be a fair trial of the private sector corporations still under indictment in this particular matter?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I do not think the two questions are necessarily related. We followed the recommendations made in the Bertrand report that we should take legal action against the private companies and Crown corporations. There have been two decisions, one by the Supreme Court of Ontario and the other by the Court of Appeal. As regards the possibility of taking legal action

against Crown corporations, we are reviewing that judgment and will subsequently decide whether we should launch a second appeal. I have no further comment at the present time.

[*English*]

Madam Speaker: Question period is coming to an end. The Right Hon. Leader of the Opposition is rising to ask a question. I would ask the hon. member for Saskatoon West to defer to his Leader.

Mr. Clark: Go ahead, Ray.

Mr. Hnatyshyn: Madam Speaker, I appreciate the gesture by the Leader of the Opposition. I always defer to the greatest parliamentarian in the House.

Some hon. Members: Hear, hear!

Mr. Hnatyshyn: The Minister of Justice rose and bowed, but I was talking about a truthful parliamentarian.

Some hon. Members: Oh, oh!

ACCESS TO INFORMATION BY PRIVATE COMPANIES

Hon. Ray Hnatyshyn (Saskatoon West): The result of this policy decision by the government has been that there is one rule for the governors and one rule for the governed in our country with respect to criminal prosecutions under the Restrictive Trade Practices Act. In view of the fact that the court decision is to prevent the participation of the Crown corporations, how does the Minister of Justice propose to allow the other remaining defendants access to the information which is essential to their defence, or is he trying to cover something up with respect to the government's involvement in this whole issue?

• (1500)

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): I think the statement by the hon. member is a bit funny because he says we have two standards. We do not have two standards. We have decided to prosecute both the private sector and the public sector. It has been ruled by two courts that we might not be entitled to prosecute the public sector, but it is not the policy of the government. The policy of the government is to prosecute it, just like the private sector. If it is not legal, it is another problem. We have said many times that we want everyone in this case to have a fair trial. I do not think that the ruling of the court will in any way impede the chance of the defence to have a full defence.

* * *

Madam Speaker: I must deal with another matter before calling Routine Proceedings. Someone has signalled to me, and it has been confirmed to me, that the hon. member for Burnaby (Mr. Robinson) has clearly said that the Minister of Justice (Mr. Chrétien) had deliberately misled the House.

Some hon. Members: Right.

Madam Speaker: I personally did not hear it.

Mr. Crosbie: I heard it.

Madam Speaker: I would ask the hon. member himself to tell me whether he did use that expression; otherwise I will check tomorrow in the "blues". I am afraid that if it is confirmed that the hon. member did use that expression, I will have to ask him to withdraw; but since I personally did not hear him, I will ask him today whether he did use that expression.

Mr. Robinson (Burnaby): Madam Speaker, I did not use those particular words, no.

Some hon. Members: Oh, oh!

* * *

PETITIONS

MR. MILLER—STUDENTS' PETITION FOR PEACE

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the two hundred and sixty-ninth Report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Nanaimo-Alberni (Mr. Miller) on Monday, June 14, 1982, and finds that the petition meets the requirements of the Standing Orders as to form.

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PRIVILEGE

MR. KING—REMARKS OF MR. PINARD ALLEGING ABSENCE WHEN VOTE CALLED

Mr. Fred King (Okanagan-Similkameen): Madam Speaker, I rise on a question of privilege to present for your judgment my case for an opportunity to defend myself and my integrity as an aftermath to the statements made in this House by the government House leader on June 9. Today is the first day on which I have had the opportunity to present this question of privilege following my awareness of the content of those statements.

The offending and untrue statements by the government House leader are contained in *Hansard* on page 18296 as follows:

MR. PINARD: Mr. Speaker, I think the hon. member misunderstood the point of order raised. He was certainly not on the floor of the House when the division was called. He should be asked about this.

Further, it states:

MR. PINARD: Mr. Speaker, I shall repeat what I just said, namely that the hon. member may have misunderstood the point of order raised. There is no doubt that we all saw him, and he knows he was not on the floor of the House when the division was called.

Madam Speaker: Order. I see what the hon. member is raising as a question of privilege. I must tell the hon. member that he does not have a question of privilege, because obviously, the statement that he made in the House—

Mr. Andre: How do you know? You have not heard it yet.

Madam Speaker: —was taken as being his statement, just as a statement made by another hon. member belongs to that hon. member. I think the way in which the Deputy Speaker dealt with the question closes the matter.

I do not have in my hand the quotation of the Deputy Speaker, but I read it before coming into the House, and the Deputy Speaker said quite clearly that if the hon. member for Okanagan-Similkameen (Mr. King) said that he was here at the time the division was taken, then he was here. That statement is taken at its face value. We are all hon. members, and if the hon. member said that he was here, then he was here and the matter is closed. The last item which appears in the record involving this particular exchange in the House is this:

MR. DEPUTY SPEAKER: The hon. member has made a statement and it is the practice of the House to accept the word of the hon. member.

Therefore, the hon. member has nothing to correct.

Mr. McDermid: It is one word against another.

Madam Speaker: The statement in *Hansard* is quite clear.

Hon. Erik Nielsen (Yukon): Madam Speaker, the hon. member for Okanagan-Similkameen (Mr. King) is rising on a question of personal privilege. His conduct has been the subject of comments by the government House leader which have been allowed to stay on the record. A similar matter was raised by the hon. member for Dartmouth-Halifax East (Mr. Forrestall) and by the hon. member for Central Nova (Mr. MacKay) the other night, something unprecedented in our procedures. They were allowed to rise on questions involving them personally in order to put their explanations on the record.

All that the hon. member for Okanagan-Similkameen has on the record is a statement which is at odds with the statement made by the government House leader. All that the hon. member for Okanagan-Similkameen wishes to do is to provide the explanation that he was, in fact, in the House and had slipped over to speak with the hon. member from Chilcotin—

Mr. Clark: Prince George-Peace River.

Mr. Nielsen: —the hon. member for Prince George-Peace River (Mr. Oberle). He was in the House when the question was put. After the question was put and while the vote was being recorded, he slipped over to speak to the hon. member for Prince George-Peace River and then resumed his seat. That is what he wanted to explain to the House and, Madam Speaker—

Madam Speaker: Order!

Mr. Nielsen: —he should be given the opportunity to make that explanation quite clear!

Some hon. Members: Hear, hear!

Madam Speaker: Order, please. I think the hon. member has had the occasion to make that statement quite clear, and I quote from *Hansard* where the Deputy Speaker stated:

MR. DEPUTY SPEAKER: The orders of the House provide that a member should be in his chair to hear the question put. Was the hon. member for Okanagan-Similkameen (Mr. King) in the chair to hear the question put?

MR. KING: Yes.

So I think that is quite clear. The record of the hon. member is straight and I think we all accept the word of the hon. member that he was in his seat at that time.

Mr. Nielsen: Madam Speaker—

Madam Speaker: If the hon. member for Yukon is rising again on this particular question, I do have to remind him that I cannot accept constant exchanges once I have ruled on the question. There is no question of privilege in this particular instance and the hon. member has made his case. I pointed out to him what is on the record. I think it is quite clear that his statement has been made for the record and I cannot accept further comments on this particular question. If the hon. member for Yukon has another question to raise, that is fine, I will hear him.

* * *

POINTS OF ORDER

MR. NIELSEN—RIGHT OF MEMBERS TO BE HEARD

Hon. Erik Nielsen (Yukon): By George, Madam Speaker, I do have another question to raise. It is the right of hon. members in this chamber to be heard and the obligation of the Chair to hear them.

Some hon. Members: Hear, hear!

Mr. Nielsen: I have sat here for too long observing double standards being applied.

An hon. Member: Nonsense!

Mr. Nielsen: I have heard short, sharp questions coming from this side this afternoon and answers a yard long coming from members opposite, with all sorts of observations about the questions but none whatsoever about the length of the answers.

Some hon. Members: Order!

Some hon. Members: Hear, hear!

Madam Speaker: These remarks about the way in which the question period is being directed—

Mr. Andre: Not just that!

Madam Speaker: —of course, are directed at myself, I presume. I think hon. members sometimes feel that the answers from the other side are too long—and ask me to cut them short. Some of them were short today. I fully recognize

that. I do try to cut them short when they are too long. However, when they are too short, I am afraid I cannot ask ministers to make them longer, because that is not, of course, within the purview of my responsibilities. I try to keep everyone brief.

Today was a particularly difficult day when some questions, not all of them, were quite short. As a matter of fact, we heard from many questioners on the opposition side, which pleases me because I have many customers on my list waiting to be recognized in the question period. I feel very bad when I walk out of the question period after having allowed questions from only eight or nine hon. members in the opposition. I like to satisfy as many members as possible. I want to remind hon. members that it is in their interest to make their questions short so that everybody will have a chance.

• (1510)

Mr. Nielsen: Madam Speaker, I rise on the same question. It is also in the interest of ministers to keep their answer short in order to allow those customers, as you call them, to put their questions. The specific instance to which I want to draw the attention of the Chair this afternoon is that the hon. member for St. John's East (Mr. McGrath) was cut off in the middle of asking his question and he did not get the answer from the Prime Minister (Mr. Trudeau). Surely he should have been allowed to complete that question. Members should not be cut off halfway through their question and be asked to put a question which they are in the middle of putting.

Madam Speaker: I stand to be corrected, but I think the commotion took place when the hon. member for St. John's East (Mr. McGrath) failed to get an answer to one of his questions. I, of course, cannot force another member to answer a question. He failed to receive an answer to his first question and then went on to his second question. I think the hon. member for Yukon (Mr. Nielsen) will recognize that I did give the hon. member for St. John's East some leeway in asking his second question. Obviously he was going beyond what is usually accepted in the course of asking questions.

It is only to maintain decorum and good order in the House that I intervene in these circumstances. I am not trying to restrict the freedom of members to express themselves. On the contrary, all members want to express themselves. The more I try to keep some members' questions short during question period, the more members will be able to exercise that freedom to express themselves.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I rise on the point of order raised by the hon. member for Yukon (Mr. Nielsen). I would point out to him that his example was particularly unfelicitous. He is complaining about long answers from this side. The hon. member for Yukon will recall that the question asked of me by the hon. member for St. John's East (Mr. McGrath) was preceded by a very long string of statistics. The question was, and I believe I can quote it almost verbatim, "and is the Prime Minister attempting to shirk his responsibilities?" That was the question. My answer was no. No, I am not attempting to shirk my responsibilities.

Madam Speaker: All right, I am sorry.

Mr. Trudeau: The hon. member for St. John's East then rose and said—

Madam Speaker: Order, please. I understand the Prime Minister's (Mr. Trudeau) desire to put the record straight, but I am afraid that we should not enter into debate on the question and answer period. Of course, this is not the time to do it. There is ample time to do that on other occasions.

MR. CLARK—REMARKS OF MR. PINARD RESPECTING MR. KING

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I also rise in the interests of setting the record straight of contributing to what I think Your Honour has called decorum and order in the House. We have a situation in relation to the hon. member for Okanagan-Similkameen (Mr. King) in which there stands on the record of the House, in the words of the government House leader's statements about the Member of Parliament for Okanagan-Similkameen that are not true. The Speaker has ruled and has read from the ruling of the Deputy Speaker that the House must accept the word of the Member of Parliament for Okanagan-Similkameen, who was indeed in the House when the question was put. By accepting that word—

Madam Speaker: Order.

Mr. Clark: If I may come to my point of order—

Madam Speaker: Order.

Mr. Nielsen: Hear him out.

Mr. Clark: May I be heard?

Madam Speaker: No. I remind the right hon. member that I did ask the hon. member for Yukon not to comment further on this particular question which was raised by the hon. member for Okanagan-Similkameen (Mr. King). The record, I believe, is straight. Divergence of views about statements which are contradictory in this House are quite frequent. That is what debate is all about. Often we have on the record contradictory statements made by one member or another, and it is quite normal. There is a government party and an opposition party. Often their views are completely opposed. Therefore, it is not abnormal to have contradictory statements. The President of the Privy Council (Mr. Pinard) has made a statement. I suppose he stands by that statement. If he does not want to correct it, that is up to him, not to anyone else, to decide.

Mr. Pinard: Madam Speaker—

Mr. Clark: Madam Speaker, I have not had the opportunity to come to my point of order, which is precisely that there is a disorder in the proceedings of the House in that the President of the Privy Council (Mr. Pinard) has made a statement that

is untrue and that stands on the record. He has not until this point risen to remove that inaccuracy, that untrue statement. I would ask him on a point of order, in the interest of maintaining order in the House of Commons, to stand in his place now and indicate that the accusation which he made against the hon. member for Okanagan-Similkameen is untrue.

Madam Speaker: Just before the minister rises, I want to repeat that I accept statements of all hon. members and that the House accepts statements of all hon. members. One member says that this is his perception of the fact and another member says that he has a different perception of the fact. This is perfectly legitimate in debate. I would ask the minister not to debate this, but only to reply to the question asked in the way he now sees fit.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, in law, as people who have had a chance to finish law school will know, there is an old principle which says that in case of any divergence between the French and English version of a text, the version in the language used by the speaker should prevail. Thus, when I spoke in the House that evening, I said on page 18296, according to the French version of *Hansard*—since I spoke in French—I said, and I quote:

Monsieur le président, je pense que le député a mal saisi le sens de la question. Il n'était certainement pas à son fauteuil lorsque le vote a été tenu. Il faudrait le lui demander.

The English version quoted by the member for Yukon (Mr. Nielsen) reads as follows, and I quote:

[*English*)

Mr. Speaker, I think the hon. member misunderstood the point of order raised. He was certainly not on the floor of the House when the division was called.

[*Translation*]

There is a difference between "fauteuil" and "floor". When I said the member was not in his seat when the question was put—which is exactly what the member for Yukon said earlier—it was because the member was talking to another member at that member's seat. So he is corroborating exactly what I said on the evening of June 9, and since my statement has been corroborated by the member for Yukon, it is up to the member who raised a point of order to withdraw his statement.

Madam Speaker: If I understand correctly, the French text already reads like the corrected version the hon. member for Okanagan-Similkameen is demanding, if he is, in fact, in a position to do so.

Mr. Clark: Madam Speaker—

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

Mr. Clark: Madam Speaker, I am trying to give the President of the Privy Council a chance to correct the record, because, in quoting his own words, he accused the member for Okanagan-Similkameen of not being in his seat when the question was put, although the member was in his seat.

Some hon. Members: Certainly not!

[*English*]

Mr. Clark: There may well be, Madam Speaker—if I may have some quiet from the Member of Parliament who embraces communist principles when speaking for the Liberal Party in Canada.

Some hon. Members: Oh, oh!

Mr. Epp: He wasn't the only one.

Mr. Clark: Perhaps he was not the only one. The Prime Minister points to himself.

Some hon. Members: Hear, hear!

Mr. Clark: There may well be a problem of translation. In English it does say that the member was not on the floor. In French it says the member was not in his seat. That, as I recall, was the language that was used by the President of the Privy Council. In fact, the Member of Parliament for Okanagan-Similkameen was in his seat when the question was put.

• (1520)

Some hon. Members: No, no!

Mr. Clark: He then moved, he then moved.

Some hon. Members: No, no!

Mr. Clark: He then moved, during the voting, to speak with one of his colleagues, the hon. member for Prince George-Bulkley Valley (Mr. McCuish). He was in his seat.

Some hon. Members: He was not in his seat and you know it.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please.

Mr. Clark: The facts are quite simple, Madam Speaker. In English, the member for Okanagan-Similkameen stands accused of not being on the floor. In French, the member for Okanagan-Similkameen stands accused of not being in his seat. In fact, he was on the floor and he was in his seat at the time the question was put. He then moved and was back into his seat again when the opportunity came for him to vote.

It would clarify all of these matters if the President of the Privy Council would accept the word—I see that the Prime Minister is walking out on a parliamentary question—of the member for Okanagan-Similkameen and correct the record in French and correct the record in English.

[*Translation*]

Mr. Pinard: Madam Speaker—

[*English*]

Hon. Edward Broadbent (Oshawa): Madam Speaker, I rise on a point of order.

Madam Speaker: The hon. member wants to speak on this point of order. He does want to speak on something else later, I know that, but I will hear him now on this point of order.

Mr. Broadbent: Madam Speaker, I have just decided that the matter that I was going to raise later will not be raised. We have spent 22 minutes on this point of order. At the very time when we are having this debate about whether someone was in his seat or on the floor, I say to you, Madam Speaker, there are thousands who are dying in the Middle East, there are hundreds who are dying in the Falklands, there are millions of Canadians out of work, and that this is a ridiculous use of the time of the House of Commons.

Some hon. Members: Hear, hear!

Madam Speaker: I have a question of privilege in the name of the hon. member for Burnaby (Mr. Robinson). He is not in the House?

Mr. Clark: Madam Speaker, I saw, I believe, the President of the Privy Council rising and in fact I believe he was recognized, so I assumed he was going to remove the false statements from the record of the House of Commons.

[*Translation*]

Mr. Pinard: Madam Speaker, I was going to speak in more or less the same vein as the leader of the New Democratic Party did just now. I think it is absolutely ridiculous—

Madam Speaker: Order, please. If that is the case, I declare that the debate on this question is over. I believe *Hansard* will be abundantly clear to everyone, and I hope that all hon. members are satisfied with the statements they have been able to make this afternoon in the House.

[*English*]

Some hon. Members: No, not at all.

Madam Speaker: I have notice of a question of privilege from the hon. member for Halifax West (Mr. Crosby).

* * *

PRIVILEGE

MR. CROSBY—REMARKS OF MR. CHRÉTIEN DURING QUESTION PERIOD

Mr. Howard Crosby (Halifax West): Madam Speaker, I have a question of privilege arising from the remarks made by the Minister of Justice (Mr. Chrétien) during the question period when he responded to my inquiries concerning the Marshall case. I do not have before me the transcript of those remarks but I do believe I heard him say that I had not raised this case on a previous occasion.

Such an allegation goes to my honour as a member of this House and affects my privileges, because if such an allegation were made it would mislead this House and constitute a falsehood. I had clearly raised this case on two occasions in the House once by way of an Order Paper question on April 1, which was answered, according to *Handard*, on May 11, 1982, and appears at page 17285; and again by way of Standing Order 43 on April 19, 1982.

Now, Madam Speaker, too often ministers of the Crown in responding to private members in this House lay them open to charges of abusing the privileges of this House by making answers without giving an opportunity to respond. I want to make it very clear that when the Minister of Justice stands up and treats a serious matter as summarily as he does and he adds gratuitously the suggestion that I am only raising this at a late date possibly to gain publicity, possibly because the case has been the subject of a feature article in a national magazine, possibly because it appeared in a national newspaper over the weekend on the front page, then I should certainly point out that I was on record on April 1, I was on record before that, and I was on record in this House on April 19. It is the Minister of Justice who will not deal with the case, not members of the opposition.

Some hon. Members: Hear, hear!

Madam Speaker: I know the hon. member realizes he does not have a question of privilege, but he probably has a grievance and has made his point. A grievance can be debated on other occasions in the House of Commons and I invite the hon. member to use the procedure as it stands in order to air his grievances.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. FLIS—POLAND—IMPOSITION OF MARTIAL LAW

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, it is my duty to table on behalf of over 40,000 Canadians the following petition:

That: martial law in Poland be lifted, the rights of trade unions which were achieved by the Polish people on August 1980 be reinstated, that the human rights mandated by the Helsinki Accord be reinstated;

That until these demands are met by the Polish government a trade embargo on Poland and the Soviet Union be imposed.

The petitioners hope, Madam Speaker, that you will find the petition in order and that the appropriate ministers of the Crown will consider the request of the over 40,000 Canadians signing this petition.

Order Paper Questions

SUPPLEMENTARY RETIREMENT BENEFITS ACT

AMENDMENTS RESPECTING LIMITATION OF BENEFITS

Hon. Donald J. Johnston (President of the Treasury Board) moved for leave to introduce Bill C-120, to amend the Supplementary Retirement Benefits Act.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Peterson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Madam Speaker, I have something today which is non-controversial and should be music to the ears of all hon. members.

[*Translation*]

Madam Speaker, the following questions will be answered today: Nos. 3,151, 4,036, 4,308 and 4,355.

[*Text*]

DESK FOR PRIME MINISTER'S OFFICE

Question No. 3,151—**Mr. Cossitt:**

With reference to the answer to question No. 2,599 which stated in part that a province wide search was made for suitable limestone for the $2,500 worth of limestone purchased for the Prime Minister's new desk, before the actual purchase was made in the area of Cambridge, Ontario, did the search include an examination of limestone in the constituency of Leeds-Grenville and, if so (a) on what date did such an examination take place (b) what were the names and job designations of those who completed the examination?

Hon. Paul J. Cosgrove (Minister of Public Works): As stated in answer No. 2,599, a province-wide search was undertaken for suitable limestone samples through stone suppliers in Toronto. The limestone qualities in the constituency of Leeds-Grenville were not inspected, as it—along with other quarries, produces rubble stone, rather than dimensional stone, and were not represented with samples for the purpose which had been identified. (a) Not applicable, (b) Not applicable.

GRANT TO NOVA SCOTIA VOLUNTEER WEEK COMMITTEE

Question No. 4,036—**Mr. Crosby:**

1. Did the Nova Scotia Volunteer Week Committee receive a payment of $7,800 from the Secretary of State and, if so, under which program?

2. Are funds available to other organizations or groups under the program and, if so, what circumstances entitle a group or organization to the funds?

3. Was any part of the $7,800 granted to the committee paid to the wife of Mr. Michael J.L. Kirby, former Deputy Clerk of the Privy Council, for any services provided or any expenses incurred by her?

4. Was Mr. Kirby in any way involved in the obtaining of the grant and, if so, what was the nature of his involvement?

Hon. Jim Fleming (Minister of State (Multiculturalism)): 1. Provincial Volunteer Week Committee (Nova Scotia Volunteer Week Committee) received a grant of $7,800 to assist with its project "Community Volunteer Recognition Kit". Two of the project objectives—among others—are as follows: (i) "to increase dialogue between ethnic communities and the majority community on volunteerism, (ii) to increase opportunity for ethnic groups and the Provincial Volunteer Week Committee to recognize outstanding volunteers." The grant was made under group development section of the multicultural program.

2. Yes, 51 grants were issued within Nova Scotia in the 1981-82 fiscal year. Conditions for granting: (i) group must qualify as voluntary organization under the criteria established for the Secretary of State Department programs; (ii) the project must meet the objectives and priorities of the program and the goal priorities of the Halifax Regional Office of the Secretary of State Department—in this case "the encouraging and supporting of activities to improve relations between majority and minority groups in Nova Scotia by reducing perceptual barriers"—.

3. Ms. Bonnie Kirby is co-ordinator of the Provincial Volunteer Committee, and $3,000 of the grant is budgeted for salary at $500 per month for six months (Dec. 1, 1981—May 31, 1982).

4. No.

COMMISSIONER OF RCMP

Question No. 4,308—**Mr. Robinson (Burnaby):**

1. Does the Commissioner of the RCMP report directly to the Solicitor General or through the deputy solicitor general to the minister?

2. Does the Commissioner have the status of a deputy minister?

Hon. Bob Kaplan (Solicitor General): 1. The Commissioner of the RCMP reports directly to the Solicitor General of Canada.

2. The Commissioner of the RCMP, for the purposes of the Public Service Employment Act, the Financial Administration Act and the Royal Canadian Mounted Police Act, equates to a deputy minister in terms of status, however his title is that of a deputy head rather than deputy minister.

REFURBISHED SEATS FROM AIR CANADA

Question No. 4,355—**Mr. McKinnon:**

With reference to the answer to part 3 of question No. 4,096 which stated that 215 used refurbished seats were being purchased from Air Canada for $276,860, does this mean that each seat will cost $1,287.72 and, if so, for what reason are the seats so expensive, considering they are "used"?

Hon. J.-J. Blais (Minister of Supply and Services): Refurbished seats from Air Canada will cost a total price of $276,860 or $1,287.72 each. This price compares favourably with the following alternatives: (a) New seats of similar design to refurbished seats total cost $678,700 or $3,156 each, (b) Refurbishment of existing seats by competitive bid ranged from $472,122.58 ($2,195.92 each) to $655,742.79 ($3,048.71 each).

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Jim Peterson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Madam Speaker, if question No. 4,048 could be made an order for return, that return would be tabled immediately.

I ask, Madam Speaker, that the other questions be allowed to stand.

Madam Speaker: The questions enumerated by the hon. parliamentary secretary have been answered. Is it the pleasure of the House that question No. 4048 be deemed to have been made an order for return?

Some hon. Members: Agreed.

[*Text*]

GOVERNMENT HIRING POLICIES

Question No. 4,048—**Mr. Cossitt:**

1. Did the government place advertisements in newspapers calling for applications for jobs in which applicants are restricted to those of certain racial or ethnic backgrounds and, if so, what are all the details of the advertising and is the government following a policy of racism?

2. Does the government realize that (a) the majority of Canadian people support giving all possible advantages to Canada's native peoples (b) by restricting certain jobs to specific groups only, it is excluding other nationalities and Canadian citizens who might wish to apply?

3. Is it the government's intention to adopt a policy to exclude blacks, whites or any other sections of the population in the future and, if so, what is the justification for such a practice?

Return tabled.

[*Translation*]

Madam Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

• (1530)

GOVERNMENT ORDERS

[*Translation*]

BORROWING AUTHORITY ACT, 1982-83

MEASURE TO ESTABLISH

Hon. Pierre Bussières (Minister of State (Finance)) moved that Bill C-111, to provide supplementary borrowing authority, as reported (without amendment) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

Mr. Bussières moved that the bill be read the third time and do pass.

He said: Madam Speaker, this is the third time I shall have an opportunity to speak to this bill, since we had to divide the original bill, which dealt with the borrowing authority and certain amendments to the Excise Tax Act. Considering the fact that debate has been limited to a single day, today I shall be very brief in my comments and shall only raise some of the more important aspects of this legislation.

[*English*]

As hon. members are aware, Bill C-111 seeks parliamentary approval of borrowing authority for 1982-83 in the amount of $6.6 billion. The bill has been debated in the House and hon. members have been able to put questions about the bill to both myself and to the Minister of Finance (Mr. MacEachen) during our appearances before the Standing Committee on Finance, Trade and Economic Affairs. Consequently, hon. members are quite familiar with the reason for and the contents of the bill, and I will not elaborate further on these matters.

At this time I would like to discuss the basis for the amount of borrowing authority being requested and to point out to hon. members that it will not be adequate for the whole fiscal year. Much of what I am going to say has already been said by the Minister of Finance when he appeared before the Standing Committee on Finance, Trade and Economic Affairs, but I would like to repeat the essence of his comments to the House today.

Hon. members will recall that the request for $6.6 billion borrowing authority for 1982-83 is based on the estimated budgetary and non-budgetary financial requirements as set out in the budget which was presented to Parliament last November 12. These requirements were based on a forecast of Canadian economic growth that was current at that time. Since the calculations were made for that budget there has been a major slowing down of worldwide economic growth. In fact, most of the industrialized world is now suffering from an economic recession. It is important to note that the economic problems facing Canada are similar to the economic problems facing all major industrialized countries. All these countries, including Canada, to a greater or lesser degree are facing problems of persistent inflation, rising unemployment and slow growth.

In Canada, although budgetary projections did forecast some weakness, the depth of this recessionary period was not anticipated when the budget forecast was being prepared. Today the Canadian economy is in a much weaker position than it was last November, and this has had and will continue to have an obvious impact on government revenues and expenditures and, consequently, on the fiscal position and financial requirements.

Mr. Epp: In other words, you are broke.

Mr. Bussières: As a result of these developments we expect the financial requirements will be larger, and we expect we will

have to ask the House for additional borrowing authority for 1982-83 some time before the end of the fiscal year.

Mr. Wilson: When?

Mr. Bussières: We would not expect the House to act on a request for additional borrowing authority without providing it with an update on the economic situation and the implications of these new developments for the government's financial requirements. The Minister of Finance has said he will issue a statement on the economy before the House recesses for the summer.

[*Translation*]

He also indicated, Mr. Speaker, when he appeared before the standing committee, that if a request for supplementary borrowing authority were tabled in the House, he would at that time explain why the government felt it was justified in requesting the borrowing authority. The statement to be made by the Minister of Finance before the House adjourns for the summer will also give hon. members a chance to reassess the minister's position on the economic situation in Canada. I am convinced that both hon. members and other Canadians realize that the government alone cannot be held responsible for the recession resulting from the present economic situation.

Canadians as well as the members of this House are well aware of the fact that our economy is linked to the world economic situation and to the U.S. economy. It is often said, and I feel it cannot be said often enough, that Canada has an open economy. We are dependent on foreign markets, and when there is a serious recession on those markets, we suffer the constraints of this situation. The fact that our economy is an open one and that it depends on the world economic situation and the situation in the United States, makes us even more vulnerable. Recently, Canadians and the members of this House were witness to world-level attempts at collaboration with a view to improving the international situation. I feel that inside our own country as well, we should stress concerted efforts by all economic agents to put our economy back on its feet and thus also create a favourable climate for economic recovery elsewhere.

There are a few points I would like to recall this afternoon, Mr. Speaker, which are important to this economic recovery. First of all, we should get rid of the habit we have acquired of living with high inflation rates, because that is where the root of the problem lies. Inflation creates a climate of uncertainty for investors and consumers, leading us to develop expectations and wage demands that create a climate that is very unfavourable to investment. If we want to create a favourable climate for economic recovery, we must drive out the cause of uncertainty which is inflation, and to do so, we must get rid of this habit we have acquired of living with inflation. We must also restrain our wage demands and this will happen as soon as we have rid ourselves of our inflationary expectations. All economic agents, including the federal government, provincial governments, municipalities, corporations, businessmen and private citizens we must all pool our efforts and develop attitudes that will rid us of the disease that is undermining our society and our economy, and that disease is inflation. Once we have broken out of the vicious circle of inflationary expectations, we shall be on our way towards creating a climate that is more favourable to investment than the uncertainty which is now holding back investment that would otherwise help to create jobs, reduce unemployment and bring down interest rates.

Another aspect I should like to discuss before concluding, Mr. Speaker, is the government's extremely limited room for manoeuvring in the present recession. The government cannot afford to spend irresponsibly, and the resources at its disposal are committed to programs that would be very difficult to cut back. I am thinking here of the funds—one of our colleagues will be discussing this aspect in detail later on—which are transferred to the provinces in the form of equalization payments, financing of health care and social security, and financing of post-secondary education. Substantial amounts are also earmarked for programs such as family allowances, old age security, guaranteed income supplement and the child tax credit, all programs that are aimed especially at those people in our society who are most in need of help and who are also most vulnerable in times of high inflation. I think Canadians agree with the government's philosophy that in difficult times, when the economy is in a recession, our resources should be used to bring relief to those in our society who need it most.

The government's room for manoeuvring is extremely limited, and that is why, Mr. Speaker, I called on our economic agents to pool their efforts in order to bring down inflationary pressures. I feel that this is a key factor in helping us put the economy back on its feet. Mr. Speaker, this is the only day hon. members will have to express their views on this bill, with which the government is seeking borrowing authority for $6.6 billion. As I said earlier, I have twice had an opportunity to speak to this bill. I appeared before the committee during one of its meetings to answer questions by committee members. I want to thank the members of this House for having granted me a few moments today to say my last words in this debate.

• (1540)

[*English*]

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, before I get into my remarks on this bill I want to make one observation that I think is very important to all of us in this House today. The minister observed that this bill has been split. I want to comment that it was split after the ruling of the Speaker, on the request of the government. It is also consistent with the action agreed upon between the government and opposition parties that the omnibus bill on energy security would also be split. These are two occasions where the government has tried to use the rules of the House to introduce

omnibus legislation which is totally reprehensible and has been turned down. It has been ruled on by the Speaker but the end result is that it was turned down by the House. I believe that the House acknowledges that this form of legislation is totally wrong.

I hope the government has learned that it should never again try to use this type of legislation where two or more bills are combined and put in one package. The government should not try to slide this kind of legislation by the House, using its majority to force it through. That is not acceptable to the House of Commons and such legislation should never be used again.

Let me say at the outset that after the comments made in committee the other day by the Minister of Finance (Mr. MacEachen), for this minister to come to the House and ask for permission to borrow $6.6 billion is totally in contempt of Parliament and in contempt of the Canadian people. We are being asked to vote on something when we have no idea what the end result will be. The minister himself said that he wants us to approve $6.6 billion borrowing authority, but he cannot tell us what the balance will be. He is saying to us, in effect, "Buy this used car from me. It does not work, but I am not going to tell you how much it will cost to fix it. I will come back and charge you more money to fix the car." That is what he is saying to the Canadian people today and it is totally wrong.

The minister has admitted that the estimates made in November were wrong. In committee the Minister of Finance said that he was wrong. In the November budget the estimate was $10.5 billion but I maintain that today this figure would be around $17 billion or $18 billion. Other economists in the country would say that the estimate is probably closer to $20 billion.

Why does the minister come back to the House and ask us for borrowing authority? Surely the Minister of Finance has gone through the numbers and knows the total amount he will have to borrow this year because of the change in his deficit requirements. That $18 billion means about $1,900 per taxpayer. That is a lot of money to ask from Canadian taxpayers.

Let me point out that at current rates of interest the effect of continually borrowing, deficit after deficit, is that every five years the amount doubles. If we have an $18 billion deficit today, in five years' time that will be $36 billion. The call on the Canadian taxpayer ten years from now will be $72 billion. For the government to ask for a blank cheque now is totally wrong.

We know that the economy is weak but we knew that in November. We knew we were in a recession then and we were telling the minister that we were in a recession, but he ignored us and said: "We will do business as usual. We do not believe we are in a recession." All around him people were saying the economy was in a recession but he ignored reality. He ignored the impact of the size of the deficit on the economy.

Today small-business men who are trying to keep a business going are struggling against the competition of the Government of Canada in the marketplace. They are struggling to get money at high interest rates. It is that competition from the Government of Canada that is forcing interest rates up in this country. The farmer, the home owner and the businessman are caught in the same spiral.

The minister spoke about restraint and said that we have to get used to restraint. Who is he trying to kid, Mr. Speaker? Last year the minister proposed an increase of 22 per cent in government spending. If that is restraint, when will the government get going and spend some real money?

I do not know whether the minister has been told by the Minister of Finance to come into the House and do this, but to have the audacity to request authority for $6.6 billion when he knows there will be a request for another $6.5 billion or $7 billion or $8 billion of borrowing authority in three or four weeks time is totally irresponsible and totally in contempt of this Parliament.

This is a large amount of money, Mr. Speaker. It is very hard for Canadians to understand amounts of that size. I said that it represents about $1,900 per taxpayer. That is not just a figure that floats around Ottawa, it is a figure that is of concern to all Canadians. The size of the deficit and speculation about its ultimate size is causing great uncertainty in the financial markets of the country and in foreign exchange markets. It is one of the reasons the Canadian dollar is trading below 78.39 cents U.S. today.

One of the things that we have to recognize, Mr. Speaker, is that as pressure on the Canadian dollar continues, the response of the Bank of Canada, as always, is to increase interest rates. Those increased interest rates are felt by all Canadians, those running small businesses, the home owner, the farmer, the fisherman. All Canadians suffer from high interest rates. They are at the heart of the weakness in the economy today. We have to understand that it is not just a problem that is felt in Ottawa; it is a problem for all Canadians.

On a number of occasions recently the Minister of Finance has used the flim-flam of trying to confuse Canadians by saying that the Canadian dollar is weak because the U.S. dollar is strong. Now, isn't that a great statement? There have been many times in the past when the Canadian dollar and the U.S. dollar are strong against other currencies, but why is the Canadian dollar weak and the U.S. dollar strong today? It is because the Canadian government is not following sound policies. Inflation is 5 per cent or 6 per cent higher here than in the U.S.; the U.S. economy is starting to turn around but we are still going straight down. That is why the Canadian dollar is weak. The marketplace has no confidence in Canadian government policies. The level of the dollar at 78.39 is the verdict of the marketplace. It is the barometer of the success or, as in this case, the failure of government policies. It is not just the budget but a series of policies which have led to the weakness in the dollar. It is the problems arising from the NEP, last year's budget and the federal-provincial squabbles which go on and on, provoked by the Prime Minister (Mr. Trudeau) and the Minister of Finance.

• (1550)

The Canadian dollar today is viewed as a basket case. Some people in the marketplace call it the banana because they see Canada approaching the status of a banana republic. It is a joke to those people but I can tell you, Mr. Speaker, it is not a joke to me because I have some pride in this country. I want to see the economy run better than in most other countries. It could be but it is not, and the reason is the failure of this government to address the problems which are within our control. If we were having problems but had some economic growth and lower levels of unemployment and inflation, I could accept that. However, I think the minister probably saw in this morning's paper that the Bank of International Settlements said Canada is dead last in productivity growth. You do not have to be a good economist to understand what is going wrong. You do not have to understand the intricacies of the economy. The fact that the Canadian dollar has gone from 1.02 six years ago to the current level of 78.39 says it all. And the bad management starts right here with this deficit we are talking about today.

We have in our country today, Mr. Speaker, and indeed around the world, a crisis of confidence in this country. I would like to read what Mr. W. A. Wilson said about this in a recent article:

> It seems beyond dispute that a restoration of confidence is this country's greatest single need at the present time since little economic improvement is likely to start within Canada while confidence is as low as it is now.

Don McGillivray, also a respected columnist, said:

> The government's most critical shortage today is credibility.

We have to rebuild that credibility and confidence in the country. But the government comes to the House of Commons and says: "We want to borrow $6.5 billion. Give us the authority, but we cannot tell you how much more there is to come. There will be more but we cannot tell you now." What does that say to people who are looking for some indication that this government knows what it is doing? It says nothing. The Prime Minister and the Minister of Finance are doing nothing to restore that confidence.

The Minister of State for Finance (Mr. Bussières) said in his opening remarks that Canada's economy is particularly vulnerable today to international economic forces. So why is not the government and the Prime Minister trying to restore that confidence? All the Prime Minister has been doing these past few weeks is to flail away at the U.S.; it is all the fault of the Federal Reserve Bank. On the weekend he said NATO was the problem. At the same time he and the Minister of Finance ignore the problems here in Canada. The Prime Minister's stated efforts at Versailles clearly failed. He went to Versailles to get a change in the monetary policies of the U.S. government and he failed. At the same time he comes back and tells those Canadians who are losing their jobs on a daily basis and struggling with high interest rates that there will be no major change in policy. If he felt so strongly that Versailles was the answer, how can he come back to Canada and sit on his hands and say business as usual, there will be no significant change in the policies of this country?

Let us look at the Canadian dollar as the focal point of so many of these problems. It in itself is the major problem facing Canada today, because the decline in the dollar leads to higher interest rates which affect all Canadians. The decline also reflects a tremendous outflow of capital to create jobs in other countries at a time when we have 1.5 million unemployed. Why is this happening? People in Canada feel very strongly about some things, one of which is their retirement income. People set aside money each year for their retirement, and when they see that little nest egg threatened by policies which lead to inflation and a decline in our standard of living, they take refuge in stronger currencies. Businesses small and large see their future threatened by this government's policies and they move their money out in order to spread the risk around. Sometimes they move their entire investment out of the country.

Just to demonstrate that I am speaking in real terms I want to put some numbers on the record. Last year direct investment in Canada by non-residents showed a net loss of $5.3 billion. At the same time Canadians made direct investments in other countries totalling $4.9 billion, for a $10.2 billion outflow. That compares with the previous two years of around $2 billion a year. Then there are the small amounts of money which are too small to be picked up by the statistics-gathering people. Last year that amounted to about an $8.4 billion outflow, compared again to a level of about $2 billion a year in the previous two years. So the total amount of money which left Canada in 1981 was $18.6 billion as against an average of about $4 billion, or 4.5 times the previous level. Just to put that figure in context, it represents about 1.5 times the total amount of money we spent in Canada on housing. That amount of money could create a tremendous amount of employment in this country. That is the sort of thing that has been going on in response to the policies of this government.

• (1600)

Why is there no confidence in the Canadian dollar? I have said this before and I will say it again, again and again. Why is the Canadian dollar weak? First, there is the National Energy Program; second, the attitude toward foreign investment; third, the budgetary proposals of last year; fourth, the high federal government deficit; and fifth, the federal-provincial squabbles. All of those things are causing pressure and are at the heart of the record outflow of capital to which I have just referred.

If those policies are turned around, the outflow of capital would be turned around and we would see that money surging back into the country. This would alleviate pressure on the dollar and it would alleviate pressure on interest rates. It would create employment in the country where we need it the most. I see the parliamentary secretary is shaking his head.

Mr. Fisher: I will not agree with that.

Mr. Wilson: The parliamentary secretary does not know what has happened. He does not understand what is going on in the country today. I suggest the parliamentary secretary

talk to people, people in the real world, not those who are in the ivory towers of Ottawa but people who are dealing with problems that have been caused by the policies I have outlined.

Mr. Fisher: Getting rid of FIRA would not change a thing.

Mr. Wilson: The parliamentary secretary says, getting rid of FIRA would not change a thing, but I say to him try it for six months and see what changes there will be.

The Canadian dollar should and could be higher in terms of the U.S. dollar. The parliamentary secretary should ask international investors who are shaking their heads why the Canadian dollar is weak. The Canadian dollar should be strong. A strong Canadian dollar would lead to lower interest rates in Canada.

Let me put on the record part of an article that appeared in *The Financial Times* about a week ago. It reads:

> This is an embarrassing tragedy for Canadians. The dollar could be—should be—one of the world's stronger currencies. But years of economic mismanagement and strident nationalism have driven investors out of Canada, stripping the country of much of its potential.

These are made-in-Canada problems. We have the solutions totally within our control. The parliamentary secretary has proved once again that his head is buried six feet deep in the ground, because he totally ignores what is going on in the real world. The minister himself is frozen in inaction. He is frightened to move. He is frightened to make another mistake. He is betting zero for two in the budget and he does not want to make it zero for three by coming up with another mistake. The dithering which the minister is displaying and has displayed for the past six months is compounding the problem we are facing today and is one of the reasons for the high interest rates in Canada.

A number of people have said: "Let the dollar go, let interest rates go and all our problems will be solved." Let me put a few figures on the record. Let us look at facts and not at rhetoric. In October, 1976, the Canadian dollar was worth $1.028 in terms of the U.S. dollar. Since then the value of the Canadian dollar has declined by 24 per cent. In February, 1980, when this government came into power, the Canadian dollar was worth 86.5 cents. Since that time the Canadian dollar has declined 8 per cent against the U.S. dollar to its current level of 78.39 cents today.

What has happened to interest rates? When the dollar goes down, interest rates are supposed to go down also. Is that not what the government has been telling us, Mr. Speaker? But during this period of time, the chartered banks prime rate has risen from 10.25 per cent in 1976 to 15 per cent in 1980. The prime rate at the chartered banks is now 17.5 per cent.

Let us take a look at what has happened to inflation. Inflation has risen from 6.2 per cent in October, 1976, to 9.4 per cent in February, 1980. The current level is now 11.25 per cent to 11.50 per cent.

Let me turn now to the unemployment rate. I will not talk about the rate but rather about the number of people who are unemployed. These figures are shocking. In October, 1976, 770,000 people were unemployed. That figure has risen to the current level of 1.2 million. In 1980, 856,000 people were unemployed. Compare that to the current number of 1.2 million people who are unemployed. Those figures say it all. The human suffering and tragedy that is represented by those figures has not been cured by letting interest rates go and letting the dollar go. The decline in the value of the dollar has not solved the problem; it has just made those problems even worse.

Mr. Thacker: Liberal times are lousy times.

Mr. Wilson: I have talked about some of the problems we can deal with immediately. As I told the parliamentary secretary, in six months' time the government could take action in the five different areas that I referred to earlier.

Let us look beyond that a little. Let us look at the problem of productivity in our country. I said a moment ago that the Bank of International Settlements has put us dead last in productivity among the industrialized countries. Action has to be taken in this area. The Minister of State for Science and Technology (Mr. Roberts) has talked a lot about the problems of research and development and the need for more product development in this country. But what we are looking for here is action and not rhetoric. Rhetoric comes very cheap and the government opposite knows that. Instead let us again talk about facts.

We have to change the tax regime on research and development. More than that, we have to remove some of the regulatory problems that are inhibiting the increase in research and development. I will cite one example: it concerns the pharmaceutical industry. The law was changed about 12 or 13 years ago to call for compulsory licensing of pharmaceutical inventions. What has happened since, now that pharmaceutical inventions are no longer protected by the laws of this country? It is all very simple. At that time the pharmaceutical industry was spending about 8 per cent of its sales in research and development. Currently that industry is spending 1.7 per cent. The percentage has dropped from 8 per cent all the way down to 1.7 per cent. That is the sort of regulation which can be changed and must be changed if we are going to meet the objective of increased productivity in this country.

Canadians today have a great fear of the future. They know that there are great changes coming in the high technology industry. Canadians know, if we spend this money on research and development, that it will bring some dramatic changes in many industries in the country. In order to meet people's concern and anxiety as to whether or not they will be able to hold a job in that environment, we have to increase significantly the amount of on-the-job training so that people can adjust to the future. It will be a very exciting future, but if people do not feel they are a part of it, it is of great concern to them. That is why training programs have to be changed. If we can increase that level of training, people would be looking forward to what those new jobs can do for them. People will start spending their money. They will begin to think about buying a new car or a new house. That is the sort of thing that will get

the economy going again instead of having people totally mesmerized by the problems that face us all today.

I repeat what I said a minute ago about the need for restraint on the part of this government. The minister says that we must limit our demands, but to keep saying that again and again in face of the huge increases in government spending is throwing untruths at the people of Canada. They understand. It is hurting the government and it is hurting the credibility of the government when people continually hear there must be restraint. The government has to act. Its members cannot sit and talk. Rhetoric is cheap. The government must act and it must act soon.

During 1979, when we were in power, we showed that government spending can be cut below the rate of growth in the national income. My recollection is that it was down about 2.5 per cent below the rate of growth in the national income. Last year government spending was 50 per cent higher than the rate of growth in the national income. That cannot continue. There is good reason why that cannot continue.

• (1610)

A moment ago I discussed the compounding factor of deficits that increase with the high rates of interest which we have today. Right now we have a dead weight deficit because the deficit itself represents approximately the same amount that the government is spending on interest on the funded debt. We are spending one dollar in five in interest on the funded debt of the Government of Canada. That is dead weight because the money cannot be spent on any social program, on stimulating industry or on stimulating the economy. It is dead weight deficits which are causing the problems in the country today. We have been saying for almost five years that we must free ourselves of this dead weight. However, the government keeps coming back with the same statements. It does not understand the impact of what is happening.

Another policy which could be adopted involves the area of savings and investment. People must be encouraged to save their money in order to provide the funds that businesses and individuals can borrow to enable Canada to grow, allow businesses to expand and enable people to buy homes. If people cannot save their money, the pool of available funds to finance the economic recovery in Canada will not be there. This is one of the key elements for reducing the strain on the Canadian dollar as well as on interest rates.

Finally, incentives must be introduced in Canada. The budget of November, 1981, did as much to undermine and kill productive investment in Canada as any single act by the government in the past ten or 15 years. Small business people, who are at the heart of the economy in Canada and who provide 65 per cent or 70 per cent of employment in Canada, have been kicked in the stomach by that budget. Small business people have lost their confidence in the economy.

During the month of January the budget committee of the Progressive Conservative caucus travelled across Canada to hold meetings. I will never forget the discussions I had with a group of small-business men, and one from Dupont in particular. He said that he had left Dupont ten years earlier to start a new business. After we talked about some of the problems that this budget presented to him, I said, "If you were in Dupont today and you saw the provision in this budget and the attitudes behind it toward you as a potential entrepreneur and small-business man, would you leave Dupont?" He said: "No, I would not leave Dupont today. The risk is too great and the government has removed too many of the rewards."

Just yesterday I spoke to another small-business man. He told me that one of the great benefits of owning a small business is that you can build a nest egg in order to have something upon which to retire. It is something you can work at and create yourself because it involves your future. However, he said that the budget of 1981 has largely taken away the ability of individual businessmen and small entrepreneurs to build that nest egg for their future. This is happening to a sector which is at the heart of our society as well as our economy. That is why the budget is such a damaging document.

Today we are discussing the size of the budget deficit and how we can get it under a greater degree of control. This control can be achieved in three ways. One is to reduce spending, another is to increase revenues, and a third—one that very few people talk about—is to reduce interest rates. Last year 22 per cent of government spending was on interest rates, which is an important factor to our budget deficit problem. This government has failed in all three of those methods of controlling the budget deficit.

Last year, government spending was up 22 per cent, as was set out in the last budget. Government spending is out of control.

With respect to the second method, raising revenues, the government has sought to increase revenues by increasing tax rates instead of increasing the incentives for Canadians to go out and work hard to build a business, increasing government revenues through an increase of the size of the Canadian economy. The government has gone about it in the wrong way. I believe that the minister's rating on that question is about three out of ten. He said that he would drop the marginal tax rate but only for very high income people. He has ignored the low-income earners who play a very important role in increased economic activity. He has also increased other tax rates and put a greater load on the economy which is showing up in the poor economic growth figures today.

Let me use the United Kingdom as an illustration. It is said that the experiments in the United Kingdom are failing, and I would like to expand on that for the record since the results are fascinating. In 1979 the government in the United Kingdom dropped the marginal tax rate for upper-income people believing that it would result in a significant drop in tax revenues. The government therefore increased the value-added tax by approximately 70 per cent or 80 per cent. As I indicated, the results of that experiment are fascinating. Revenues from income tax increased on a real basis for the first time in six years and the value-added tax that was increased by 70 per cent or 80 per cent only increased by approximately 45 per

cent in real terms. This represents a very clear illustration of the impact of incentive and how people can be encouraged to build and create businesses. This also inspires greater effort to purchase in the productive economy instead of making purchases of such things as Rolls-Royces, expensive pictures and gold in a non-productive economy.

Mr. Evans: So we cut marginal taxes.

Mr. Wilson: That is why you cut marginal tax rates, as the former parliamentary secretary says. But why did hon. members not cut it right across the board? That was the government's mistake.

Mr. Evans: We did.

Mr. Wilson: No, you did not. You cut the tax rates only in the upper incomes and you know it.

The third method of deficit control concerns interest rates. I do not have to tell anyone that the government has failed totally in this area. We have interest rates which are hovering very close to the high levels of last year. As well, we have the weak Canadian dollar which spells increasing interest rates and probably a continuation of the high level of interest rates which exist today. Clearly, the lack of control of spending and the uncontrollable size of this budget deficit which we are discussing today will continue to present problems in trying to reduce interest rates.

The government must change its course and take action to offer some new policies. It must try to reverse its record and its policies in order to restore some confidence in the country and in individuals who have been building this country for 100 years but who can no longer look beyond the valley we are in today. They are only looking on the down side of that valley. The most punishing course for Canada to take today would be to cling to the blunders of the past.

It is for that reason that I urge the government to withdraw this borrowing bill and introduce a new financial and economic statement which would disclose the economic and financial outlook for today. I urge the government to come clean with Canadians and tell us what the problems are so we may then set out some alternative policies. I ask it to make some fundamental changes to the direction in which it is heading. Do not take the line that the Prime Minister was trying to give us today, that there will be no changes. I urge the Liberal caucus to take that message to the Prime Minister and Minister of Finance tomorrow and to tell them that this country needs new policies and a change in the direction in which we are headed. If we do not have that change, how can Canadians see any hope? How will Canadians be able to feel any sense of confidence in responding to change if there is nothing to respond to? How will they act positively to get the country going again and back to the level of hope and confidence which existed 15 years ago? I say give Canadians a chance to prove that they can do it.

• (1620)

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I must say that this is not a particularly cheerful debate today in the House; this is not a happy day. Listening to the—

Mr. Thomson: When was the last time you had a happy day in this house?

Mr. Riis: The question was, when was the last time we had a happy day in the House? I cannot recall. The Minister of State for Finance (Mr. Bussieres) has asked us today to approve Bill C-111 which would give the government authority to borrow $6.6 billion.

This should be a very straightforward debate. It should also be a very straightforward bill, an opportunity to comment on the state of affairs in the country and perhaps to compliment the government on a variety of initiatives and so on. Well, of course, today's debate is anything but that. It is like being hit in the solar plexus by Sylvester Stallone. It is like being hit over the head with a two by four. It is like being tossed a lead weight when one is drowning.

This request for $6.6 billion comes at a very peculiar time in Canada's history. I suspect that the people of Canada who are listening to this debate and watching the government's actions these days are absolutely shell-shocked. They cannot believe the announcements that they read in the newspapers day by day and that they hear via the media. What will it take to surprise any Canadian today in terms of gloomy economic news? I cannot imagine what it would take—yet the most positive thing that the Minister of State for Finance has said to us today is that in the next few days the Minister of Finance (Mr. MacEachen) will stand up in the House and give us an economic statement. That will be hollow news to people who are losing their homes, their farms and ranches, seeing their businesses go down the tube, seeing their friends and neighbours laid off from jobs and losing any hope of employment in the near future.

A statement by the minister—how nice! Will that not be welcome news? What the people of Canada are asking from the government is action; they are asking for legislation, for a removal of that hideous November 12, 1981, budget which sent shock waves around the country, sending a clear message to every Canadian that this government does not recognize that there is a serious economic problem. For many Canadians, that comes as a surprise. How on earth could anyone not perceive the economic problems this country is facing?

In an effort to seek the response to that question, one looks around at the power brokers within government circles. We recognize that not all 142 hon. members across the aisle are of equal weight in government decision making. Perhaps even the 30-odd cabinet ministers are not of equal weight. But when one looks at where those movers and shakers exist, where the power brokers within the Liberal cabinet originate, it is not surprising that a good proportion originate in the downtown towers of Toronto and right here in Ottawa. When one considers the economic milieu of head office Toronto or head office

Montreal, or the nation's capital here in Ottawa, and one's travel and interrelations are restricted to those particular areas, it is no wonder that people are a little misinformed as to the reality in this country, what is going on in Halifax, what is going on in Chicoutimi, what is going on in Regina and in Prince Rupert. Quite different things are going on around the country where lay-offs are occurring, where mines are closing and major businesses are closing their doors, either temporarily or permanently. Again, it is quite a different picture from the one we find in the head office areas of Toronto and Montreal. It has been very clear that the government has misread the economic situation in this country and perhaps in the western world. It has totally misread it, as clearly exemplified by the request today for $6.6 billion.

A few days ago in the Standing Committee on Finance, Trade and Economic Affairs, the Minister of Finance admitted that the government has misread the economic situation and underestimated its needs. A few months ago, the Minister of Finance predicted that the deficit for this year would be $10.5 billion. Many of us on this side of the House laughed at that point, knowing and sensing at that time what was happening to the Canadian economy. Seeing the Canadian economy deteriorating in a number of sectors, we felt at that point it was naive to think that the budget deficit would be only $10.5 billion this year. Now the Minister of Finance suggests that it will probably be closer to $13 billion. The finance critic for the Progressive Conservative Party suggests it will probably be closer to $18 billion. Other financiers are predicting $19 billion and some are now venturing deficits of $20 billion for this year.

The situation is much worse than most of us in this House are prepared to admit or most business people are prepared to discuss openly. The situation is very grave indeed. How serious is it? What are some of the indicators? What are some of the clues as to the seriousness of today's economic malaise? We see the dollar plummeting, hourly now, as a true barometer of both the confidence of Canadians in our dollar and especially the confidence of those beyond our borders in the value of Canadian currency. At two o'clock today, June 15, the value of the Canadian dollar was 78.29 cents U.S. and falling. This is the barometer of confidence, then, that we use to measure how people are viewing the leadership provided by the Canadian government and how they really perceive the state of the economy.

What is particularly frustrating is the con job of the government in the sense that it attempts on a weekly basis, when it often goes out to borrow hundreds of millions of dollars in an effort artificially to shore up the value of the Canadian dollar, somehow to create the impression that it is worth more than it really is on those free-flowing international money markets. It is akin to holding a match under the thermometer in one's house in order to prove that the house is in fact a lot warmer than it actually is. It is not a true indication of the value of the Canadian dollar or the state of the Canadian economy. Nevertheless, we try to create this illusion, this artificial sense of confidence which, of course, fools no one in Canada and certainly no one beyond.

Another indicator of the seriousness of the situation is today's unemployment situation in the country, a country which all of us in this chamber would recognize as being one of the most wealthy in the entire world, perhaps having more opportunities and potential than any other nation on the face of the earth. Yet today, in real terms, the numbers of unemployed in Canada is nearly reaching the figure of 1.8 million people. I know things are very bad, but it amounts to nearly 1.8 million people, about 16 per cent of the total work force in this country, up more than 45 per cent over last year and, of course, the statistics themselves mask what is really going on with those figures.

The fact is that nearly 1.8 million people are unemployed. What does that mean? It means a great deal of human tragedy and human suffering in this country, a level of human suffering which has not occurred since the depths of the depression in the 1930s. There is no hope. There are serious social costs which will amount to many billions of dollars in this country as a result of these high unemployment figures. The economic problems we face today will be overcome in one form or another in the years ahead. But the tearing of our social fabric, the social decay resulting from these figures, will not be mended in a year or two, or in a decade or two. As a matter of fact, it might take a generation or two to erase the social scars resulting from these serious unemployment figures.

As well as the emotional and human scars resulting from these high unemployment statistics, the collapse of hope in the future is perhaps the most disappointing aspect of these figures. The fact is that nearly two million Canadians are now out of work or daily haunted by the spectre of being out of work in the next little while. They see their friends and colleagues around them losing their jobs. The threat of unemployment is growing on a daily basis. Canadians who have been securely employed in factories for 20 or 25 years are now finding themselves on the unemployment rolls. What does that do? What kind of shock waves does that send through the system? The harsh policies that the government has had in place over the last number of years were presumably introduced to fight inflation. We are experiencing a hideous situation in this country. Unemployment is now running at 11.3 per cent. That means that for the last number of years, the purchasing power of the average Canadian has deteriorated. Their disposable income today buys less than it did last year and it bought less last year than the year previous A typical basket of goods which cost $231 in 1981 today, in 1982, costs $257. Wage settlements are not keeping up with the rate of inflation. Most people in this country are becoming relatively poorer each year as a result of inflation.

• (1630)

The government set out on a course to combat inflation. In 1975 it decided the way to fight inflation was to increase interest rates. I want to read a quote from Governor Bouey in 1975. He said:

—through a sharp and immediate reduction of the growth rate of the money supply ... inflation would readily come to an end. The trouble with this prescription is not with the medicine but with the dosage, which would be so great that the patient would suffer excessively while it was working. It would sharply curtail the growth of spending on goods and services . . .result in extremely weak markets, widespread bankruptcies and soaring unemployment.

That is exactly what the program did. The problems that we face in this country today to a certain extent are a result of planned government policy. It is no accident. That is what the Governor of the Bank of Canada said in 1975 would happen with this policy. He said that bankruptcies would skyrocket, unemployment would skyrocket, markets would weaken and there would be a great deal of suffering among the Canadian people.

The government has been remarkably successful in its efforts at strangling the life of the economy as a result of its monetarist policies. This was planned and it has been successful. There is very little life in the Canadian economy, thanks to the policies of this government and the direction as of late of Governor Bouey of the Bank of Canada. The prime rate is 17½ per cent. This Thursday we will again go into the interest roulette game and the rate will go up again. Those required to refinance their mortgages will probably be doing so at a rate close to 20 per cent, if not higher.

The devastation that is occurring across the country as a result of these rates is nothing short of a disaster. Two and a half years ago we in the New Democratic Party predicted this exact situation. We said this policy would result in despair in this country, that it would hammer the economy to death. Today we are haunted by the realism of those projections.

I want to quote the comments of a couple of business and financial leaders in this country on the high interest rate policy. Mr. William Mulholland, the chief executive officer of the Bank of Montreal, said:

Industry is very vulnerable to high interest rates and an extended period of high interest rates should therefore be a matter of considerable concern. I believe that the cumulative effect is more serious than is generally realized.

William Mackness of Pitfield, MacKay, Ross said:

—the situation is continuing to deteriorate. There is a desperate need for lower interest rates, renewed economic growth and a major increase in the supply of common equity financing.

Calvert Knudsen, the chief executive officer of the giant MacMillan Bloedel corporation, was more emphatic when he said that some direct intervention by the federal government is necessary now in order to avert some economic collapse in every sector of the Canadian economy.

The other day representatives of the trust companies of Canada appeared before the Standing Committee on Finance, Trade and Economic Affairs. They suggested that if major policy changes, both monetary and fiscal, were not made by this government immediately, we would be looking at a total economic collapse within six months in this, the richest country in the world.

The high interest rate policy that continues to be pursued by this government, I suspect with the support of my colleagues to my right, will be the death knell of the Canadian economy unless that policy is changed very quickly. Canada and the United States stand out as leaders in a certain category of western industrialized nations. They are now the only two nations that are experiencing negative growth in their GNP and will likely experience that for the next number of months. Other western industrialized nations have taken action independent of the United States because they cannot afford to have deterioration in their GNP. As a result, there has been renewed growth in those economies, but not in the United States and Canada.

With regard to housing starts, on a seasonally adjusted annual basis there were 116,000 housing starts in this country. If this continues, and it likely will, this will be the worst year for housing since 1966. We will be 100,000 units short in 1982 in terms of meeting the housing demand in this country.

What is going on in the business community? It looks at the government assembled across the aisle and shakes its head in disbelief at the fiscal policies that the government keeps in place as well as the budget and monetary policies. It is perfectly clear even to a blind man that the business climate in this country is at an all-time low.

Let me quote a few statistics. The Dun & Bradstreet report two weeks ago indicated that in 1981, 151 out of 10,000 businesses failed in Canada. In 1932 at the beginning of the depression, the ratio was 161 per 10,000 businesses failed. In other words, we are nearly there now in terms of business failures in Canada. We all recognize that the United States is also experiencing severe economic difficulties. Their rate of failures at the present time is not 151 per 10,000 but 62 per 10,000. Substantially less pain is being experienced by the American business community than by the Canadian business community.

To date in 1982, business bankruptcies number 4,429, up 36 percent over last year. Personal bankruptcies in the first five months of this year number 11,426, up 18 per cent over last year. Farm bankruptcies are even worse, up 60 per cent over the same period last year.

When we talk about business failures or business difficulties, bankruptcies are just the tip of the iceberg. We talk only of the number of businesses in the receivership process. There are countless more which simply closed their doors and their owners walked away in disgust, having had their hopes and dreams dashed as a result of the difficult economic times.

• (1640)

Earlier today we had a discussion about Canada's export performance. This is an area where the government must pay more attention. In the last ten years, from 1973 to 1982—and I use the 1982 figures, Mr. Speaker, based on information from the IMF—after deducting the inflation rate, exports grew in Canada at an average of 3.4 per cent annually.

Canada is one of the world's major trading nations. We depend on exports. As a matter of fact, 25 per cent of what we produce is used for export. That compares to the United States with 8 per cent, and to Japan with about 12.5 per cent. But while we grew over the decade an average of 3.4 per cent annually, the total average for the western industrialized nations was significantly greater; it was 5.3 per cent. For the United Kingdom it was 4.5 per cent; for the United States it

was 5.3 per cent; for Germany it was 5.8 per cent; for France 5.9 per cent; and Japan 8.5 per cent. In other words, we are a major trading nation in terms of our growth of exports, but we are growing at a significantly lower rate than all the western industrialized nations.

We have to start opening up new markets. We have to start producing goods and providing services that are marketable internationally. As the member for Etobicoke Centre (Mr. Wilson) indicated, we have to start spending more money on research and development to develop these new product lines that will be available for export.

If I may use the example of France—much to the chagrin of my colleagues to the right, I am sure—the government of France has in recent months placed a great deal of money into research and development in those critical areas in which they deemed they may have a significant advantage in terms of international trade, and in the new technology firms. Of course, one of the vehicles they used was the nationalized banking system.

There is a process occurring today, Mr. Speaker, as a result of the difficult economic times in which we find ourselves, with government policies, fiscal policies, monetary policies. It is a process that we must remind ourselves is occurring. That is to say, to put it simply, the rich are getting very rich and the poor are getting relatively poorer.

We are seeing the middle class, so called, in Canada slowly evaporating; the middle class in our society is disappearing. These particular policies are not harmful for everyone. There are sectors of Canadian society that are doing extremely well today. Most people, of course, are being devastated, are being driven to the wall. The big are getting bigger and the small are getting smaller or are disappearing.

Think of any business, Mr. Speaker—carpets, draperies or small manufacturing firms which supply the housing market and so on. As they come under more and more pressure as a result of these economic times, we see small businesses falling by the wayside. The cost of their money is greater, the cost of their services is greater and they fall by the wayside. Who is left? The national chains and the multinationals that are operating within our country. We see the removal of Canadian content within Canadian business. That is why I and my colleagues react with some anxiety when we hear our colleagues to the right seeking to dismantle FIRA, to open the floodgates for more foreign intervention, for more foreign investment, for more foreign capital decision-making within our country. It is that kind of blind answer to these problems that causes me a great deal of concern. My colleagues are equally anxious that the government should not take this particular step in terms of their recovery program.

I would like to comment, Mr. Speaker, on the particular situation in my own riding. I do not want to focus on my own riding for personal reasons but I use it as an example because it is one of the more prosperous parts of Canada generally. Incomes are relatively high. It seldom experiences economic downturns even when other parts of the country are experiencing difficult times. But today the official unemployment rate in Kamloops-Shuswap is nearly 14 per cent. In real terms it is closer to 25 per cent, Mr. Speaker, because of the vast numbers of people who have long since given up hoping for any meaningful employment opportunities. This figure would be much larger if the actual number were documented. For example, the known unemployment in the forest and logging industry is 600 people; 1,200 in clerical and related activities; 600 in sales occupations; 1,000 in service occupations; 750 in processing; over 200 in the machinery sector; almost 1,700 in the construction sector; more than 600 in the transportation and equipment sectors. That is a total of nearly 10,000 unemployed. That is just one part of British Columbia. There is another 1,200 to come in the next couple of days because of massive mine closures and a major pulp mill closure.

We have a crisis of confidence, Mr. Speaker. Canadians are giving up hope in the government, obviously, in the future and then predict a more dismal future than they would ever have imagined a couple of months ago. A day does not go past, Mr. Speaker, in my riding offices that home owners are not coming in, virtually in tears, because they are going to lose their homes; or then have lost their homes and they come to their Member of Parliament to report what they have experienced. They ask what I can do. When I say there is a government program to assist people having housing difficulties, they stop. The program? If they qualify? I suspect that 99.99 per cent of Canadians do not qualify for the housing support program. And if they do, what it would essentially do would be to put them into greater debt. That is the answer of the government. The governments' solution is to create more debt than we presently have.

Quite frankly, we in the New Democratic Party do not subscribe to that solution at all. Ranchers and small-businessmen are coming into my office about to lose the property that they have worked hard for, many perhaps for two or three generations. It is almost unbelievable when you think of the minimal cash flow that these folks require but are unable to manage during these difficult economic times.

The worst is yet to come, Mr. Speaker. Even with the most optimistic hopes that people have in terms of what the government is about to announce, it will be many months before real recovery can occur; and that is if they come up with an outstanding program, which no one is holding his breath waiting for.

People are losing faith in the future, in the government, in their own abilities, because they see so many of the problems that we face today being the result, not of any fault of their own, not of any error in their judgment, but because the government, for example, follows this extremely high interest rate policy. That is what is causing the devastation. They are failing through no fault of their own.

I could go on today, Mr. Speaker, with a vast array of suggestions that have been put forward by the New Democratic Party in terms of our party's economic recovery program. The Minister of State for Finance knows what they are. The Parliamentary Secretary to the Minister of Finance (Mr.

Fisher) knows what they are. We have laid them out time and time again over the last couple of weeks, so that no one today can stand up and say that the New Democratic Party does not have an economic recovery program.

The economic programs that we have suggested that would result in a move to recovery would not cause a significantly increased deficit. We feel that the scope exists for the reallocation of funds, that present expenditures are no longer appropriate. Those existing expenditures must be reallocated into more productive capacity development, into areas that will result in return. In other words, this will move some of the present government spending, which obviously is in the budget, into some investment areas. That would invest in the future, so that even in terms of the recovery program that we propose we are not talking of additional government expenditures to any significant degree. It would include an immediate stimulus to our economic situation. It would put many of the tradesmen in the housing sector back to work immediately. It would provide an incentive to manufacturing firms right across the country that serve that particular industry. It would also provide a market for our timber products and put a large number of our forest workers back to work as well.

• (1650)

That is the kind of immediate program we advocate. Of course, the longer-term program would be to negotiate with multinational companies operating in this country. Multinational companies are a reality and will be for many years to come, but we should negotiate production agreements with those companies. If they are to have a market in this country, they should provide jobs in this country.

The Japanese auto industry is a case in point. If we are to be driving 200,000 additional Japanese vehicles each year, let us negotiate with the Japanese auto industry so that the Japanese source their parts and components in Canada and assemble vehicles in Canada as well. If this is not done at the rate of 100 per cent, then perhaps 85 per cent or 75 per cent would be acceptable; but for goodness sake let us negotiate jobs for profits with multinational companies. It would not be asking for anything particularly different. Most of the countries of the world already do that. We are simply asking that we behave as most progressive nations in the world behave today.

With respect to government procurement, I know the Minister of Consumer and Corporate Affairs (Mr. Ouellet) occasionally outlines the government's policies. The Minister of State for Small Businesses and Tourism (Mr. Lapointe) says the government is encouraging small business. That is rhetoric. It sounds great in speeches, but when it comes down to the actual fact, the procurement policies of the federal government are abysmal. They simply do not provide the support and encouragement they could provide.

In closing, I would simply like to say that the people of Canada no longer want statements from the Minister of Finance. We are being asked to support $6.6 billion in additional government expenditures. The people of Canada want to see how it will be invested and how it will be used. They want a realistic statement from the Minister of Finance. They want action. No longer can we afford statements.

Mr. Reid (Kenora-Rainy River): Mr. Speaker, I rise on a point of order. If the hon. member for Kamloops-Shuswap (Mr. Riis) has time left, would he permit a question?

Mr. Deputy Speaker: Would the hon. member for Kamloops-Shuswap (Mr. Riis) accept a question?

Mr. Riis: Yes, indeed, Mr. Speaker. I think perhaps I have a moment or two left.

Mr. Reid (Kenora-Rainy River): Mr. Speaker, my question concerns the people the hon. member quoted as saying there is an economic crisis. I believe he referred to William Mackness and to Calvert Knudsen of McMillan Bloedel. Focusing on the president of MacMillan Bloedel, does the hon. member endorse the solutions the president of MacMillan Bloedel put forward, and does he have the same concern that company has about its becoming too weak to withstand the pressures of labour unions? Does he also want the federal government to impose wage and price controls so that corporations will be able to keep wages down?

Mr. Riis: Mr. Speaker, I would like to respond to that question. I was anticipating the question, but I was actually expecting it from someone on this side.

The point I made in my presentation this afternoon was that wages and wage settlements have fallen behind the rate of inflation for five consecutive years. In other words, they are not fueling inflation in this country. The purchasing power of Canadians has deteriorated for five consecutive years, and anyone who would suggest that the solution to our economic problems is to impose wage controls is either simple or naive or both. The point of quoting Calvert Knudsen was that he is a man who represents one of the most significant industries in the country. He is a knowledgeable individual in the woods industry. He predicted an economic collapse if the fiscal and monetary policies of this government are not changed. I think this person is worthy of being listened to.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I would like to express my appreciation for the opportunity to take part in today's debate on Bill C-111, to provide supplementary borrowing authority. As Parliamentary Secretary to the Minister of Transport I am privileged to comment on the bill as it affects transportation, and I am very pleased that the official critic for the New Democratic Party understands the importance of investment. I do not think there is any more important sector of the economy than transportation, and it is important that we invest in that sector for the future growth of Canada.

We heard from the official opposition about the importance of stimulating the economy to create jobs. I am taking part in this debate because I think vast investments in transportation would have a stimulative effect on the economy and would create jobs without fueling inflation as such investments in other sectors of the economy would.

From the perspective of transportation as a whole, the importance of this bill cannot be overstated. As members of this chamber are very well aware, transportation has played a significant role in the development of this vast country and in keeping it together. The excellent movement of passengers has helped to bring Canadians closer together and has contributed to their high standard of living. An effective system for the transportation of goods has permitted, and contributed to, the development of the Canadian economy.

Responsibility for management of the national transportation system from the federal perspective falls under the jurisdiction of Transport Canada, the Canadian Transport Commission and a handful of Crown corporations such as Air Canada, CN, the National Harbours Board, the Northern Transportation Company Limited, the St. Lawrence Seaway Authority and four pilotage authorities.

Transport Canada is a very complex operating department, as I am beginning to find out in my new role as Parliamentary Secretary to the Minister of Transport. Because it is responsible for air, marine and portions of the surface modes of transport, its activities affect the daily lives of most Canadians in some way. In addition to employing some 22,000 persons Transport Canada and the Canadian Transport Commission expend large sums on the nation's transportation system. Expenditures for 1980-81 by Transport Canada and the CTC totalled $1.8 billion.

I mentioned the number of people Transport Canada employs, and I am very pleased to say that Transport Canada is an equal opportunities employer. It employs many women, many men and many handicapped persons. I want to emphasize that Transport Canada, as well as other departments, is an equal opportunities employer.

The role of Transport Canada is to attend to the development and operation of a safe and efficient national transportation system which contributes to the achievement of government objectives, and to operate specific elements of the system. That is a tall order and it costs a lot of money. Increasing demands are being placed on the federal government in relation to transportation needs. We are all concerned that transportation is developed, as far as is reasonably possible, to meet the needs of Canadians and to improve the economy. At the same time the government must always be prudent in managing its expenditures. It is of paramount importance, therefore, that funds for transportation are invested wisely, to use the words of the official critic of the New Democratic Party. The theme of my remarks today will be investing wisely the funds we are going to get through this borrowing bill.

The significance of transportation in terms of bringing this country together and forming a link between the remote areas of Canada and the more established centres was recognized at a very early stage in this country's history. To illustrate, in 1881 the federal government struck an agreement with the Canadian Pacific Railway to build a transcontinental rail link. The agreement provided for $25 million in subsidies and 33 million acres in land grants. In contrast to the dollars set aside today even for modest projects the figures are not substantial, but in terms of what that investment accomplished they are indeed significant.

Later on, in 1897, to complete the link—both psychologically and physically, if I can say so—another agreement was signed with CPR to build the Crowsnest Pass line, a topic about which we have heard much in the last few months. This line, approximately 300 miles long, was constructed to keep American railroads out of that part of southern British Columbia. Again, it was an investment for the future in more ways than simply an investment of dollars. It was the staking of a physical claim on the future wealth and prosperity of British Columbia for the benefit of all Canadians both east and west of the Rockies.

• (1700)

The need to invest dollars in transportation was recognized then and is still considered an absolute necessity in order to stimulate economic growth. Unless major investments by the railways proceed, capacity restraint in the western transportation system will soon be evident. By now all hon. members should be aware of the government's commitment of $3.2 billion over the next four years toward the movement of grain. This money will help overcome the critical shortfall in railway revenues and assist the railways in making the much needed investments.

Out of these funds an order was placed by the federal government in May of this year for the construction of 1,280 hopper cars for grain service in western Canada. This order, worth approximately $80 million, will help alleviate the serious unemployment situation by creating 1,500 jobs in the builders' plants in Trenton, Nova Scotia, Sorel, Quebec, and Hamilton, Ontario, for a period of two or three months and 750 jobs will also be created with suppliers for the same period of time.

In November, 1981, the Minister of Transport (Mr. Pepin) signed an agreement with representatives of Canada's two major railways involving expenditures of $255 million for continued branch lines to 1984. The agreement further strengthens the goal of a modernized branch line network. Total expenditures on the rehabilitation program will reach $495 million by 1984, a considerable investment in western Canada which will benefit all Canadians.

Complementary investment is required, of course, to accommodate the anticipated growth in the movement of bulk products, especially in the west. I should like to give a few examples of port projects, sponsored in part or in whole with federal funds.

In August, 1980, an agreement was signed with the government of British Columbia and the Nanaimo Harbour Commission for the development of a two-berth forest products shipping terminal at Duke Point, Nanaimo. The total cost was $20.9 million, including a $6.3 million federal government contribution. The initial phase, including the construction of the two wharves, was completed in September, 1981.

In September, 1980, agreement was reached with the Prince Rupert grain consortium for the development of a three

million tonne annual throughput grain terminal at Ridley Island. The federal contribution is more than $30 million.

In November, 1981, agreement was entered into with coal companies and the Government of British Columbia for the development of a 12 million tonne throughput capacity coal terminal at Ridly Island. The project, to be undertaken by the National Harbours Board, will cost approximately $280 million.

In February of this year we reached agreement with the provinces of British Columbia and Alberta for the development of a two million tonne annual throughput liquid petrochemical shipping facility. The National Harbours Board will build the wharf at an estimated cost to the federal government of approximately $70 million. The facility will be ready to receive petrochemicals in early 1985. This is an investment today for the future good of our country.

So that members of the House will not feel that taxpayers' money is just being invested in the west, let me give some examples of the federal government's investment in the east. Investment in port development—investment for the future—is also taking place. In the port of St. John's construction is underway on a potash terminal. The total estimated cost is $22,400,000. Expansion of Long wharf and Rodney terminal and the construction of Lower Core terminal are other projects which were recently completed in 1981. Total cost of these projects was $24.8 million.

Construction and operation of Fairview Cove container terminal in Halifax, Nova Scotia, is due to be completed this month. The cost of the project was shared between the federal government and the province of Nova Scotia, with the federal government assuming responsibility for $29.095 million of the $35.595 million price tag.

I emphasize the concept of investment here, not just spending. Canada's economy will realize a hundredfold or a thousandfold return on this investment.

Turning to passenger transportation, the federal government, in the interests of promoting rail passenger services, has agreed to allocate $1.1 billion in operating subsidies to VIA Rail for 1981-82 to 1983-84. VIA's capital budget was doubled over this period allowing ten more LRC—light, rapid and comfortable—train sets to be ordered, in addition to the ten sets ordered earlier, to enable the LRC service to be extended to western Canada and the maritimes. This latest order, announced by the Minister of Transport in April, will cost over $140 million and represents more than 2,000 person-years of work for the Canadian railway manufacturing industry and its suppliers. I emphasize the job-creation feature of this investment. The first order of ten sets, placed in 1977, was for over $90 million.

From the perspective of air transportation, the growth in demand is expected to continue, although at levels lower than those of the past two decades. New or expanded airport facilities will be required. In 1981, cabinet approved substantial increases in the amount of money allocated for airport capital investment. An additional $20 million has been allotted for 1981-82, $40 million for 1982-83 and $60 million for 1983-84.

Air terminal projects are planned or in progress at airports all across Canada at the following locations: Gander, St. John's, St. Anthony, Charlottetown, Saint John, Fredericton, Quebec City, Hamilton, Toronto, Ottawa, Winnipeg, Regina, Calgary, Fort Nelson, Fort St. John, Kamloops, Victoria, Vancouver, and Whitehorse. I could go on and on, Mr. Speaker.

In Labrador and in northern Quebec, funds have been allocated for air transportation infrastructure. A community airports assistance program has been established to financially assist municipalities and local airport associations to improve facilities at small airports.

One of the recurring themes in transportation today is safety. The House has seen reports from two commissions of inquiry on this subject, the Grange commission on the Mississauga derailment and the Dubin commission on aviation safety. The tragic loss of the *Ocean Ranger* has reminded us of the dangers at sea. And we sometimes forget that every year over 5,000 people are killed on our roads and highways.

What does this have to do with the borrowing authority bill before us today? Again, money is involved. It costs money to promote safety, to enforce safety standards, to maintain a safe transportation environment, and most of all to compensate for a disregard of safe practices. Let me take these areas one by one and illustrate with examples in different modes of transport.

It costs money to promote safety. This statement is true, but it has a very positive side to it. The cost of promotion is negligible compared to the results that can be achieved. Recently, Transport Canada launched a safety campaign aimed at weather-related aviation accidents. I understand it cost in the vicinity of $100,000. There were complaints from taxpayers that the advertisements were morbid and costly and I suspect that some people would complain of the government's excessive advertising budget.

Mr. Blenkarn: I guess.

Mr. Flis: The hon. member for Mississauga South (Mr. Blenkarn) says "I guess." I suggest that he listen to what comes next. The results of the campaign have been outstanding. In 1981, there was a 27 per cent drop in weather-related accidents. Ten fewer lives were lost than in 1980. Maybe the hon. member for Mississauga South is not interested in saving lives, but we are. It has been estimated that savings in damages, medical costs and the like were in the order of $7 million. Not bad for a $100,000 investment.

• (1710)

In addition, Transport Canada undertakes seat belt promotion campaigns in conjunction with the provinces, and certainly they cost money. But if the rate of use of seat belts had been 80 per cent last year instead of about 40 per cent, at least

1,500 lives could have been saved. That is between one quarter and one-third of last year's road casualties.

That brings me to the topic of enforcement. Four provinces now have seat belt legislation and even with limited enforcement seat belt usage is above that of the other six provinces. With additional enforcement and promotion a tremendous improvement could be achieved, not to mention a reduction in the $3.5 billion lost to the Canadian economy as a result of road accidents.

One of today's most urgent needs is the strengthening of research and development in transportation. Improving productivity, holding the line on energy consumption, and supporting such related energy areas as Arctic transportation of oil and liquefied natural gas are key areas in which R and D should be accelerated. Transportation currently consumes close to 50 per cent of the oil used in Canada. To increase energy efficiency and reduce operating costs, the investment must be made in R and D activities. In June, 1981, the cabinet approved additional funding in the amount of $19 million for a three-year plan of programs for rail freight and Arctic marine transportation. The investment is being made with the intent of future savings. This type of investment is recognized by all, I am sure, as being essential to the future of transportation.

Enforcement is an issue which received considerable attention in the Dubin inquiry. Judge Dubin concluded that enforcement of air safety had not been sufficiently vigorous and he recommended stricter enforcement practices. The recommendation was accepted by the minister and new enforcement procedures are now going into effect. There is no question this requires additional resources but if the result is fewer accidents, surely the cost is worth it.

Moving to the problem of maintaining a safe transportation environment, we find the expenditure requirement can be considerable. The radar modernization program which will contribute to safe air traffic services will cost hundreds of millions of dollars. There is an ongoing and costly requirement for improved navigational aids, beacons, landing systems and so on across Canada. The magnitude of these expenditures is such that not all demands can be fulfilled. Priorities must be established and decisions made on where to allocate scarce resources. Part of maintaining a safe environment is the promulgation of safe standards, whether it be for automobile design, operating practices of a railway, or for the packaging and marketing of dangerous commodities. Here again administrative costs are not very great in relation to the returns obtained from reducing the number and severity of accidents.

The final area I mentioned was the cost of compensation for disregard of safe practices. Enforcement and development of safe standards and practices, and their promotion, have one thing in common: prevention of accidents. But what happens after an accident occurs? The responsibility of the government in this area covers search and rescue activities and the investigation of accidents.

Search and rescue is extremely costly and some of the most difficult decisions have to be made in this area. It would, of course, be nice to plan for search and rescue coverage which could reach the scene of an accident in minutes no matter where and when. We could if we had unlimited funds, but we do not. The bill being debated here demonstrates that convincingly, so again priorities must be established, decisions made and expenditures made prudently.

Just last Friday I had the opportunity to have a look at our search and rescue practices on the west coast. I was very impressed with the three hovercraft we have, which cost between $1 million and $3 million each. I was told that they can reach almost any accident within three minutes. Now, wouldn't it be great if we could have 50 such hovercraft covering our coastlines? But can we afford it? At this point I guess not.

It is perhaps a bit difficult, Mr. Speaker, to tie this into my theme of transportation investment for the future. Spending on transportation safety does not build an infrastructure which contributes to economic development, such as port facilities, railways or airports. It is, nonetheless, essential and demands for increased spending on transportation safety are at least as strong as demands on spending for economic purposes.

I have only touched on the major investments in transportation. We are all cognizant of the fact that the transportation industry is a major contributor to the economic wellbeing of Canada at all levels. An efficient and effective transportation system makes an even greater contribution to the wellbeing of all Canadians. We have accomplished much but we also recognize that much more has yet to be achieved in order to develop our national transportation system into one of the best in the world. Investment in transportation is an investment in the future of Canadians. In an era of world recession and tough times I think those investments will stimulate the economy and create jobs without overfuelling inflation. We must continue to develop the national transportation system in order to maintain a very crucial link to our economic well-being.

Mrs. Mitchell: Mr. Speaker, I wonder if the last speaker would entertain a question?

Mr. Flis: Yes, Mr. Speaker, by all means.

Mrs. Mitchell: At the beginning of the hon. member's remarks he referred to Transport Canada as an equal opportunity employer. Would he tell the House what proportion of women there are employed in that department, particularly in non-clerical jobs; and would he also tell us whether he feels that a compulsory affirmative action program is needed in that department in order for women to have equal opportunities and equal pay for work of equal value?

Mr. Deputy Speaker: The Chair has some concern about the relevance, but the parliamentary secretary wishes to answer the question.

Mr. Flis: Mr. Speaker, the official opposition is saying: "Don't waste the time of the House". I think a discussion on equal opportunity employment is time well spent in this House. I do not have the exact percentage breakdown of the 22,000 people employed by Transport Canada, but I will get it for the

hon. member. I will also send to her the figures on the number of handicapped our department hires. I think it was a very good question and I welcome it.

• (1720)

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the hon. member for Parkdale-High Park (Mr. Flis) spoke at length about transportation. It would be fine if the money we were borrowing today was not money to pay the grocery bill, but it is. It would be fine if it were not money to pay interest for debts previously borrowed, but it is. It would be fine if the money we were borrowing today was not money to pay for the VIA Rail deficits or money to pay for the Mirabel deficits. But it is.

The hon. member talked about money for advertising. Imagine borrowing money for advertising. If we were borrowing money to turn the economy around then maybe there would be something in favour of it. If this bill were tagged for the purpose of borrowing money for worthwhile capital improvements for the productivity of Canada, then probably all of us could get together and praise the government for doing that type of thing. But that is not the case.

Mr. Riis: Unfortunately.

Mr. Blenkarn: It is very unfortunate. This bill is only the first of its kind this year but the third in this session of Parliament. When this House was called together after the February, 1980, election, we were presented with a borrowing authority bill for $12 billion. Within less than a year we were presented with another bill for $14 billion. We have before us this bill for $6.6 billion. We now have over $32.6 billion in borrowing authority for this session. Yet we are told by the Minister of Finance (Mr. MacEachen) that this will only be a downpayment on what he needs, that he will have to come again before this House with another borrowing authority bill before this calendar year is over and ask for more. We have asked him how much more. He does not know.

Mr. Wilson: Or he will not tell.

Mr. Blenkarn: What are the Minister of Finance's income anticipations now that his budget is over six months old? He does not know. Where is the Minister of Finance going on corporate tax collection? He does not know. Where is he going on personal income tax collection? He does not know. Where is the Minister of Finance going on sales tax collection? He does not know or he will not disclose it. I say to you, Mr. Speaker, as a former leader of this party, the late Right Hon. John G. Diefenbaker often said in this House of Commons when he challenged the other side, where are we going?

Before we ask that question, we must determine where we are and how we got here. We are now in the worst depression this country has had since the 1930s. Indeed, if you were to do a comparative history performance of the financial concerns of this country, you might compare the period we are in right now with late 1931 or perhaps January, 1932. We have had a bank inquiry. Members of the committee asked senior banking officials and senior economists whether Canada has yet reached the bottom and whether Canada has gone down as far as it can go. The answer given to both questions is no. The officials were asked when we will have a turnaround. They told us that they do not know.

We have a government that blames the world for our troubles. It blames the Americans. The Americans are terrible people, we are told. They lower their income tax. The Americans are terrible people. That is what we hear. On a per capita basis the Americans borrow half as much money as we do. Therefore, the Americans are at fault for our high interest rates.

Maybe it is the Japanese who are at fault. They do not trade fairly with us. The Japanese sell us products and do nothing about keeping our jobs and keeping our people employed in Canada. The blame for our troubles is always placed on someone else. Until this year the provinces were the ones at fault. It was the terrible people from Alberta. Now it is the terrible fellow who runs the province of Newfoundland. It is always someone else. What we have is confrontation. Someone else is responsible for Canada, not the government in this House. That is the answer we are given. It is not an answer.

This government fails to recognize the potential of this country. It fails to recognize that we have more people who are literate on a per capita basis than any other country in the world. We have more mineral resources, more oil and gas resources, more fresh water resources. We have more of almost everything than any country in the world.

Canada is closest to the largest market in the world. Give any other country in the world the opportunity to be where Canada sits, with the resources Canada has, with the potential Canada has, and would it have a government that begs and cries for $6.6 billion and at the same time says it is not enough? Of course not. We have a government that is so worried about foreigners and foreign investment that it does everything in its power to throw out investors.

Mr. Riis: Not FIRA again!

Mr. Blenkarn: My friend says "Not FIRA again". I want to say to the hon. member that we are a capital-short country. We need all the capital we can get. We need savings.

Mr. Riis: We have savings.

Mr. Blenkarn: The hon. member says we have savings. Well, I want to tell the hon. member right now that while Canadians save more per capita than Americans, Canadians save only half as much per capita as the British and only one third as much per capita as the Japanese.

Mr. Evans: That is not true.

Mr. Blenkarn: We do not save nearly enough. We need as much capital in our country as we can get. If we have to get it from the far corners of the world, so be it. But let us have it so that we can develop our nation and put our people to work. Any policy and any government that deliberately discourages

investment and opportunity for Canadians cannot be a government that is honest with its people and it cannot be a government that is fair with its people. When they see people lined up in unemployment offices—

Mr. Riis: In soup kitchens.

Mr. Blenkarn: My friend says soup kitchens. And he says keep out foreign investment.

Mr. Riis: Right.

Mr. Blenkarn: That is how the hon. member wants to put people to work. We have a National Energy Program designed to discourage people from exploring and developing the country, that deliberately treats one investor and one explorer different from another with PIP grants and all sorts of other gimmicks that try to direct where a driller should drill, where an explorer should explore or where a producer should create, all of which will come from an ivory tower over at Dow's Lake.

We have a budget before us for which not one single amendment to the Income Tax Act has been presented, yet that budget was produced back in November. Even according to the Minister of Finance in the committee hearings on this bill the budget has been declared inappropriate, yet we proceed with the borrowing requirement set out in that budget. We wonder why people are discouraged when they do not know where they stand with their deferred profit-sharing plans, with their life insurance, with capital cost allowances, in terms of corporate tax, with respect to mergers, with respect to expanding their business and with respect to putting money into subsidiaries in foreign countries. People do not know where they stand. They ask their accountants. They do not know. This government does not know. Yet this government has the insufferable gall to come before this House of Commons and say: "In our budget we need $6.6 billion; therefore, give it to us." That is insufferable.

The government wonders why people are unemployed. It wonders why businesses go broke. Yesterday I was not here because I was in my constituency office. Three people came to my office who were involved in businesses in Mississauga. They were telling me of the problems their companies were facing.

• (1730)

In my city there is a company which manufactures grinding machinery for the mining industry. Where is that company headed? I can tell the House that it is the only totally Canadian-owned company involved in the manufacture of heavy mining and grinding machinery for the mining industry. It conducts business all over the world, but it will probably be bankrupt by the end of August.

How did we get into this situation? It is due to a credit society which had been established when the government took power in 1968. At that time it changed tax laws which allowed for the expansion of credit to the point where business and industries today are in a terrible credit position. A wide variety of businesses have outstanding floating demand loans which they cannot pay off at the current interest costs, which have been brought about by the mismanagement of this country. Since the government took power it became fashionable to borrow rather than to float stock equity issues because the government inflated the money supply so that lenders did not get quite the inflation rate. Consequently, it became profitable to borrow. Many corporate entities are up to their ears in debt. Indeed, Premier Lougheed, when speaking in Toronto, said that approximately 38 per cent of the cash flow of businesses in his province went to pay interest. Mr. Mulholland said at the bank committee hearing that in the last quarter of 1981, 65.7 per cent of before-tax profit income of companies went to pay interest. This applies to companies which have over $10 million in assets.

What will we do about this situation? The answer clearly is that there must be a change made to our tax system to encourage equity investment, risk investment and entrepreneurship. However, that is exactly what the November, 1981, budget and the October, 1980, budget discouraged.

I have already talked about government deficits, but as these deficits grow it can be seen where we will head. My colleague, the hon. member for Etobicoke Centre (Mr. Wilson) suggested where we are heading. The hon. member for Kamloops-Shuswap (Mr. Riis) indicated where he could see us heading.

It does not take much imagination to realize what is happening when we see manufacturing industries in this country operating at 75 per cent of their capacity in the last quarter of 1981. It becomes evident when you go back to your riding that the statistics of the last quarter of 1981 are ancient history because these industries are probably operating at an average of 62 per cent of capacity at the most. As a Member of Parliament you must realize that the corporate taxes being paid will not be $15 billion as shown in the budget but probably around $9 billion. You must know that on corporate tax alone, the government will come up short by at least $6 billion. If hon. members have studied the unemployment statistics they must realize where we are headed with the Unemployment Insurance Act when payments are paid to 1.250 million Canadians certified as unemployed or 1.8 million in real unemployment, as indicated by my hon. friend. Where are we headed with the welfare or social assistance payments which have been necessitated by the current depression in our economy?

The government has promised to give a statement by the end of the month. Why would they not produce a statement before the introduction of this bill? The government introduces the bill and then tells us it will produce a statement after the House gives it the authority to borrow money. Are we to carry on with the current philosophies which have led us into this dilemma?

Bruce Hutchison, who is certainly not a Conservative, said something in an editorial in the *Vancouver Sun* on May 22 about the philosophies of the political parties. In that article he said that, "In the popular cliché there is no real difference between the government and the opposition. That is untrue. A

profound difference exists, and you can take your choice of alternatives. As oversimplified in this brief space, the Liberal party stands for bold governmental intervention throughout the economy. The Conservatives stand for less intervention. Liberals rely on the wisdom and benevolence of the State, Conservatives on the justice of the market." That is the case.

The Liberal-NDP party, or the Liberal Party and the Liberal party west believe in massive state intervention. They advocate spending more taxes, borrowing more money, spending more money and wasting more money while they refuse to deal with the hard realities that if you are going to spend the money you must first earn it. If you are going to build the country you have to put the money into the ground. The equity investment must exist and entrepreneurship must be encouraged in order to make it grow.

Mr. Riis: Who says that?

Mr. Blenkarn: All that the hon. member has to do is to read some of the speeches he and his colleagues have made to see where they stand in terms of state intervention.

I have asked where this country is headed. I would like to suggest where we should head. First, we will never progress if we keep the November 12 budget. Even the Minister of Finance has stated that the budget is inappropriate because of changing conditions. The budget is not working because it did not address the problem. The minister admitted that fact during committee hearings. Indeed, the Minister of State for Finance (Mr. Bussières) admitted that in the House this afternoon. Therefore, why does the minister not withdraw the budget? The government should get rid of the budget and the uncertainty it has caused Canadians and return to the drawing board.

The National Energy Program was introduced in November of 1980. It was said by members on this side to be a disaster from the day it was produced. When we first criticized it the government said that we were out to protect the big multinational oil companies. Those companies are doing quite well. It is the average Canadian oil company which is in difficulty. One can find evidence of this by simply looking at the marketplace to see what companies are in trouble. It is the Canadian oil companies. They are in trouble because the National Energy Program prevented them from raising the necessary equity on the world market to build their companies. It has prevented them from issuing shares in New York, Tokyo and London. You could not find enough investors in the world to risk capital for drilling in the Beaufort Sea or off the coast at Hibernia. In Canada alone, who would risk that money? Although many Canadians may risk their money, others are needed to help them take that risk. These are high risk ventures, and the Canadian oil companies require high risk money. However, what did the National Energy Program do? It made it impossible for those companies to acquire the high risk capital and it got them involved deeply in high interest loans instead. That is why they are in trouble. Indeed, the industry is in trouble when one ends up with a situation as discriminatory as the NEP and when there are back-in provisions and the like which affect Canada lands. No one will invest in a situation where the view from the marketplace is that the government is likely to expropriate one's assets virtually without compensation.

• (1740)

We need a program of tax allowances. We need a program of encouragement. We need a program which will give people who will invest a chance to make a real buck. We must encourage the person who is prepared to gamble on Canada. There are such people out there, but one will not encourage that kind of investment as long as there is a capital gains tax, as long as there is a situation with respect to pension funds or RRSPs where there is no way in which the capital gain made behind those funds can be treated as a capital gain in the hands of the investor when he eventually takes the money out of the fund. The whole pension system we have in our country, with the investments behind pension funds, is designed to promote interest for a debt investment as opposed to equity investment. Until we are prepared to change some of our basic tax laws to make equity investment more profitable, we will not get that kind of investment.

I see that the hon. member for Ottawa Centre (Mr. Evans) agrees with me. I am glad to hear that. I hope that when he is speaking with his colleagues he will be able to do something about changing the priorities here to get some equity investment and provide some opportunity for people to build the country and take the risk.

Mr. Wilson: Where was he last year?

Mr. Blenkarn: My friend, the hon. member for Etobicoke Centre asks, where was he last fall? If I recall, he was out defending the budget.

In any event, we need another thing, and that is, a sound money policy. Now, my friends to the left would probably have us print money, or would like to see some control situations; perhaps foreign exchange controls. Their leader spoke about foreign exchange controls. Perhaps they would like to nationalize the banks. What we need is a sound money policy, but one which will ensure that there is enough credit in the system to finance the transactions in the system. I say to Your Honour that it is impossible to control inflation satisfactorily by simply reducing the money supply. One must continue to have enough money in the system; otherwise, the system itself comes to a grinding halt. Over the past year and a half, in order to protect the exchange rates, the operations of a bank have been such as to keep the supply of money unrealistically low. I say that in an effort to protect exchange rates, that was the wrong move. What we need is some sense in our money supply, not to print money crazily but to ensure that there is at least enough money available to satisfy the credit needs of the country.

What we need is a program to assure those who invest in Canada and who consider what is going on in Canada that the federal deficit will be reduced and changed to a surplus position over a five-year period, and that we will not continually borrow against our children's future. We have received no

program from this government; indeed, we received no such program last November that would in any way indicate that this government has a method of getting the country out of the hole.

As long as this country continues to portray to the rest of the world that we will forever finance Canada by going to the marketplace and borrowing larger and larger sums of money, our dollar will forever be weak, we will have inflation forever and we will forever have a sense of lack of confidence in the country. What we must do is demonstrate not only to Canadians but also to the entire world that management means paying one's bills with the money on hand, not the money borrowed from one's neighbour.

What has happened since we came back after the election of 1980? We have run our debt, our net debt, from roughly $65 billion to $92 billion or $93 billion, and that in barely two years. We cannot continue in this way, particularly in view of the interest rates we are paying. This year we will pay probably close to $17 billion in interest, far more money than this government ever spent when it was first elected under the current leader. That cannot continue. We must have a program to ensure that the government finances and pays its bills with the money it takes in taxes, and no more. We must get away from this concept that we can continue forever in deficit. We must have some program to limit government expense.

The other day in the House, on June 10, I suggested to the Minister of Finance during question period that he should consider some of the suggestions which had come from the banks, from the Royal Bank and from the Bank of Commerce. In reply, the Minister of Finance said that cutting government expense was the problem because everyone wants to do it in general but no one wants to bite the bullet. He said:

> I advise the hon. member to show his hand by going into committee and indicating where he thinks government expenditures ought to be reduced.

I want to point out to the Minister of Finance, through the Minister of State for Finance that the estimate hearings before committees have been terminated, in accordance with the rules, but if he sincerely wanted the help of the Parliament of Canada in reducing government expense, he would form a special parliamentary committee on government expense to open up those estimates again, to go into detail in depth and to take out of the government expense of this country as much as could be taken out. I suggest up to 10 per cent. That might eliminate some services and cut back on some things that we have enjoyed. But when the homes of people in my riding are being foreclosed because they cannot pay their monthly mortgages, I have a hard time saying to them, "Yes, but we increased the budget of the CBC." I have a hard time telling them how important the National Film Board is. And I have a really hard time telling them how important it is that Canada use over $1 billion a year in support of foreign-aid programs.

I think it is about time that Members of Parliament were entrusted by the government to take a look at some of the expenses and go over them with a fine-toothed comb, and then to say, "Yes, we like that program, but in our scale of priorities it does not count as much as something else." We would be responsible, as the House of Commons ought to be, for controlling the expense of government.

About two weeks ago we had a debate concerning some major projects in Canada, the Alsands and the Cold Lake projects. Those were megaprojects and they fell apart. Surely to goodness it is time that the government went back to the drawing board and looked at its tax laws and the sense of trust people have for this government, and said, "What can we do on a matter of confidence to get people to invest in these projects again?" Projects do not make sense if one has to pay 20 per cent interest on money from day one. But they might make sense to the Japanese who may want to secure a source of oil. They might make sense to the Americans who might want to secure a source of oil. They sure as heck would make sense to people who were working in steel mills in Hamilton, now laid off, at least 20 per cent, and they sure would make sense to unemployed people in St. Catharines and Brantford. We can let them take a portion of the product as payment for the money they put in. The prime rate in Japan is 6.4 per cent. If we had put 6.4 per cent in the mathematics for Alsands and Cold Lake, those projects would be going ahead. How do we make them go ahead? We offer to pay for them in the product we take out of our soil. We build our country with our own resources. We must make our country work again and get things going. There is no need to be foolish or to have unemployment when we have the resources that would make prosperity possible.

• (1750)

Getting back to the borrowing authority bill, where are we going? The government comes to the House of Commons for authority to borrow based on a budget which it says is inappropriate. We have an economy where more and more people are out of work every day. Companies are going broke, whether by bankruptcy, receivership or just walking away. There is no direction, no plan. The people of Canada have no confidence.

Members of the Liberal Party will have to accept the responsibility within the next week or so. We know they meet in caucus and are having other discussions about changes regarding the financial concerns in this country. They have a responsibility to the people of Canada because things can only be changed in the parliamentary sense with a vote.

The responsibility of those opposite is not to sit back and say they will support their party right or wrong. The policies proposed by those who control the levers of power and the party of government are not Liberal policies, policies of free trade, expansion and development of the liberty of the individual. They are policies of government control, statism, waste, direction from the ivory tower.

Members of Parliament must address these policies. If they cannot be addressed by those who hold the levers of power, Members of Parliament collectively have a responsibility to face the problems. If they cannot be faced in caucus, they must be faced on the floor of this House.

If we love our country, if we want to know where we are going and want to build this nation instead of letting it go down the drain, in order to pull ourselves out of this depression Members of Parliament must work together. If the government cannot produce answers, we must produce the answers, and there must be a new government.

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, in his remarks this afternoon, the Minister of State for Finance (Mr. Bussières) indicated that the projections of the November, 1981, budget had been undermined by unexpected economic conditions and consequently there is a necessity for additional borrowing to meet the deficiencies.

This is nothing new with this government. Time after time it has made projections and forecasts which have been completely out of whack. This does not seem to affect the government very much as it keeps on going in the same way. Time after time we have seen this happen. The government comes in with no apology. It just announces that it was wrong and states that the demands it will be required to meet will necessitate additional financing.

The purpose of Bill C-111 is to authorize the government to borrow a further $6.6 billion to continue the financing of its spending operations. To underscore the government's dependence upon this type of legislation to finance its operations, I would point out that this is the third time during this session that we have been called upon to agree to or vote on such a borrowing bill.

First there was Bill C-30 to borrow $12 billion, then C-59 to borrow $14 billion and now this bill to borrow an additional $6.6 billion. This is in spite of the fact that in 1980 the growth in the Canadian economy was zero, our worst performance in 36 years. Productivity has fallen, employment has reached a disastrously low level, inflation continues to increase, and housing starts are in serious decline.

When we travel across this country or go to our constituencies, we find that conditions are such that concern has deepened into fear, fear has deepened into frustration and we have reached the point where frustration has deepened into intense anger.

There may be those who say that is a pretty dark prediction and there is no basis in fact for such an allegation. However, the other day I spoke with some people from my constituency who told me that in that area the general feeling is that steps must be taken to bring this government to the point where it recognizes the problems facing the country. They want us to do something that will be fully justified, even if it means ringing the bells again and keeping them ringing. When it reaches that point, it is becoming very serious indeed.

The Minister of State for Finance smiles. He probably has not been to British Columbia recently and therefore does not know what is going on there. Possibly he does not even know what is going on in the rest of Canada. The conditions of the country fail to reflect the bright prospects envisaged by the Liberal Party spokesmen who painted pictures for the future if the Liberals were returned to office. On January 12, 1980, the leader of that party said in Toronto that they have an economic program for the eighties which will enhance dignity, create opportunity and provide security.

[*Translation*]

Mr. Deputy Speaker: Order. It being six o'clock, I do now leave the chair until 8 p.m.

At 6 p.m. the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

Mr. Patterson: Mr. Speaker, at six o'clock I had just completed referring to a statement that was made by the leader of the Liberal Party in January, 1980. He stated this:

> We have an economic program for the eighties which will enhance dignity, create opportunity and provide security.

Some hon. Members: Hear, hear!

Mr. Patterson: I hear the "hear, hear" from the other side, but possibly if we take a look at the record since that time, we will find that it has hardly measured up to the expectations of the speaker at that time, the leader of the Liberal Party.

I notice the words "will enhance dignity". I looked up the word "dignity" in the dictionary and I found it means true worth, self-esteem. I would like to ask the question, does it enhance one's self-esteem when a person's dream of achievement or success in an endeavour—for instance, the ownership of a home or the development of a business or a farm—is crushed and broken by the intolerable burden of taxation, the frightening load of exorbitant interest rates and the nightmare of bankruptcy? I would suggest that this hardly measures up to the expression that was used in the anticipation of the years when the Liberal Party reassumed office.

What were the opportunities? To work for four or five months of the year to finance governments? A government that has absolutely no feeling or sensitivity to the needs and aspirations of those who pay the bills?

As far as security is concerned, I say, Mr. Speaker, that this government is leading the country on a disaster course rather than on one that will enhance dignity, create opportunity and provide security.

While one is inclined to sympathize with the government in its dilemma, we sympathize more with the ordinary taxpayers who are being called upon to hand over an ever-increasing share of their income to cover the increasingly voracious demands of this government and its incompetent handling of the resources that are placed at its disposal by the taxpayer.

Perhaps I should offer sympathy as well to the supporters of the government in this House, as they have been valiantly endeavouring to defend a record that is totally indefensible. I think one needs to review the history of this present session,

now spanning a period of over two years, during which the policies of the government have proven to be a national disaster. No sector of our society has escaped the government's assault on practically every principle and institution that Canadians have cherished and benefited by for, generations. In fact, the Solicitor General (Mr. Kaplan) has described publicly the recent budget as a national disaster.

The enterprise system that resulted in one of the highest standards of living in the world has been thwarted, strangled and penalized, by a calculated plan of government intervention and regulation, until today Canadians occupy about the thirteenth or fourteenth spot in the standard of living scale in this world of ours. The Canadian economy is on the skids and the Minister of Finance (Mr. MacEachen) has indicated that there is little that he can do—which is a terrible confession—because of the "bad" Americans.

When the Minister of Finance introduced his infamous budget, it was met with universal anger and rejection. The underlying principles stated by the minister were restraint, equity, and economic renewal. But the contents of that budget constituted a cynical and coldly calculated attack on the very principles they were allegedly designed to advance. The business community was shocked. The agricultural sector was irate. The economically disadvantaged were further dispirited. The home owners were disillusioned. And those proud citizens who were struggling to maintain their independence and also assist in helping those who, for unavoidable reasons, cannot provide for themselves, found that an unconscionable government was about to deprive them of the ability to provide for themselves, let alone contribute to the general good of the country.

Responding to the impassioned appeal on behalf of Canadians made by my colleague, the hon. member for St. John's East (Mr. McGrath) in a recent debate, the Minister of Employment and Immigration (Mr. Axworthy) berated him for his evangelical fervour in presenting his case. Mr. Speaker, perhaps more of such fervour might result in a greater sensitivity to the needs of our people. Some of the objectives of evangelism are conviction, repentance, restitution and reformation. If the Minister of Finance would follow this pathway, it would be of incalculable benefit to the people of Canada.

• (2010)

My leader, speaking to the Ontario Real Estate Board in Toronto on March 2, 1982, stated:

> Ottawa today is governing against the traditions of Canada, governing against the nature of Canada, governing against the interests of Canada and governing against the wishes of Canadians.

I believe that is a very stern indictment, but I believe it is very close to the truth. So, perhaps repentance and reformation would be a very appropriate path for the Minister of Finance to follow.

The bill we have before us is a bill to authorize the Minister of Finance to borrow an additional $6.6 billion.

Mr. Paproski: That is only this week.

Mr. Patterson: We remember that not too long ago a bill was before the House authorizing the borrowing of $12 billion. There was another shortly thereafter authorizing the borrowing of $14 billion, and now we have this one to authorize the further borrowing of $6.6 billion. On what basis does the government feel it is warranted in coming and asking the taxpayers of Canada to hand over another $6.6 billion? After all, the taxpayers are paying the shot. The taxpayers elected this government to look after their business and the business of the country, and so if the government comes along and says it wants us to authorize the borrowing of $12 billion, then $14 billion and then $6.6 billion, the taxpayers have a right to say, "What are you doing with it, and how can you justify it?" The government says it does this and that and the other thing, but no matter what it does, the country is worse off at every turn of the road. If there was an improvement in the economic conditions of Canada, if there was a greater prospect for Canadians, and if there was some hope that we will emerge from this chaotic mess we are in now and move ahead on a program of renewal, development and progress, then the people might feel, "Well, perhaps we will let them go ahead with it." However, when we look at the situation, we wonder if there is any logical reason why Canadian taxpayers should respond to this request and authorize the government to borrow this amount of money.

The unemployment situation in the country is deplorable. The economic conditions which surround us are drastic. The performance of the Canadian economy in recent years has been far below potential, and it is likely to remain so over the next few years. In 1980, the Canadian economy experienced zero economic growth and, after some growth in the first half of 1981, the economy fell into a severe recession in the last half of the year.

The short-term outlook for the Canadian economy was best summed up by the April 22 Conference Board forecast. The Conference Board sees a significantly slowed pace of economic activity this year. Real GNP is expected to show negligible growth. The unemployment rate is expected to remain at or near its current high level for the remainder of the year. Consumer expenditures are forecast to show virtually no growth this year. Nineteen eighty-two will be the third consecutive year that automobile purchases will have declined. Business investment is also forecast to perform poorly.

Even though that report is rather gloomy, there are further reports that indicate we are not in the darkness yet; it will get darker as we go along. What right has the government to come and say, "Give us another $6.6 billion"? What is the governent going to do with it? Will it take us farther down the road to ruin? Will it plunge us deeper into recession? I suppose the people have a right to look at the record and to ask the government what it has done. What this government has done has not been too good. There is unemployment in our forest industry. Figures are on the record which show the deplorable condition in which our forest industry is languishing. We see the same

thing in the mining industry. I have a copy of an announcement by C. A. Borne to the Vancouver staff of Placer Development Limited talking about the closure of that company's mines, the laying off of its employees and the closing up of operations. That is the situation in the mining industry.

The automobile industry is facing very serious problems. There are lay-offs and shutdowns. The industry finds itself in a critical situation today. In British Columbia the government is trying to teach the Japanese a lesson, so it is delaying the customs clearance of automobiles which have been shipped to Canada. What a miserable little effort the government is making! That effort is an example of the government's ineptitude in dealing with current problems, and when the government uses these amateurish tactics it just raises the hackles of a great many people. And its action certainly will be an insult to the Japanese industry. The auto industry in Canada is facing serious problems, but I do not believe this action is in any way a suitable method of trying to minimize these difficulties. It is in fact exacerbating Canadian problems through its detrimental effects on business enterprises and through the unemployment resulting from this exercise. Automobile companies are in danger of bankruptcy. Employees are being laid off, and communities are suffering from the effects of these conditions. Such a confrontation stance is not in our best interests and just underscores the failure of this government to obtain reasonable results through co-operation and compromise in its dealings with an area of the world which is of incalculable importance to British Columbia.

There is a real need for an over-all Canada-Japan trade agreement which would provide for offsetting industrial opportunities in western Canada in exchange for our coal, minerals, lumber and other commodities. Canadian content agreements would result in small business contracts and, consequently, job opportunities. It is imperative that counter-productive exercises such as the one being carried out in Vancouver are replaced by an invitation to investment and co-operation in developing a manufacturing capacity here in Canada. The fault lies not with the Japanese but with this government's ineptitude in dealing with national and international challenges.

Not only must we look at the unemployment picture but we must also look at the inflation picture. A number of years ago the Prime Minister (Mr. Trudeau) said he was going to wrestle inflation to the ground. Just the other day I read an article which reported that he had changed that idea somewhat and now says that we have wrestled the economy into the ground. I think that is really true when you consider what the situation is in Canada today.

• (2020)

Who is to blame for this, Mr. Speaker? Apparently everybody but the Canadian government.

An hon. Member: Nonsense!

Mr. Patterson: It is nonsense but that is what the government is doing, blaming everyone, the Americans, the Japanese, other governments and other organizations when all the time its own policies are dragging the economy down. Indeed, if it gets much lower we are going to be in the black hole.

An hon. Member: Balderdash!

Mr. Patterson: The hon. member for Willowdale (Mr. Peterson) knows something about that, no doubt, but that is the situation. It has been recognized that government spending is one of the major factors contributing to the situation.

What a deficit we are going to hand over to our children, Mr. Speaker. I understand that it takes about $1 out of every $4 or $5 just to pay the interest on the national debt. How can we expect succeeding generations to carry the burden of our indebtedness as well as their own? Yet the government wants to pile on another $6.6 billion. At present we have to work about five months of the year just to pay for governments. It is no wonder that people think they have to get a pretty high remuneration if they have to spend almost half of it in taxes.

Mr. Lapierre: You must be very rich.

Mr. Patterson: I do not think hon. members opposite know what is going on in the world.

An hon. Member: Tell us.

Mr. Patterson: It is no use telling them, because they cannot hear. Even if they listen they do not hear.

I want to put on the record some figures relating to bankruptcies of small businesses, Mr. Speaker. They are going down the drain every day. Employees are being put on the labour market and on the unemployment rolls. Agriculture is facing the same situation. Personal bankruptcies are occurring because of an interest rate that is crushing the life out of our economy and crushing the heart out of our people.

I have heard the minister say that there is no high interest rate in Canada. Who does he expect to believe that? There is a high interest rate policy and it affects every segment of our economy—small business, agriculture, housing and everything.

Mr. Lapierre: Tell us about your program. What would you do? We would like to hear that.

Mr. Patterson: I did not hear that interjection but I do not expect it was very important anyway.

Mr. Peterson: Mr. Speaker, I rise on a point of order. I would be very happy to respond to the questions posed by the hon. member. I should like to ask him exactly what he suggests we should do to reduce the number of bankruptcies and reduce interest rates in Canada?

Mr. Paproski: Resign!

Mr. Taylor: Withdraw the budget!

Mr. Paproski: Get rid of MacEachen!

The Acting Speaker (Mr. Blaker): The hon. parliamentary secretary will realize that that is not a point of order.

Mr. Patterson: Mr. Speaker, that just confirms what I say, that hon. members opposite cannot hear. They cannot hear

and they cannot understand. They cannot grasp the significance of this and they cannot understand the feeling of despair that is gripping the country.

Mr. Peterson: We would like to know what your policies are.

Mr. Patterson: Hon. members opposite have heard the policies enunciated by my leader and our economic spokesman.

Mr. Peterson: They said they did not have any alternatives.

Mr. Patterson: Mr. Speaker, hon. members opposite have gone beyond any possibility of redemption.

I was going to speak about the disastrous energy policy which the government introduced. The minister backtracked on that because he knew it was a disaster. It was driving investment out of Canada and undermining confidence in the nation, so he had to backtrack. Perhaps the Minister of Finance will also backtrack, although I do not think he will go very far back. He will try to convince the people of Canada that after all, the Government of Canada is doing something.

I come now to the tax burden, Mr. Speaker and in this regard I should like to refer to an article which appeared in the Ottawa *Citizen* on March 27, 1982. It is headed "'Hidden' taxes take huge bite", and starts out as follows:

> The average Canadian family with a cash income of $22,500 paid income taxes of $3,345 in 1980, but other taxes, ranging from oil and motor vehicle taxes to amusement and property taxes accounted for an astounding 70 per cent of the average family's total tax bill.

The people are asked for more money to help the government finance some more of its disastrous programs when all the time, they are just staggering under the burden of taxation. It promises that we will have equity and programs that will create hope and optimism and job opportunities and that will help the people realize their dreams. With our natural resources, our people, our skills and our technical know-how we are one of the richest nations in the world. We have everything that is required to build a tremendously important and viable and satisfying economy.

The government says we on this side talk about doom and gloom but why should we not, Mr. Speaker? The possibilities for prosperity are there but dreams are being shattered, homes are being lost, businesses are going to the wall, farmers are suffering, and still the government expects people to come along and bail it out, giving it more money to squander.

• (2030)

I believe, Mr. Speaker, as others have said, that there has to be a change in our philosophical approach to the problems we face. The Prime Minister said the market system has failed and co-operative federalism is dead. He predicted a greater involvement of government in the nation's business. The record of the government under this Prime Minister is one of the shattering of enterprise, the penalizing of industry and of the spirit of entrepreneurship, the imposition of regulations and a crushing burden of taxation, and the blatant assumption of more and more control over the lives of business and individuals.

I would like to close by posing this question again: why should the people authorize this government to borrow another $6.5 billion? And there will be more. As long as this government is in office we will be faced with a deteriorating situation until this country has lost its hope and vision of the future. The government is insensitive to the needs and aspirations of the people, and incapable of conducting a program which will help in the economic renewal of this nation of ours. Thank you, Mr. Speaker.

Mr. Jim Peterson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Mr. Speaker, members on this side of the House certainly share the hon. member's concern about the present state of our economy. We recognize there are a lot of difficulties facing us and we would appreciate his sharing with us his advice as to what specifically he feels we might be able to do in order to get rid of high interest rates, control inflation and to get the economy rolling?

Mr. Kempling: We have been telling you for years.

Mr. Munro (Esquimalt-Saanich): Withdraw the budget.

Mr. Peterson: I simply point out that the hon. member for Etobicoke Centre (Mr. Wilson) has indicated that he would not deviate from our present high interest rate policies.

Mr. Wilson: Who said that?

Mr. Peterson: I would appreciate any advice and direction he can give us so that we can work constructively to solve these problems.

Mr. Wilson: Mr. Speaker, I was not planning to rise on this point but the hon. member did attribute a comment to me which is totally without foundation, and I want to disassociate myself from it. Never have I said that I supported the interest rate policy of this government. It is totally wrong, it can be changed, we can have lower interest rates, and I pointed out how to do so in my remarks. If the hon. member's ears are not serving him well today, I suggest he read *Hansard* tomorrow.

Mr. Peterson: I certainly retract my remarks if they were not true. I did understand last year that, with U.S. interest rates very high, he felt we had very little alternative but to act in accordance with international realities.

Mr. Wilson: I will take you aside and explain it all to you.

Mr. Riis: Mr. Speaker, I rise on a point of order to clarify the issue. I believe it was actually the former finance critic, the hon. member for St. John's West (Mr. Crosbie) who indicated his support for the high interest rate policy.

Mr. Taylor: Liberal gossip, NDP gossip.

Mr. Peterson: Mr. Speaker, I appreciate very much the indication from the hon. member for Fraser Valley East (Mr.

Patterson) that he would be prepared to respond to my question and share with us the solutions he has in mind so that we can deal with these problems which we are very concerned about as well.

[*Translation*]

Mr. Lapierre: Mr. Speaker, I would like during this debate on the borrowing authority—

The Acting Speaker (Mr. Blaker): I made a mistake, I do not know whether the hon. member is rising on a point of order or wants to take part in the debate.

Mr. Lapierre: I want to take part in the debate, Mr. Speaker.

The Acting Speaker (Mr. Blaker): Then, the hon. member for Fraser Valley East (Mr. Patterson) is entitled to reply to the point of order.

[*English*]

Mr. Patterson: Mr. Speaker, my colleague, the hon. member for Etobicoke Centre (Mr. Wilson) certainly did outline some very important proposals. In addition I spoke about the change in attitude and philosophy which is necessary in order that the private sector have an opportunity to function and fulfil its role. It is not the government's business to get into business, it is rather to create a climate in which the private sector can develop and fulfil its role. If we can do that, then we will find that the sector which provides over 60 per cent of the jobs in this country, the small and medium-size business community, will have the opportunity to fulfil its role. That is one of the major ways in which we can get our economy rolling. If we could create an expectation of hope and anticipation, in other words create a feeling of confidence as far as the investment community is concerned, then we will find we are getting somewhere as far as solving our economic problems is concerned.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Jean Lapierre (Parliamentary Secretary to Secretary of State): Mr. Speaker, this evening, as part of the debate on borrowing authority, I would like to deal with a subject which is of great interest to all Canadians. It is, in fact, a subject that is seldom discussed in this House by our friends opposite. I can remember only once that they discussed this topic, and that was the day before the vote on their party's leadership. The subject was youth. I find it a fascinating subject, and I am sure some of our distinguished members opposite will remember the show they put on at the time for their delegations of young Conservatives. During question period, one of the younger members would rise, ask questions about subjects of interest to young people, sit down, and so forth, and this went on like a game of musical chairs throughout question period. This was last year, and we have not heard any debate on the subject since. Originally, all this helped to more or less consolidate the position of their leader, but since that time, they have forgotten these young people to whom the Leader of the Opposition owes his leadership.

I think people are beginning to realize that from time to time, a change occurs in society's values with respect to education, work and recreation. Consequently, the government must also adjust its policies and update its activities and programs. In the course of this debate, I should like to review some of the major problems facing young Canadians today.

• (2040)

First of all, I think the subject people are most interested in is employment, because it is truly a key area and a priority for all young Canadians who are expected to leave school and enter the labour market at such a difficult time. Students, parents, educators and governments are all giving very serious thought to the manner in which young people are being prepared for life and the work place. During the last twenty years, the average level of education has increased considerably in Canada. In 1961 for instance, about 75 per cent of young people had completed secondary school, compared to more than 90 per cent in 1981. However, easier access to education does not mean that we have solved all the problems facing young people.

In a recent report, the OECD noted that there was a time when the vast majority of young people left school at about the same age, and that at that time, those who came from disadvantaged groups in society were not socially and economically handicapped to the extent that they are today, when there is so much emphasis on certificates and diplomas. The OECD noted that the less educated still belonged to the disadvantaged groups in society, and it concluded that in some cases, the education system may even be aggravating the handicap these people start out with.

The OECD study covers a number of countries besides Canada, but we must still bear in mind its conclusion. Society in general and governments in particular must be careful that young people are not solely assessed in terms of the number of diplomas they have been awarded or the number of years of education they have received. They must also be evaluated on their contribution to society. In fact, young Canadians are giving society their idealism, their enthusiasm and their spirit of initiative—virtues that are sadly lacking opposite—a blend of characteristics that gave us a Terry Fox, for instance. Do we need a better example? I feel that we were able to produce a hero of this calibre because of the idealism, enthusiasm and spirit of initiative that young people seem to have in greater supply than any other group. Therefore, since youth has enthusiasm and idealism to spare, what can we do and what are we doing to put these characteristics to work and to develop them? Obviously, everything starts with education. More specifically, we must see to it that everyone has access to higher education, and that students are able to transfer from

one province to another without too much administrative red tape.

Access to education and mobility are some of the national objectives for education which the government has already mentioned and which should be given special attention. When the time comes to renegotiate its arrangements for established programs financing, I hope the federal government's considerations will go beyond the funds it intends to grant and the use that will be made of such funds, and will seek ways to implement its national objectives on education and above all, to meet the vital needs of Canadian youth. I think young Canadians are sick and tired of hearing about federal-provincial discussions on education, and that they really have the impression they are going to get the short end of the stick, that our overriding concern is not necessarily their future development and that we are far more interested in sparring with statistics. I feel we should never forget the initial objective of these programs, which is to meet the future needs of young Canadians and Canadian society.

It is appropriate to consider education and employment together, because this matter is important to both young people and society in general. The House is well aware of this, having established a committee whose work culminated in a report on employment opportunities for the eighties. The report provides a wealth of information, but unfortunately, some readers have concluded that the authors were in favour of a choice of courses that would be basically determined by labour market requirements. I earnestly hope this was not the intention of the members of the committee, because I feel that the aim of education should be to develop the person and not merely to turn out competent workers.

Several years ago, when France and Sweden started to reform their education system in order to make it better suited to labour market requirements, the students protested, and rightly so. They did not want a curriculum of courses that concentrated on certain specific occupations, because they were afraid they would then be obliged, come what may, to accept a job that would subsequently be very difficult to leave, thus restricting their mobility. They preferred a general education which would develop their minds and skills in various areas and not just turn out workers. I think this is also what young Canadians want, so that they can live their own lives instead of merely earning a living. Today, that is a possibility, because the system has changed and education is now considered to be a process that can and should go on throughout our lives and not only during our youth. Anyone who has seen the ever-expanding number of adult education programs and evening courses in every possible field, will have realized that education has become everyone's concern. That is why I want to make this reservation so that people will not think the Government of Canada is only interested in manpower planning for specific requirements and has forgotten the more general aspects of education. Before going on to another subject, I would like to give a few Canadian statistics on young people and employment, which, unfortunately, may make this group lose some of its motivation, enthusiasm and idealism, because the economic reality is very harsh for this group in society. In 1981, more than two thirds of those in the 15 to 24 years age group were in the labour market, 87 per cent had jobs and 13 per cent were unemployed.

Among those who are employed, who are in fact lucky to be able to get work, about 25 per cent have strictly part-time jobs and 21 per cent are obliged to make do with such jobs because they are unable to find full-time work. This gives some impression of the underemployment problem among young people, who are more severely affected in this respect than their elders, while females are even worse off than males. According to OECD statistics, part-time work is becoming increasingly popular in Finland, Ireland and Italy, and less than 10 per cent of jobs are part-time. In Denmark, Norway, Sweden and the United Kingdom, however, this percentage is over 40 per cent. We know that groups where labour market representation has increased faster than in any other group over the past decades, namely, women and young people, that these are the groups that have been most severely affected by unemployment. It is, however, encouraging to know that here in Canada at least, education still opens many doors. The unemployment rate among university graduates is 7 per cent, which is three times less than among young people with eight years of schooling or less.

• (2050)

In other words, the unemployment rate among young people with eight years of schooling or less is now 21 per cent, which is completely unacceptable for a new entrant on the labour market who must often leave his family and finds himself dependent upon society, because of which he loses all his illusions and all his enthusiasm. In view of all these figures, I believe that the government will use the funds it will borrow under the terms of this legislation to develop programs for young Canadians, and it is in this spirit—I know that the hon. member may not like this subject and that it may not be important to him, but in that case, I want to tell him that I intend to defend these groups in our society and that if he is not interested, he can turn off his earphones.

It is interesting to note what graduates think of the education they have received. A survey conducted in 1978 among 1976 graduates shows that two years after they had completed their post-secondary education, the number of unemployed and underemployed college graduates was not as high as that of university graduates since 42 per cent of the latter compared to 66 per cent of college graduates had a job directly related to their training. A quarter of all graduates admitted that they had chosen the wrong career, which is a very high percentage, and about 45 per cent of them planned on taking other courses.

These statistics may raise as many questions as they provide answers. One wonders, for instance, how important young people consider self-fulfilment, security and rewarding recreational activities. The whole question of the life style and the balance necessary between work and other activities has become more important as more and more women are now working outside the home. Young women in particular need to know that they can now pursue their education or have a career and still look after their family. A woman no longer has to choose between a career and a family, and yet, young women still believe that this is so. It is up to the government to make sure that women are no longer typecast as homemakers or in a secondary role.

However, as important as education and employment are, young Canadians have many other interests. Among the many programs developed by the federal government for young Canadians, there is one which has been so successful that I would like to deal with it at greater length because, unfortunately, not enough young Canadians and perhaps not enough members of the House are aware of it. I am referring to the Katimavik program. As everyone should know, this word means "meeting place". Since it was established in 1977, this program has not only provided jobs for many young people, but it has also promoted community action. It reflects accurately the make-up of our society since the young people involved in it come from every cultural, social and linguistic group in the country. In a word, this program is an asset for the economic and social development of Canada. After a dark period when the Progressive Conservative government wanted to cancel this program, the Liberal government has just announced its extension, and I wanted to mention it because of its success and the enthusiastic response prompted among young people. Such programs give us a better understanding of a country and make it easier to tolerate the differences in other people and to share with them. It is indeed an outstanding success, but it should not be the only one and remain as modest. That is why I hope that in the coming months the government will seek to achieve a greater participation on the part of young people in both community action and decision-making.

Some time ago, my colleague from Manicouagan (Mr. Maltais) spoke in the House about a very challenging project concerning voluntary public services. I suggest that the government and Parliament ought to study the impact that such a measure might have on young Canadians and take it under serious consideration because that component of our society is experiencing a real problem which we cannot dismiss outright and which above all should draw our attention and lead to positive action on our part. My colleague from Manicouagan is fully aware of that reality and that is why, in a nonpartisan spirit, but especially in the interest of young Canadians, I urge all members to become familiar with that project.

The young Liberals of Quebec held a convention last week where they endorsed that program and acknowledged that the Canadian government must meet the needs of that segment of our population which may be dwindling but whose importance is growing because of the challenges the future has in store for us. Unfortunately, societies have a tendency to think that a man ought to accumulate wealth during his early years and spend it away once he has grown old. But we know it is a mistake to bar younger people from our institutions. Hardly 20 years ago the universities began to realize how important it was to have student spokesmen on the board of directors. And we know that young people are both anxious and able to take part in the decision-making process when they are involved. But that requires an extra effort. In fact, the value system has to be changed. Young people need resources and autonomy to fashion their own model inside as well as outside the existing structures. It is imperative that once and for all the government realize that they can play a very useful role in the evolution of our society. The year 1985 will be the International Youth Year. Hopefully, that international year will differ from what we have come to expect from such events when we hear pious wishes, reports are published to gather dust, and finally the year is over. That is the trap we may fall into if we fail to remain vigilant, and that is why between now and the International Youth Year we must give young people more opportunities to express themselves.

I was somewhat upset by the fact that, when we were studying the constitutional resolutions and talking at length about the Canada of tomorrow that we were trying to incorporate in the Constitution, not a single group of young Canadians made representations before the joint committee of the Senate and the House of Commons. It is something to be concerned about, because it may be that the governments now give generous grants to official languages minority groups and to minority groups in every sense of the words, but not to other groups of young people which lack the wherewithal and often the technical resources to present briefs and make representations to committees as imposing as those of the Commons and the Senate. I think that group has been left far behind and we ought to help them. The International Youth Year will have different implications in the various countries.

• (2100)

In Canada, needless to say our young people live in a developed environment. In countries where the death rate is high, for instance, young people very soon are called upon to contribute to almost every aspect of life. In those countries, the gap between the young and their elders is narrower since people grow old prematurely because of adverse conditions. In Canada, things are different of course and there is as much difference between the young people and the mature adults than between summer and winter. It is important in my view to stress at this point that youth is not a group of persons but a

stage in life. And the International Youth Year will in many respects be a North-South challenge. In southern countries we know the vast majority of the people are below 25 and that group is increasing in number faster and faster. For that reason, when referring to the young people's involvement in those countries, we mean involvement by the majority of the people. In Canada as in a number of other northern nations, the ratio of young people to the total population is far smaller. In 1981, only 19 per cent of the total population were in the 15-24 age group, and 10 years from now, they will account for only 14 per cent.

Despite wide social differences, both northern and southern countries are experiencing unemployment and underemployment problems, and must meet the challenges of technological changes. We want to ensure that the International Youth Year does not go unnoticed in Canada. I would like to take this opportunity, as we should, to correct false perceptions and give the young an opportunity to do something for their country and the world. I would now like to turn to the matter of young people's involvement. A 1980 survey on volunteer work indicates that from February, 1979, to February 1980, some 218,000 young people aged 15 to 19 and some 210,000 young people aged 20 to 24 were doing volunteer work. Overall, although young people account for 25 per cent of the work force, only 15 per cent do volunteer work. There are some implications in those statistics, more particularly in the area of government relations with the volunteer sector. That sector of course is one of the key components in our democracy. It is through volunteer work that a number of people develop their leadership abilities and value system. The abilities so acquired are highly valuable to the country.

As volunteer work is done at the grass roots, it is a most precious indicator of social conditions and the needs of people. Furthermore, volunteer groups play a major role in policy development and formulation. Often, they are at the source of innovations and point to emerging concerns. In view of the importance of that sector in our nation's life, it is essential that young people play a role that is commensurate with their place in society. This certainly is not now. Both the government and the leaders of the volunteer sector should therefore look for ways to stimulate their involvement in that most formative kind of activity. What is needed is action initiated by the young rather than designed for the young. Although useful, the latter cannot be compared with those where young people have a chance to take initiatives and in so doing to develop their leadership abilities.

Then there is the matter of youth and leisure which should also require our full attention. I am referring especially to the participation of young people in cultural events. In this respect, it will be most interesting to read what the Applebaum-Hébert committee will have to say in its report which, I am told, should be tabled within the next few months. Mention is often made about the culture of young Canadians which, admittedly, is an important component of our cultural life. Young people are more involved in sports and physical education, and their artistic and musical tastes are altogether different. We should help young people develop their creativity, which means assisting young authors and artists financially and devising ways and means of scouting for new and promising talents. An effort should be made to establish the reputation of our promising young authors and artists as well as help them establish closer ties with their elders. As I said, youth is but a period in life, but our young people should not be isolated from the rest of our population. Any youth-oriented policy should take into account their creative impulse and the fact that for a great many young people, the transition between adolescence and adult life is very difficult.

While the death rate for our people as a whole has been decreasing over the past 20 years, it has slightly increased among teenagers and remains somewhat constant among young girls. Accidents and suicides which account for approximately 80 per cent of the deaths among young boys and nearly 60 per cent among young girls are the two main causes of death among young Canadians. Suicide ranks as the third main cause of death and is responsible for 16 per cent of all losses of lives in the 20-24 age group. According to these same statistical data, most losses of lives among young people result from their life style and surrounding related causes, as opposed to natural causes. Which makes us realize the necessity for developing a policy which truly meets the needs of all our young people, whether they are disadvantaged or well-off, disturbed or well-balanced.

There exist now various government programs which meet the needs of young Canadians, including Open House Canada, Katimavik and many others developed by the Fitness and Amateur Sports branch. One way or another, a number of departments are offering programs which are of utmost importance, including the Department of National Defence, the Armed Forces, the Canadian Employment and Immigration Commission—with all its initiatives—also the Department of Indian Affairs and Northern Development, together with its programs for young Indians, so young Canadians are receiving indeed a lot of attention. The only problem is that the left hand often does not know what the right hand is doing. And only young people who are well-off are made aware of these programs. The information is not easily available, and no booklets have been distributed by the Government of Canada to inform young Canadians of the programs being offered to them. They simply don't exist, and there is no over-all philosophy. I am thinking for instance of Open House Canada where hundreds of applications from young Canadians anxious to discover their country are turned down each year; and yet, in view of the problems we are now faced with in the areas of national unity and regional inequalities, this program should be generously funded. Expenses on advertising, should be cut and young Canadians should instead be encouraged to discover the reality of their country, Canada.

Mr. Speaker, considering the social and economic changes that this country is now experiencing, I think it is essential to thoroughly examine those various programs and to determine to what extent they encourage young Canadians into sharing our community life and finding the formula which will enable them to fully develop their abilities and potential and serve the country. Mr. Speaker, I wanted to take this opportunity to state some of my views. For the last three years, I have noted how the government has been dealing with young people and I am rather shocked to see that it has a policy for senior citizens, a policy for women, a policy for the handicapped, a policy for the Indians or the native people, but unfortunately no policy for our young people. I think, Mr. Speaker, that the Government of Canada must now as a result of social pressures and economic problems consider that matter at length and it is a challenge which I hope it will hasten to take up. I hope that in the next throne speech, the government will refer to that segment of our society, look to the future and take advantage of the best of opportunities.

• (2110)

[*English*]

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, in this bill the Minister of Finance (Mr. MacEachen) is asking Parliament to approve $6.6 billion in borrowing authority for public works and general purposes. This is the minister's third request for additional borrowing authority in the same parliamentary session over a period of two years. If granted this evening, it would total $32.6 billion over that two-year period.

When or if parliament does approve this request of the minister, he will have a total borrowing capacity of $9.6 billion as he has $3 billion of borrowing authority that did not expire at the end of the last fiscal year. These continuous requests for additional borrowing authority make a mockery of the budget's goals of equity, restraint and renewal, all of which have already been blown very nicely out of the water. We know the government has not done anything toward economic renewal. Their attempts at equity have been disastrous. Now it is indicating it is going to abandon economic restraint.

How is the government going to do that? Restraint entails coping within the financial limitations, not putting Canadians in debt for another $6.6 billion. Restraint generally requires careful management of the economy, not throwing good money after bad to pay for government excesses or mismanagement. Speaking of mismanagement and government excesses, let us look at some of the things this government under this Prime Minister (Mr. Trudeau) has done over a number of years. Let us look at what these fiscal giants have done. Some of these things would be rather amusing if they did not tell such a sad tale.

In February, 1981, the Crown corporation CNR spent $64,244 to purchase advertising space in a newspaper to wish Canadian Pacific Railways, its chief competitor, a happy birthday. That is the sort of thing we are faced with. The list goes on and on.

Let us look at some other things these people have done over that period of time. In the 1978-79 annual report, the Auditor General pointed out that since 1974 the Department of the Environment has been paying an annual rent of $241,00 under a long-term lease due to expire in the year 2045 for a British Columbia property it is not even occupying. In addition, the government paid municipal taxes on the property of $56,000 in 1978 and 1979.

Let us look at something a little more current and a little more meaningful to Canadians. This government has spent in excess of $65 million on the metric conversion program. Last year alone the Metric Commission spent $12.4 million on a program that Canadians do not even want. They have been forced to pay the bill for something they do not want. It is rather like swinging your own noose over the limb of a tree and setting yourself up on the horse. In that same vein, they hired two chefs for a total of $110,000 for a six-week television contract to promote metric cooking. Imagine that!

Let us look at the great giant of the oil industry, Petrofina. In 1981 the federal government purchased Petrofina for approximately $1.46 billion, or $120 per share. At the time of the purchase, the shares were trading for $90 a share and were estimated by various brokerage houses to have a true value of about $80. In other words, the federal government paid between $365 million and $486 million more than was necessary in order to obtain a series of gasoline outlets in eastern Canada. This is what we are now being asked to appropriate, or expropriate from the Canadian taxpayers to help pay for it.

Right here in the National Capital Region the four phases of the Place du Portage were estimated in the early seventies to cost $124.5 million. By the time of completion in 1979, costs had risen to $217.5 million, $93 million over the original budget.

In 1973 an untendered contract was awarded to business associates of the Minister of Indian Affairs and Northern Development (Mr. Munro) to supply liquor and food for Place du Portage for a period of 20 years. They were evicted by the Department of Public Works in 1980 for failing to make rental payments of $490,000 for their three commercial outlets in the building.

Canadian taxpayers will shell out $4,000 a month over the next five years on rent for a Vancouver apartment of a senior government bureaucrat. The apartment has been rented by the Department of Public Works for his use. The justification for the expense is that the apartment is being used for entertaining. In trying to justify the expenditure of that $4,000 per month, an aide to the Secretary of State for External Affairs (Mr. MacGuigan) referred to the amount as chicken feed. I suspect, Mr. Speaker, that they look at $6.6 billion as mere chicken feed.

• (2120)

Mr. Munro (Esquimalt-Saanich): Turkey feed.

Mr. Corbett: It goes on and on. Advertising is one of the most blatant misuses of taxpayers' dollars that this govern-

ment can possibly come up with. In 1982-83 the advertising budget of the federal government is $70 million, compared to $63 million in 1981-82 and $54 million in 1980-81.

Have you noticed, Mr. Speaker, the sort of advertising this government has been promoting, what it has been doing? Have you noticed that it actually says very little about the programs that in essence they are supposed to be trying to promote? If you believe that they do say very little, you are absolutely correct; and if you think it is expensive, you are absolutely correct as well.

The number two advertiser in this country is General Foods. The number one advertiser, in terms of dollars spent, is this government, our very own Liberal Government of Canada. Just how much more do they spend than General Foods? They spend about twice as much. General Foods spends about $35 million a year. The Government of Canada, not to come close, wants to make sure it is out there in front, and it is spending $70 million, at least, this year.

The traditional role of government advertising is to provide information on services or to advertise changes to regulations. This government has deviated substantially from this sort of traditional program. Little of this year's $70 million will actually be used to advertise or make the public aware of regulation amendments or to provide service information. The bulk of the advertising will be to relay the general purposes of many departments and flogging the Liberal's own messages, in an attempt to prop up the sinking ship.

In this past year alone the federal government has launched four massive media campaigns directed toward promoting government policy, to making Liberal actions popular with Canadians.

Last summer Ottawa launched a $3.25 million advertising campaign, promoting the National Energy Program. A second campaign launched last summer promoted the Constitution, in an effort to counteract the bad publicity they had been receiving and the bitter sentiments that were arising from the federal-provincial negotiations and to bring Canadians alongside the Liberal stance.

A second constitutional advertising campaign was launched this spring, to herald in the new constitution and charter. It was a two-week campaign and cost Canadian taxpayers $3 million. It was organized by the Canadian Unity Information Office. It was designed to convince Canadians that "the future belongs to us."

Well, Mr. Speaker, that is very sad commentary on the new Constitution. The opponents, rightly so, contended that it was not so much a measure to inform the public about the Constitution as to divert their attention away from the disastrous economic problems that face the nation.

Last fall, Mr. Speaker, the federal government took out some $130,000 worth of full-page advertisements in 100 newspapers on budget day to advise Canadians about its plans for "sound economic development". This is perhaps the boldest and most blatant misuse of public funds spent on promoting government policies. To this date we do not have a budget. Currently the government is spending $5 million on an advertising campaign "Helping Canada Work". Employment and Immigration officials contend that the advertisements promote job creating and skill development and suggest that despite economic problems the Canadian economy is working as a whole. What a laugh! I think that Canada's 1.2 million unemployed and our struggling businessmen could well find a better use for that money.

Let us take another look at the difficulties that this government is encountering and trying to prop up with these slick advertising campaigns. They have taken out a series of full colour newspaper advertisements promoting the federal contribution to agricultural research. It does little except to promote the federal image. It does not help the countless farmers in this nation who faced bankruptcy or who are currently facing bankruptcy. Unfortunately, it is this type of advertisement that is offered by almost every government department. It is doing no good and brings little or no benefit to the general public.

Let us put aside the blatant political aspect of government advertising. Let us take a look at the business side of the problem. Competitive bidding is the hard and fast rule when it comes to awarding contracts for construction or for government purchases. However, political patronage is the golden rule of this government when it comes to advertising. To manage the government's advertising needs, this Liberal government has hired a firm called Canadian Media Corporation. This corporation is a consortium of Liberal advertising agencies, which is assembled for the sole purpose of servicing the government's advertising needs. The patronage system is no longer used in the United States. It is not used in Great Britain or in most other developed countries. In a legitimate government, advertising for good purposes is indeed laudable, but not for this government. The firms involved in looking after this government's needs are receiving patronage dollars.

Another aspect of government advertising to be considered is the federal government's exemption from the advertising code of ethics. This government does not have to adhere to the code of ethics that every other advertiser in the nation must live up to. What is more important is what the government has got out of it and what the Liberal Party has got out of it. It is a device which the Liberal Party is mounting, it is a device by which this party in power is attempting to mould and to manipulate public opinion. We fear that the increasing use of this sort of advertising will lead to government by propaganda, and that is exactly what the government is trying to develop. The government is using our tax dollars, tax dollars which the public would no doubt far rather see being used in other areas. It is highly irregular in a free country, in a democratic country, in a country that has a so-called democratically-elected government, that it would become involved in an advertising campaign and an advertising scheme of this nature. It is particularly appalling when those same advertising dollars, $70 million this year, could address a multitude of genuine fiscal problems. It is, in our opinion, Mr. Speaker, political abuse at its very worst.

Why does the government need additional borrowing authority? The finance minister says he needs it for public works and for general purposes. These vague and unspecified purposes lead one to wonder if it is to enable the government to continue its wasteful and irresponsible spending. Certainly it is not to encourage restraint. This government is infamous, Mr. Speaker, for its wasteful spending and certainly it is infamous for its accounting habits. Canada Mortgage and Housing Corporation sold off a significant amount of its property at a loss of $100 million to Canadians. Those lost dollars would have gone a long way to aiding industrial development. The CN Tower cost $40.5 million more than was originally estimated. That money could have been better used to help farmers. The government juggled its books to make it appear as though it had reduced spending by $2.7 billion, when actually it definitely had not done so.

The government spent between $365 million and $486 million more than was necessary to purchase, as I mentioned, Petrofina, I think we have to ask ourselves, Mr. Speaker, as responsible Members of Parliament, whether the government intends to continue this sort of mismanagement, with an additional $6.6 billion.

• (2130)

Since it is inevitable in our system that the government will receive this borrowing authority, we should at least ensure that the money borrowed will be earmarked for constructive purposes and that it will not again be wasted. I know of several excellent uses to which this money could be put. The government has deemed it necessary, for instance, to close CFB Chatham in New Brunswick. That will deprive the communities of Chatham and Newcastle of approximately $25 million to $30 million annually in lost payroll and spin-off effects. This will cost the area about 3,500 jobs. Chatham will need a new and stable economic base after this happens—the entire Miramichi area will—and I daresay it will happen, despite the hollow assurances of the government. Some of these dollars could well be spent in that area.

The Minister of National Defence (Mr. Lamontagne) has set up two task forces to study the problems the closure of the Chatham base will create. The first task force was to report last January or February. That seems to have gone by the boards. It would be very interesting to know what that task force recommended. Obviously it was not favourable to the government because we have not heard about it. Neither have we heard from the second task force, and it has been in existence for some time as well.

One does not have to be an economic giant to recognize that Chatham and Newcastle and the Miramichi region need some support. That support should come from responsible Members of Parliament. Where is the Minister of Fisheries and Oceans (Mr. LeBlanc), who is supposed to be responsible for New Brunswick? Where has his voice been on this vital, critical and crucial issue to the Miramichi region? It has been strangely silent.

There are billions of barrels of oil trapped in the oil shales in Alberta County, New Brunswick, which is in my constituency. It is conservatively estimated that there are probably 15 billion to 20 billion barrels of oil trapped in those shales. The New Brunswick government has been trying to convince the federal government to join with the provincial government in a program to cost-share an exploration program which would enable New Brunswickers to gain some benefit from that oil. It would enable Canadians to gain some benefit from that oil. This government has been very quick to spend dollars in other areas of the country where there would be little or no return, especially for political uses and purposes. What do we get from the Minister of Energy, Mines and Resources (Mr. Lalonde) when this query is put to him? We get nothing but blank stares and meaningless looks. Some of the $6.6 billion we are talking about now could be used in the development of that shale, and it could be used to generate revenue for that region. New Brunswick and eastern Canada would be self-sufficient through the development of the shales along with Hibernia and the reserves off Sable Island. The shales would contribute handsomely toward energy self-sufficiency in the maritimes.

Millions of dollars are now lost annually to the poorer provinces because of federal government modifications to federal-provincial agreements. These cutbacks have already caused tax increases in receiving provinces which are attempting to maintain adequate health care services and post-secondary educational services. These dollars could well be put to supplementing these services and relieving taxpayers and hard-pressed students from having to make the extra payments they will now have to make in order to attain very necessary education. But what is this government's attitude when it comes to students who are hard pressed and when it comes to elderly people who are in need of health care services? The attitude of this government is somewhere up in the sky—pie in the sky.

The splitting of DREE will also have negative consequences for areas dependent on development assistance to promote strong and vibrant economic bases. Some of this money would be well spent in these endeavours. The attitude adopted by the Liberals seems to be that deficit spending is good for economic growth and there is nothing wrong with having a large national debt. However, we are seeing the results. Hon. members opposite are the perpetuators of that particular theory. We owe the money only to ourselves, and there are not enough assets to offset our debts. I suppose hon. members opposite keep their philosophy in order to appease their little red friends to my left, who must take the ultimate responsibility for this whole economic mess because they ensured that the group opposite got back into power when we had a responsible government in place.

Government spending is out of control. The Liberals will spend $26 billion more between 1980 and 1984 than had been planned by the responsible Crosbie budget. That is $1,100 per capita. The Liberal government promised to hold spending below the rate of growth of the gross national product, but we know how much promises mean to this government when we

see what has happened with respect to DREE and what has happened in the maritimes. The government promised to extend the natural gas pipeline. The National Energy Program would better have been entitled the "national disaster program" as far as Atlantic Canada is concerned. It just happens that the first letters of those words coincide with the first letters of the name of the party to my left, the NDP. Members of the NDP might very well be called the "national disaster party".

The deficit has to be paid off, and it can be paid off in only two ways. The first way is to print more money, and the other is to borrow more money. If we borrow money to pay off the debt, a second debt is incurred. The debt has to be serviced, and today one of every five tax dollars is used to pay interest on the public debt. Interest on the public debt will cost taxpayers in this nation $16.6 billion in the fiscal year 1982-83. That $16.6 billion amounts to $680 from every Canadian man, woman and child, including babies. That is money lost. It is money which could well be used in other areas. It is money which could be used to shore up the economy and get Canadians back to work.

The Canadian government is in a very serious financial situation. It would not be so bad if it were just the Canadian government. It would not be so bad if hon. members opposite had to atone for their mismanagement of the Canadian economy and if in the end they were held accountable for every penny and had to pay every penny themselves somehow. But no. Alas, every Canadian citizen will be responsible. When meaningful questions are asked in question period by hon. members on this side of the House as to what the government intends to do, we hear guffaws and laughter, and we see incessant smiles.

Mr. Crosby: No answers.

Mr. Corbett: My hon. colleague says we hear no answers, and that is painfully true. Yes, the Canadian government is indeed in a very serious financial situation. Our national debt is triple our national assets. Can hon. members imagine a private business attempting to operate when its debt exceeds its assets by three times? It would not even begin to get that far. It would be forced into receivership and, worse, into bankruptcy. However, according to our government, that is one of the beautiful things about our deal. Hon. members opposite feel governments cannot go bankrupt. Perhaps they cannot, but the party responsible can be turfed out of power. Indeed, had Canadians any indication as to what would happen to them when the NDP allowed and, indeed, ushered in this group of has-beens, the situation in the country would be different today.

• (2140)

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

Mr. Corbett: It would be a different sort of situation—

The Acting Speaker (Mr. Blaker): Order, please. The hon. member for Comox-Powell River (Mr. Skelly) on a point of order.

Mr. Corbett: —in this country today—

The Acting Speaker (Mr. Blaker): The hon. member for Comox-Powell River.

Mr. Skelly: Mr. Speaker, this is the greatest accumulation of mendacities I have heard in a long time. The hon. member knows perfectly well that the people of Canada threw that government out and that the electoral process resulted in the election of the present government.

Mr. Corbett: Mr. Speaker, it is—

Mr. Hovdebo: Mr. Speaker, I have a point of order.

The Acting Speaker (Mr. Blaker): Order, please. The Chair has no choice but to recognize any hon. member who seeks the floor on a point of order. I want to make it clear, however, that the hon. member for Comox-Powell River sought the floor on a point of order but there was no appeal to the regulations, "un rappel aux règlements." There was no question of a point of order in that regard. That was debate.

I see that other hon. members are rising and want to seek the floor on points of order. I think it would be my responsibility to judge very quickly that if an hon. member rises on a point of order and cannot make a reference to the Standing Orders of the House of Commons in very short order, I will have to cut that member off. The hon. member for Prince Albert (Mr. Hovdebo).

Mr. Hovdebo: Mr. Speaker, the hon. member for Comox-Powell River indicated that the hon. member for Fundy-Royal was a "mendicator". In my books, "mendicator" is a liar.

The Acting Speaker (Mr. Blaker): Order, please. I am going to give the hon. member for Prince Albert an opportunity to raise a point of order. The way I will do that is to encourage him to make a reference to the Standing Orders or to the precedents of the House of Commons.

If he is going to enter into debate I will have to cut him off again, and that will be the last time I will do so.

Mr. Hovdebo: Mr. Speaker, I was just bringing out a point which I think is part of the rules of the House and that is that it is improper for the hon. member for Comox-Powell River to use that particular indication with regard to the hon. member for Fundy-Royal (Mr. Corbett). Possibly Your Honour could rule on that.

The Acting Speaker (Mr. Blaker): I must say that the Chair is at a loss on how to proceed with that request. One thing the Chair will not do is to proceed to rule on the issue that the hon. member refers to.

Mr. Corbett: Mr. Speaker, I would not want you to think for a moment that those sorts of trivia bother me. I am a much

bigger person than that. I can tell you that if this group to my left wants to take a page out of the notebook of their leader, then apparently that is how much influence he has with them. He got up today and accused us of obstructing the business of the House. We are attempting to set Canadians straight and to solve problems of mismanagement, and members of that party raise an issue—

The Acting Speaker (Mr. Blaker): Order, please. It was my understanding that the hon. member for Fundy-Royal was addressing himself to the borrowing authority bill.

Mr. Corbett: Indeed I was before I was so rudely interrupted by these "has-beens" on my left.

I tell you there is a solution for Canadians, Mr. Speaker, and it is very, very simple. I doubt that hon. members opposite will hear it because they have not heard anything yet that has not been told to them time and time again. It will be told to them one more time, perhaps, after I finish telling them now.

Quite simply, it is time for Canadians to get this government off their backs and out of their pocketbooks. I can assure you, Mr. Speaker, that when the citizens of this country next have an opportunity, not only will they turf this bunch of fellows—I was going to say felons but I will say fellows—out of office and their little red turkey friends with them but they will elect a responsible Progressive Conservative government.

Some hon. Members: Hear, hear!

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, in the brief time that is available to me I think it should be very clearly pointed out—and it has to be emphasized time and time again—that the Conservative government in the Thirty-first Parliament was ejected from power by the Canadian people. There is no doubt that the democratic process was fulfilled and ultimately it was the will of the people to get rid of a government whose policies were not acceptable. Unfortunately, the bill before us tonight—

Mr. Corbett: Mr. Speaker, I rise on a point of order. You so rightly brought me back to the point that we were dealing with the borrowing authority bill. Now, all of a sudden the hon. member is dealing with the previous government. Is it not right and just that he be asked to address his remarks to the bill? He probably does not know anything about it.

The Acting Speaker (Mr. Blaker): It is. The hon. member for Comox-Powell River.

Mr. Skelly: Mr. Speaker, certainly you would allow me the latitude to develop the context in which the present borrowing authority bill is before the House today. The thrust of debate tonight has not been of a constructive nature. The official opposition has torn the proposed legislation to pieces without making a single constructive suggestion. That is unfortunate. If we look at the proposal before us tonight for a $6.5—

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

The Acting Speaker (Mr. Blaker): The hon. member for Etobicoke Centre (Mr. Wilson) is rising on a point of order.

Mr. Wilson: Mr. Speaker, before the hon. member continues with his remarks I think he ought to read *Hansard* to see what was said earlier in the day. He has not been in the House. Many alternative proposals have been put forward.

Mr. Skelly: Mr. Speaker, certainly the presentation by the finance critic for the Conservative Party was a timely intervention, particularly as he is a supporter of the high interest rate policy and many of the policies that have brought about the present problems in the Canadian economy. Certainly it was the Conservative government that initiated the high interest rates and high energy prices.

The borrowing authority bill deals with the question of priorities in this country. I would be willing to admit that bad as the government was in the Thirty-first Parliament and bad as was the direction in which they were taking us, the present situation is worse. One of the reasons for that is that there is no sense of direction today.

To pass the bill before us tonight would be like taking money and throwing it into a bottomless hole. That situation will continue as long as we do not have a plan to bail us out of the situation.

There are basically three priorities, and when the Conservative Party and the Liberal Party address those priorities, perhaps a sense of direction will be established. Maybe the borrowing will become constructive and a concrete plan will be formulated. The basic priorities are unemployment, high interest rates and the high inflation rate.

The first priority is unemployment. We got onto the subject of mendacities tonight. The second largest mendacity in this country, other than the ones being put forward on a regular basis about the sanctity of the Conservative Party in the last Parliament, is unemployment. We are dealing with about 1.9 million people unemployed in this country, not 1.2 million and not the seasonally adjusted figure or the labour surplus rate. There are approximately 1.9 million people who do not have access to employment, who do not have an opportunity to share in the wealth of the country to which they are entitled. It is time we heard from the party on the right, the "do nothing but criticize" party and the party that is currently governing the country which is the "do nothing at all" party. Certainly, Mr. Speaker, there has to be an employment strategy.

• (2150)

Mr. Cosgrove: Mr. Speaker, would the hon. member entertain a question if time permits at the end of his remarks?

Mr. Skelly: Mr. Speaker, I would certainly entertain a question from the minister, but it would be preferable if he could work with his colleague on a short wrap-up because there is a very limited amount of time.

The three priorities are clear: jobs, interest rates and inflation. The question is: what are we going to do about it? There have been many suggestions, and the New Democratic Party

has put forward five constructive suggestions. First, there should be a full-employment strategy. No one would disagree that Canadians should have the right to employment. I defy any sane member of this House to oppose the suggestion that everyone should have an opportunity to share in the wealth of the country. But in addition, they should also have an opportunity to contribute to this country, its basic strength, and its future. What commitment could you have to a nation if you are blocked from sharing in its wealth, if you cannot live in dignity? Basically we need a full employment strategy, and we need it desperately.

We in this country have been very roughly handled by industry. I simply point to that $2 billion windfall which the energy industry received last week from the government, no strings attached. We have seen many other cash grants and windfalls in which there was the hope for a trickle-down effect, that somehow the benefits would trickle down to those who have nothing. It has not worked in the past and it will not work today. Our suggestion, and I challenge other to criticize it, is that of production agreements in key sectors. If you receive government benefits, if you are a multinational corporation, you do not take the jobs from this country, rather, you create jobs and guarantee employment.

There is a tremendous need for housing in this country, and it is unfortunate that we did not have a little more opportunity for some dialogue with the minister. A tremendous investment at this time in housing would create an enormous number of jobs and meet a tremendous number of social needs. Certainly the minister did something, but it was far short of what was needed. Another point is assistance to exporters. I wish I had time to talk about the tremendous chaos in the forest industry, one of the greatest producers of wealth in this country. This chaos has developed because the government failed to give adequate support to Canadian producers in markets abroad. This should be an extremely high priority because it would create jobs. We produce more than we can consume and it must be exported. With those brief suggestions, I thank you, Mr. Speaker, for the opportunity of making this presentation.

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I have a limited amount of time and I would like to start by taking some time as a relatively new parliamentarian to comment on some of the suggestions made by members of the opposition here this evening. Mr. Speaker, we on this side are quite willing to listen to positive suggestions made by members, regardless of political party. I think we as a government are quite concerned about some of the people who are victims, I suppose, of the present economic situation. Quite frankly, I assumed there would be a much more positive debate here this afternoon on the part of the opposition than what I have actually heard. I refer specifically, I suppose, to the comments of the Prime Minister (Mr. Trudeau) this afternoon when he quoted a speech given by the right hon. Leader of the Opposition (Mr. Clark) in Montreal where that gentleman said, in terms of the macroeconomic policies of this government, that the Conservative Party did not much differ with those policies.

Some hon. Members: Hear, hear!

Mr. Frith: I heard the hon. member for Etobicoke Centre (Mr. Wilson) mention roughly three things. He felt if we were to change some of the NEP, that would solve all the economic ills facing the country today. I would like to remind that hon. member that the NEP does not apply in the U.S., yet we find the oil and gas industry down there finds itself in the same difficulties as the industry in western Canada.

I listened with some interest to the hon. member for Fundy-Royal (Mr. Corbett) who talked about government advertising. I want to point out to that hon. member that I am sure the responsible minister listened with some interest to some of the cost-saving measures the hon. member suggested. But I also want to point out that the government's budget for this year is $67 billion, and the hon. member chose to spend about 35 minutes to focus in on that program. He said any money spent on advertising federal government programs is wasted. I would also point out to the hon. member that the alienation in western Canada is not anti-Liberal, it is anti-central government. I would suggest a large part of that has been caused by the inability of the federal government to advertise properly its programs which affect all Canadians across the country.

Admittedly our party has difficulties at the present time because we do not have the representation in Western Canada we would wish, and will have after the next election.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Frith: But I point out that if one looked at some of the material sent to constituents by Members of Parliament representing the Conservative Party in western Canada, one would question whether or not they believe in a federal government or federal state in this nation.

Let me focus on where we are spending part of this $67 million. For example, the Department of National Health and Welfare anticipates a net increase of $1.7 billion in expenditures for this budget year. Of that money, $1.264 billion will go directly to people covered under the Old Age Security Act. That is partially due to an increase in the number of people over 65, and also due to the Liberal government's having a cost of living allowance attached to those benefits. Is the opposition suggesting that we cut out that kind of benefit to the elderly? There will be $397 million in the form of statutory payments under the Canada Assistance Plan, which we have no control over. Are you suggesting that we cut statutory payments to the provinces? We have an increase of $249 million in payments to individuals under the Family Allowances Act, which is also indexed. Do I hear from the opposition that that is an area they want to cut?

So what I am suggesting, Mr. Speaker, is that much more could have been done in terms of constructive criticism of this government. I think we are smart enough at least to listen to them if they would only take the time to give us constructive criticism.

Some hon. Members: Hear, hear!

• (2200)

The Acting Speaker (Mr. Blaker): Order, please. It being ten o'clock, pursuant to order made Friday, May 7, 1982, it is my duty to interrupt the proceedings and put forthwith, without further debate or amendment, every question necessary to dispose of third reading stage of the bill now before the House.

Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Blaker): Call in the members.

The House divided on the motion (Mr. Bussières) which was agreed to on the following division:

(*Division No. 200*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Gauthier
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Irwin
Isabelle
Johnston
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
Mackasey
MacLaren
MacLellan
Maltais
Massé
Masters
McCauley
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan—126.

NAYS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bradley
Cardiff
Clark (Yellowhead)
Cook
Cooper
Corbett
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Darling
de Jong
Dinsdale
Domm
Ellis
Epp
Fraser
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Howie
Huntington
Jelinek
Jewett (Miss)
Keeper
Kilgour
King
Korchinski
Kushner
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss)
Malone
Manly
Mayer
Mazankowski
McCain
McDermid
McGrath
McKnight
McLean
McMillan
Miller
Mitchell (Mrs.)
Mitges
Munro (Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Oberle
Ogle
Paproski
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Rose
Sargeant
Schellenberger
Scott (Victoria-Haliburton)
Siddon
Skelly
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wilson
Wise
Wright
Young—97.

[*Translation*]

Madam Speaker: I declare the motion carried.

Motion agreed to, bill read the third time and passed.

Madam Speaker: It being past ten o'clock, the House stands adjourned until two o'clock tomorrow afternoon, pursuant to the provisions of Standing Order 2(1).

At 10.28 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, June 16, 1982

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

THE ECONOMY

DEMAND THAT GOVERNMENT REDUCE DEFICIT—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, when the Government of Canada cannot sell its bonds even when the yield is set at 16 per cent, we know that there is something wrong, not only with the Canadian economy but also with the government itself. Therefore I move, seconded by the hon. member for Bruce-Grey (Mr. Gurbin):

That the government be immediately obliged to lessen pressure on capital markets by reducing its horrendous $16 billion deficit, thereby restoring confidence in Canadian government paper.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

METRIC CONVERSION

MINISTER'S MEETING WITH RETAIL INDUSTRY REPRESENTATIVES—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, on May 14, 1982, as reported at page 17449 of *Hansard*, the Minister of Consumer and Corporate Affairs (Mr. Ouellet) stated that he was ready to have discussions with the retail food industry to find out if it was feasible to excuse some small retailers from compulsory metrication. Yesterday I learned from a confidential source that, instead of working with the group on scales, which includes some 50 representatives of the whole industry, he intends to meet next Monday with only six members of the group who represent umbrella associations within the retail food industry under the chairmanship of an employee of the Toledo Scale Manufacturing Company of the United States. I therefore move, seconded by the hon. member for Cambridge (Mr. Speyer):

That in view of the quite disastrous effects of the present economic situation on Canadian businesses, particularly small businesses which include the independent food retailers, the industry as a whole, represented by the working group on scales, some 50 members, should be fully consulted, rather than this apparent doublecross and the stacking of the deck against the small independent retailers.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

MINES AND MINING

POSTPONEMENT OF CONSTRUCTION OF ALUMINUM SMELTER AT BALMORAL, MAN.—MOTION UNDER S.O. 43

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, yesterday in Winnipeg the president of the Aluminum Company of Canada announced the postponement of construction of a 200,000 tonne aluminum smelter in Balmoral, Manitoba. Whereas this announcement means the loss, for now, of some 700 permanent jobs, to say nothing of jobs in site construction and the needed hydro development, and whereas the company laid the blame for this postponement on weak markets, lower prices, and other ramifications of the continuing recession, I move, seconded by the hon. member for Churchill (Mr. Murphy):

That this government abandon its ruinous economic policies which have strangled the Canadian economy, costing tens of thousands of jobs in its vain attempt to save it from inflation.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE CONSTITUTION

PROPOSED ERECTION OF PATRIATION MONUMENT ON PARLIAMENT HILL—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, this Thirty-Second Parliament is unique in that it patriated the Canadian Constitution from Great Britain. No one man or woman in Parliament has accomplished this. Each and every member of this Thirty-second Parliament has helped to make it possible. Over two years ago on May 9, 1980, this House unanimously passed a motion to initiate the successful process,

and on December 2 last this House passed the final resolution. Therefore, in recognition of this momentous event, I move, seconded by the hon. member for Don Valley East (Mr. Smith) and the hon. member for Edmonton West (Mr. Lambert), and having had favourable discussions with both the House leader and the acting House leader of the NDP:

• (1410)

That this government consider the advisability of erecting, at an early date, a suitable monument on the grounds of Parliament containing engraved plaques which include:

1. A listing of all significant milestones in the process of patriation of Canada's Constitution.

2. A full-sized replica of the Proclamation signed by the Queen.

3. An alphabetical listing of all the Members of the Thirty-Second Parliament, including the names of those who are deceased and those who have gone to other responsibilities.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

EXTERNAL AFFAIRS

PROPOSAL FOR RETALIATORY ACTION IF NEW YORK CONTRACT WITH BOMBARDIER COMPANY IS CANCELLED—MOTION UNDER S.O. 43

Mr. Marcel Dionne (Chicoutimi): Madam Speaker, I rise on a matter of urgent and pressing necessity, under the provisions of Standing Order 43.

Whereas following public tenders, Bombardier, a Canadian company, was awarded a contract for the manufacture of 825 subway cars for the City of New York, and whereas as a result of pressure brought to bear by the Budd Company, the New York Metropolitan Transportation Authority might make use of its right to cancel its contract with Bombardier to award the contract to Budd, I move, seconded by the member for Témiscamingue (Mr. Tousignant):

That if the American authorities cancel their contract with Bombardier, the Canadian government reserve the right to cancel its contract with the American aircraft manufacturer responsible for manufacturing the F-18.

Madam Speaker: Under the provisions of Standing Order 43, a motion of this kind requires the unanimous consent of the House. Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

[*English*]

ENERGY

SUGGESTED COMPENSATION FOR USERS OF RENEWABLE ENERGY—MOTION UNDER S.O. 43

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, Monday, June 21 will be "Sun Day"—a day of national support for renewable energy and energy conservation in Canada, which has been organized by the Canadian Solar Industries Association, the Solar Energy Society of Canada, Energy Probe, and other energy interest groups across Canada. Recent advances in technology and standards have affirmed the significant role that solar energy can play in Canada's energy mix. In the face of dismal failures by the Minister of Energy in nearly all parts of his energy policy, including compensation paid for high price oil imports, which discriminates unfairly against renewable energy sources, and in fairness and for the sake of energy self-sufficiency, I move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

That the Minister of Energy be instructed to compensate solar and other renewable energy users at the same level as he compensates the use of expensive and unsure supplies of foreign oil.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL ENERGY PROGRAM

PROPOSAL TO BUILD NATURAL GAS PIPELINE FROM MAINLAND TO VANCOUVER ISLAND B.C.—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I move, seconded by the hon. member for Cariboo-Chilcotin (Mr. Greenaway):

That part of the so-called "Laterals Fund" of $500 million, set aside in the "Energy Update" outlined on May 31 last by the Minister of Energy, Mines and Resources, to assist in the distribution of gas in the province of Quebec, be made available to the province of British Columbia, so that a natural gas pipeline can be extended from the British Columbia mainland to Vancouver Island.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

CANADIAN NATIONAL RAILWAYS

ANNOUNCEMENT OF EXTENDED LAY-OFFS—MOTION UNDER S.O. 43

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, the CNR announced on Monday that it will be extending its previously announced summer lay-off to a total of ten weeks in addition to the usual summer shutdown. This should make the Progressive Conservative Party very happy. For years they have been advocating that Crown corporations like the CNR act like any other short-sighted, profit-blinded enterprise. They have succeeded only too well—and too easily, I might add—in persuading their Liberal comrades. Therefore I move, seconded by the hon. member for Churchill (Mr. Murphy):

That the Minister of Transport, and the new president of the CNR who, incidentally, made no mention at the plan to extend the lay-offs in his so-called honest and open presentation to the transport committee last week, be awarded the Progressive Conservative Callous Businessman of the Year Award for their strict adherence to the Progressive Conservative view of how Crown corporations should act.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

PROGRESSIVE CONSERVATIVE PARTY

EVENTUAL COALITION WITH PARTI QUÉBÉCOIS—MOTION UNDER S.O. 43

Mr. Henri Tousignant (Témiscamingue): Madam Speaker, I rise on a matter of urgent and pressing necessity, under the provisions of Standing Order 43.

Whereas after a meeting of the Parti Québécois National Executive last weekend, the leader of the party, after ambiguous and controversial discussions on the party's future on the federal scene, stated that he was considering a possible coalition with the Progressive Conservative Party, I move, seconded by the member for Beauce (Mr. Lapointe):

That the Leader of the Progressive Conservative Party inform the House how he sees a possible alliance with a party that is in favour of independence, and that he clarify his position for us as soon as possible.

Madam Speaker: Under the provisions of Standing Order 43, this kind of motion requires the unanimous consent of the House. Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

FINANCE

QUERY RESPECTING DRAFT INCOME TAX LEGISLATION

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Minister of Finance. Since the minister has met with his caucus all morning—I do not see any major bruises on his face—and has given his caucus some understanding of the status of the various announcements he is going to make, would the minister announce to the House today when he proposes to make his economic and financial statement, when he proposes to release draft legislation respecting the income tax measures of the budget, and when he proposes to give to the House some new estimate as to the size of the burgeoning budget deficit?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I want to tell the hon. member that, although we in the Liberal caucus have disagreements, we treat each other with respect. That might be an attitude which could be developed in the Conservative caucus.

I have already said in reply to the Leader of the Opposition that I would update the financial and economic situation in the House of Commons before the summer recess. I have not established a firm date, but if the expectation is that the House is to close at about the end of June, it will be within that period.

The same answer applies to the question with respect to draft Income Tax Act legislation. In reply to a question asked by an hon. member from Vancouver I indicated that that would be tabled in the House before the summer recess.

* * *

THE ECONOMY

EXCHANGE VALUE OF DOLLAR

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, surely the minister understands that every day of delay leads to record lows in the level of the Canadian dollar. Today it is trading at below 78 cents American. Every drop in the value of the Canadian dollar leads to increases in interest rates in the country. Surely the minister understands this. Does he not realize that every time the level of the dollar reaches a record low, his credibility also reaches a record low? Will the minister give us a more precise understanding of when these announcements will be made so that people can plan and understand what they are dealing with?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think the hon. member is again exhibiting considerable naivete when he relates exchange movements of the Canadian currency to a

possible date of an economic statement. I think that is an extraordinary linkage for the hon. member to make.

I have already indicated that I would be making a statement in the House of Commons, and I said it would be made before the House rises for the summer recess. As soon as I have a date settled upon, I will let the House know. I will come into the House and make the statement, and the hon. member can make his reply on that occasion.

Mr. Wilson: Madam Speaker, I have spent my life working in the marketplace. I understand the impact of uncertainty on the marketplace and the Canadian dollar. If there is any naivete in this place, it is across the aisle from me right now.

Some hon. Members: Hear, hear!

SIZE OF GOVERNMENT DEFICIT

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, the minister might not care too much about the size of the budget deficit, which is now estimated at between $16 billion and $20 billion, but it matters to Canadians. It matters to small businessmen. It matters to people who are renewing their mortgages. When will the minister come out with some statement that will give the Canadian people some indication of the size of the deficit so that we can understand what impact it will have on interest rates and the level of the Canadian dollar?

• (1420)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member asked the same question three times, and the same answer has to be given. That statement will be made in the House of Commons before the House rises for the summer recess. That is a pretty definite time period in view of the fact that today is June 16. The hon. member—anyway, I will not make any further comment about his deep understanding of the marketplace.

REQUEST THAT GOVERNMENT ACT TO BUILD CONFIDENCE

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is also directed to the Minister of Finance. The minister will know that the confidence level in this country is at an all-time low. He will know that his bond issue of yesterday is not selling well, and that the rate is now over 16 per cent on those bonds. The rate is over 16 per cent on his Eurodollar bonds and they are not selling well any more. The confidence level has gone.

When will the minister do something to assist Canada build back the confidence that Canadians need in their business, in their future, in their country? When is he going to do something to give us some hope for the future?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member talked about confidence. I agree with him that confidence in the future of Canada and confidence in its prospects is very important in the present circumstance. Maybe he would agree that he has a responsibility at least not to undermine that confidence. I would suggest to him that he has undermined it by suggesting that somehow the way the bond issue went was due to some Canadian policy. It was due basically to a nervousness in the market environment which was largely influenced by changes in U.S. bond prices. I am told that there will be very little difficulty in disposing of the remaining part of the issue. That ought to help the hon. member build his confidence, as I have confidence in the future of the country.

Mr. Blenkarn: Madam Speaker, the minister blames the Americans, and now he blames the opposition for our financial policies. I wonder if he would start looking where he should look.

REQUEST FOR ASSISTANCE TO BUSINESS AND AGRICULTURE

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I want to put this question to the Minister of Finance. With a projected cash requirement of $13 billion to perhaps $16 billion this year, a cash requirement that will drive interest rates to unbelievable heights—if that in fact is going to be the cash requirement—what does he propose to assist small business, farmers, even large businesses that we were told last week in the committee inquiring into bank profits, by the association of trust companies, many would likely fail if this level of interest rates continued in Canada? What is the minister's answer to these problems?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has based his question on a speculation. He has projected a certain fiscal and financial situation which has yet to be disclosed in the House. I propose to do that in full detail. When that information is available, as it will be, then it will be possible to deal with the hon. member's question.

REPORTED STATEMENT BY PRIME MINISTER TO LIBERAL CAUCUS

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Prime Minister, but before that I should like to say to the Minister of Finance that the last person—

Some hon. Members: Oh, oh!

Some hon. Members: Order.

Madam Speaker: The hon. member knows that he should not be commenting on the answers.

Mr. Broadbent: Madam Speaker, it is clear from the heckling that the Liberals think they are still in their caucus meeting.

Mr. Andre: You are wasting time, Ed.

Mr. Broadbent: Madam Speaker, I will go right to the Prime Minister. In spite of the continuing decline in the level of the Canadian dollar, in spite of the fact that we now have the deepest recession in Canada since the 1930s, I have been told that the Prime Minister made it clear to the Liberal caucus meeting this morning that there would be no basic change in the economic policy of Canada. I should like to ask the Prime Minister if this was or was not the case.

● (1425)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member should know better than to ask me to comment on what goes on in caucus. I do not ask what goes on in his caucus.

Mr. Broadbent: Madam Speaker, the people of Canada know better than to ask the Prime Minister to comment on anything, because they get no answers at all.

QUERY RESPECTING GOVERNMENT POLICIES

Hon. Edward Broadbent (Oshawa): Madam Speaker, considering the expectations the Prime Minister raised when he was in Versailles, and the deep feelings all over this country that something serious needs to be done to change economic direction, will the Prime Minister give us his assurance that he argued before his colleagues, whether in caucus or not, about the need for a shift in economic policy, and that he will have specific policies to bring before the people of Canada in this Chamber which will indicate a significant change to a new economic direction?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, yesterday the Tory spokesmen were asking me what was going on in cabinet; now the Leader of the New Democratic Party wants to know what I argued in caucus. Surely the two opposition parties might get together, and maybe between them they could come up with some ideas of their own.

Mr. Broadbent: Madam Speaker, that deep, arid and cynical sense of sarcasm the Prime Minister has—

Some hon. Members: Oh, oh!

Mr. Broadbent: —is what endears him so much to the hearts and minds of the people of Canada.

Some hon. Members: Hear, hear!

REQUEST THAT GOVERNMENT TAKE ACTION

Hon. Edward Broadbent (Oshawa): Madam Speaker, considering that the Conservative Party has made some suggestions, and the New Democratic Party has made some suggestions—

Some hon. Members: What?

Mr. Broadbent: I will put forward suggestions, Madam Speaker, because obviously the backbenchers in the Liberal Party have had nothing to say. Will the Prime Minister consider doing something about the fisheries in Canada, the logging industry, the lay-offs in the automotive industry, and do something about all the businesses which are shutting down? Suggestions have been made on this side of the House in all those areas; will the Government of Canada finally act?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Madam Speaker, just a few days ago the hon. member was making suggestions concerning some of those industries. I dealt with them and I suggested, in so far as the representations of the Leader of the New Democratic Party were concerned, I would consider them seriously.

* * *

SMALL BUSINESS

DEVELOPMENT BOND PROGRAM

Mr. Otto Jelinek (Halton): Madam Speaker, the Minister of Finance knows that the Small Business Development Bond program in its original form assisted thousands of small businesses in Canada to cope with the government's high interest rates, and at the same time increased the net revenue to the federal treasury by $77 million in the first year of operation alone, as a study by Infometrica concluded. In light of that, can the minister justify his taking the "development" out of the bond, thereby reducing it to nothing more than a useless empty disguise, at a time when small business needs that assistance the most?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I explained that situation in some detail, I believe it was last week, in the House.

REQUEST FOR CHANGE IN PROGRAM

Mr. Otto Jelinek (Halton): Madam Speaker, we want some definite answers from this minister. He knows there are thousands of bankruptcies taking place every day in the small business sector which add to the record level of unemployment. Is the minister now prepared to reinstate the bond program to its original form, before the end of the month? If not, will he tell us why he is not prepared to do that?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have already answered that question within the last seven sitting days. The same two questions have been put and answered. But I will tell the hon. member that if any decision is made about an alteration to the bond, I will be pleased to advise him when that decision is taken.

Oral Questions

AIRPORTS

DORVAL AND MIRABEL—FUTURE COSTS

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is directed to the President of the Treasury Board as the minister primarily responsible for controlling government expenditure. Has the minister's department made an assessment of government expenditure in relation to the proposed transfer of airport facilities from Dorval to Mirabel? Without getting into the detail of that assessment, is the government expenditure going to be higher or lower if such a move is made?

• (1430)

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, the question is entirely hypothetical because the Minister of Transport has made no announcement with respect to the proposed move at this time. Accordingly, I do not think it would be appropriate for me to comment on the cost of a move which has not taken place and which has not yet even been dealt with at the cabinet level.

Mr. Nowlan: Madam Speaker, in view of the answer given by the minister, which does not surprise me, I would like to ask the Prime Minister a question.

LIBERAL CAUCUS ADVICE

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, in view of the suggested hypothetical nature of my question about something that has been in the newspapers for months, could the Prime Minister tell the House, to remove uncertainty at least as far as Dorval and Mirabel are concerned, regardless of all the other large economic questions, if this week's Liberal caucus is going to come up with some advice to the ministry so that a decision could be made on this matter, which is solely within the control of the ministry and does not involve the United States or anchovies off Peru?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not honestly know if the matter will come up in caucus. It may; it may not. I know it has come up in previous caucuses. The minister is well informed. The matter will be going to committee next week, as the hon. member knows, and then we will hear views from all sides on it. Maybe we will hear views even from the Tory party.

Mr. Nowlan: You have had our views, Sir.

* * *

UREA FORMALDEHYDE INSULATION ACT

PROGRESS THROUGH SECOND READING

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, my question is for the Minister of Consumer and Corporate Affairs. What has happened to Bill C-109, the bill that provides remedial measures for UFFI victims? Would one reason why the government has not brought back the bill for second reading be that it is under heavy pressure from members on all sides of this House, including the minister's own Liberal caucus, to change the bill to make it much more substantial in terms of compensation?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I think the hon. member should talk to his House leader. There is no doubt that Members of Parliament on both sides of the House feel the urgency to pass this measure which would allow victims of urea formaldehyde foam insulation to receive help from the Canadian government. We are ready to pay up to $5,000 to each Canadian who has to repair his or her home. Bill C-109 has been before Parliament already on three occasions. I hope the opposition will refrain from giving their speeches because what is at stake exclusively is the principle of paying money to these home owners.

Mr. Clark: That is untrue.

Mr. Ouellet: Indeed, the bill should be sent to a committee. I hope the Conservative Party which has so far filibustered the bill will stop doing that and allow the bill to go to committee as soon as possible.

Mr. Clark: That is another falsehood.

Mr. Scott (Hamilton-Wentworth): Madam Speaker, on the two occasions when Bill C-109 was brought forward we put up three speakers, both on May 10 and on May 31. We have one speaker left. That is hardly filibustering such an important bill. We want to get it through second reading and into committee as soon as possible.

REPORT OF BOARD OF REVIEW INQUIRING INTO UREA FORMALDEHYDE FOAM INSULATION

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, could the Minister of Consumer and Corporate Affairs give us a status report on the board of review inquiry into the hazardous nature of UFFI? Is the minister sitting on the report because of some important new evidence about the foam? Will the minister, in any event, make a commitment so that we can get that report before the committee to examine its recommendations before we head into another long hot summer which will further aggravate the concerns of UFFI victims?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I am certainly not sitting on the report. I have not received it. I indicated to Parliament that, as soon as this report is received, I will make it public. That is my undertaking. I am anxious to receive this report. One member of the board of review was ill and as a result there has been some delay in the final preparation. I reported this fact to the parliamentary committee which was looking into my estimates. The hon. member knows this.

As far as the discussion of the bill is concerned, on the two occasions involved members of the Conservative Party were

speaking at ten o'clock. If they were anxious to have a vote to refer the bill to committee, they only had to sit down and have a vote. I take the word of the hon. member that his party has only one more speaker remaining. I hope my House leader is aware of this, and in the usual discussions between representatives of each party, perhaps the House leaders could agree to have one more speaker per party and then refer the bill to committee.

* * *

[*Translation*]

CRIMINAL CODE

REQUEST FOR SEVERER PROVISIONS AGAINST PROSTITUTION

Mrs. Céline Hervieux-Payette (Montreal-Mercier): Madam Speaker, a number of Canadian mayors are urging the government to introduce stricter measures in the Criminal Code with respect to prostitution. Could the Minister of Justice inform the House, using his department's statistics, whether any procurers or operators of common bawdy-houses have been convicted under the present strict provisions of the Criminal Code, or whether the legislation is mainly enforced with respect to women who are already being exploited by society, and could he inform us whether he intends to take any action to remedy the situation in the near future?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, as I said yesterday, the matter is before the committee which is considering Bill C-53, and I think the hon. member's question could be answered in committee. I have no statistics right now on the number of arrests, but I am willing to co-operate with the hon. member at the committee's meetings and to give her the information requested, if necessary.

Mr. Hnatyshyn: I have a supplementary, Madam Speaker.

Some hon. Members: Hear, hear!

Madam Speaker: The hon. member for Saskatoon West (Mr. Hnatyshyn), for a supplementary.

POSITION OF MINISTER

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I have a supplementary question for the Minister of Justice.

[*English*]

Does the government have a position with respect to whether or not it is appropriate to amend the Criminal Code with respect to solicitation for the purposes of prostitution, or does the Minister of Justice have no opinion on the matter at all?

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, at the request of hon. members of the House I referred the matter to the committee for study. I want the views of the committee. I have my own views. I am willing to discuss them with the committee. At the request of an hon. member from Vancouver Centre and others I decided to refer the matter for study because there is a controversy. There have been decisions made by courts which have made it very difficult in some parts of Canada to prosecute for solicitation. In other parts some provincial municipal by-laws have been accepted by the courts. This is the case in Alberta, and some provincial laws have been accepted by the courts in Nova Scotia. Therefore it is a most difficult and comprehensive problem. That is why I asked the committee to look into it. I am looking for the wisdom of the committee, including that of the hon. member.

* * *

INDIAN AFFAIRS

DELAY IN ON-RESERVE HOUSING PROGRAM

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, my question is for the Minister of Indian Affairs and Northern Development. This year in Saskatchewan alone, 505 houses were allocated to Indian bands. As of today not one housing project has commenced. The on-reserve housing program has been blocked because of circular J-1 which was unilaterally imposed on this year's housing program. Will the minister please suspend the J-1 circular for this year so that housing projects may begin, and promise that consultation will take place with Indian bands before the reintroduction of the J-1 circular?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I can assure the hon. member that consultation is going on with the Indian people with respect to the implications of the J circular. The problem is that the J circular calls for the commitment of all funds from every source in addition to the moneys from the Department of Indian Affairs before a house can go up. This is good in one sense. We know that houses will go up, but the situation causes delays. I am fully aware of that, as are the Indian people. We are seeing what can be done about it.

Mr. Anguish: Madam Speaker, I hope the minister will take the matter under advisement, act as he said he will, and rectify this very serious problem.

CONSTRUCTION OF SCHOOL AT DILLON, SASK.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, my supplementary question concerns a commitment which the minister made to the Buffalo River band at Dillon which, because of its special situation, was to build the school in Dillon according to provincial standards instead of the inferior federal standards in place now. Will the minister have this school built according to the commitment he made? When will the minister meet with the band to sort out this very real problem?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Yes, Madam Speaker, I did support the proposition with the Buffalo River band at Dillon that Indian schools should be built in accordance with provincial standards so they will not be inferior to schools in the provinces. I might indicate that there is some fault in the premise of the hon. member's question. There are some provinces where the federal standard, believe it or not, exceeds that of the provinces.

• (1440)

Some hon. Members: Oh, oh!

Mr. Munro (Hamilton East): I just wanted to indicate that that is my information. We are reviewing my opinion on the Dillon Indian band proposal in terms of its implications across the country on Indian schools, but this in no way diminishes my commitment to the Dillon band.

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EXTERNAL AFFAIRS

DELIVERY OF NUCLEAR FUEL BUNDLES TO ARGENTINA

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is directed to the Prime Minister. He knows that Argentina has not signed the nuclear non-proliferation treaty and that it is considered capable of producing an atomic bomb. The Palme commission is the latest one to confirm that. The Prime Minister will also know that on June 8, in Vienna, the Argentine government said that it reserved the right to develop nuclear energy for military uses. Has his government now changed its policy in connection with delivering nuclear fuel bundles to Argentina? Will the government recall the Canadian technicians who are there and cancel any further work on the Candu nuclear reactor because Argentina has clearly said that it is prepared to use nuclear energy for military purposes?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it is possible that Argentina may have that intention, but it would not be exercising that intention as regards the Candu or the supplies to the Candu because they are completely safeguarded.

The hon. member will remember that there are other sources of energy supplied by other countries. As the hon. member is aware, Canadian standards are somewhat higher than those of other countries. Therefore, the only effect of accepting the hon. member's suggestion and withdrawing from the contract—in other words, breaking the contract from our point of view—would be to set Argentina free to proceed with whatever is there from Canada without the safeguards which we have negotiated with Argentina and which are being observed.

STATEMENT MADE BY PRIME MINISTER AT NATO MEETING

Hon. John C. Crosbie (St. John's West): Madam Speaker, my supplementary question is directed to the Prime Minister. On June 10 the Prime Minister said at the NATO Summit that "no issue, however important, should take precedence over the need to avoid nuclear annihilation". On June 18, in two days' time, he will speak to the United Nations disarmament conference and propose a freeze on the development of new nuclear weapons and a strategy of suffocation. Will the Prime Minister go to the United Nations with clean hands, or will he be branded the greatest hypocrite in the universe because he is not prepared to carry out what he preaches to the rest of the world and to avoid nuclear annihilation, by giving a country the means to make nuclear weapons by reason of a contract entered into in 1974? Will he practise what he preaches?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I suspect the hon. member did not quite understand my previous answer. I said that we had a contract with Argentina—

Mr. Crosbie: Cancel it.

Mr. Trudeau: —with safeguards.

Mr. Crosbie: There are no safeguards.

Mr. Trudeau: The hon. member is not stating the truth when he says that there are no safeguards. He should know, because he was in a government which also tried to sell a Candu—

Mr. Crosbie: We refused to sell a second one.

Mr. Trudeau: Madam Speaker, the hon. member is asking me a question. I would appreciate it if he listened to my answer.

I am saying that there is a contract with Argentina to sell a Candu which is safeguarded. If we withdraw from that contract the safeguards will fall, and therefore the material and the technology which have been delivered to Argentina, not only in the period since 1976 but in the period during which the hon. member's party was in government, would be in the hands of the Argentine government without any safeguards. The hypocrisy would really be to say that we are going to withdraw from this and think that it will make the world safer. It will not; it will mean that Argentina will have technology and matarial which are no longer safeguarded. We prefer to keep those safeguards than to set Argentina free.

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THE ECONOMY

DATE OF FORTHCOMING ECONOMIC STATEMENT

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my question is for the Minister of Finance who, I am

sure, appreciates that the only glimmer of hope on the economic horizon for many of Canada's citizens is the hope that in the promised economic statement from the Minister of Finance there will be a major reversal of governmental fiscal and monetary policy. Surely the minister has a very firm idea not only of what he will say but of when he will say it. What is the mystery? Can we not learn today what is in the minister's mind in respect of when we will have this much-needed economic statement from him?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am surprised, really, at the preamble to the question. The hon. member is advocating a complete reversal of current monetary and fiscal policy. I have never heard the official critic of his party advocate anything but a stiffening of fiscal policy rather than a loosening of it. I am surprised at this new evidence of a policy shift on the part of the Conservatives, but I can only reply to him in the same way as I replied to the former questions, namely, that I will be making a statement before the House rises for the summer recess. When the date is established, I will let the House know, and everyone will have ample opportunity to come and listen to the statement and hopefully approve of it.

ASSURANCE SOUGHT THAT HOUSE MAY DEBATE STATEMENT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a supplementary question. The Minister of Finance has indicated that the House of Commons would have the opportunity to listen. What the people of Canada expect is that this House of Commons will act, not simply listen. I want the minister to tell us whether the House of Commons will have the opportunity to consider specific new measures in his statement for several debating days, or for a reasonable number of debating days, after the statement is made in the House and before the summer recess?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, when the statement is made, the Right Hon. Leader of the Opposition will be entitled to ask that question. But I believe, if I answered the question either negatively or affirmatively, I would be prejudging what will be in the statement, and that has not yet been finally decided.

Mr. Clark: Madam Speaker, I am amazed that the Minister of Finance, having presided over this economic disaster, having tried to hide out in Versailles, and having now had the advantage of consultation with his cabinet and his caucus, does not know what in the world he will propose or whenever it is that he will propose it; indeed, he may not even know the date.

CONTENT OF STATEMENT—MINISTER'S INTENTION RESPECTING PARLIAMENTARY DEBATE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, may I ask the Minister of Finance whether in fact there will be specific new measures in the economic statement, and whether the House of Commons will have the opportunity to discuss those measures, or is the minister intending simply to bring in a statement declaring nothing and then use closure to force Parliament out of here?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think the answer to the question is no.

POSSIBILITY OF LEGISLATIVE CHANGES

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my supplementary question is also directed to the Minister of Finance. Surely he can tell us whether his economic statement will require legislative changes to be enacted by the House. Could he also tell us whether the statement will be given in the afternoon or in the evening?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I will reveal all these gripping details at the appropriate time.

• (1450)

QUERY RESPECTING STATEMENT'S CONTENT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I want to be clear concerning what the Minister of Finance has said in response to me. I asked him whether there would be specific new measures. He said, "The answer is no". Is he telling us that there will be no specific new measures in the economic statement?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): As I heard the clinching, final part of the question, it concerned whether I would bring in nothing and close the House by closure, and I replied, "No."

Some hon. Members: Hear, hear!

REQUEST FOR NEW ECONOMIC MEASURES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, 1,200 Canadians a day are losing their jobs, businesses are going into bankruptcy day after day because of this government, but the Government of Canada refuses to tell the House of Commons of Canada whether there will be any new measures proposed. Will there be any new economic measures proposed in the economic statement? Will there be specific new proposals to rescue Canadians from the economic disaster into which this government has cast them?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think I have already answered that question. The statement will be made available in the House of Commons and the contents will be known then. I will not be able to specify, until the statement is made, what will be in it and what will be left out.

Mr. Lawrence: You do not know. Good grief!

Oral Questions

THE CONSTITUTION

STATUS OF NATIVE WOMEN—ATTENDANCE AT CONSTITUTIONAL CONFERENCE

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, two years ago the Prime Minister said that one or two more years should be the limit before the government moved unilaterally to end the discrimination against Indian women under the Indian Act, but in the intervening two years the government has not even consulted with Indian leaders or with the leaders of Indian women about the best way to end this discrimination. Obviously, Indian women will have to speak for themselves on this issue.

Will the Prime Minister invite representatives of the Native Women's Association of Canada to attend the coming constitutional conference so that the unique problems of Indian women will not be overlooked when the conference deals with constitutional matters which directly affect the aboriginal peoples of Canada?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I indicated before that the attendance at the constitutional conference will be a matter to be discussed between the premiers and myself. As a minimum, I intend to invite the principal representatives of the three aboriginal groups in other words, the Inuit, the Indians, and the Metis. That would be the minimum. However, I will see whether the provinces have any suggestions for additions or, indeed, whether the aboriginal groups themselves have any suggestions for additions.

REQUEST THAT NATIVE WOMEN BE REPRESENTED

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, my supplementary question is also directed to the Prime Minister, who knows that the other three groups which have already been invited all have their own legitimate concerns, and that in the pursuit of those concerns the needs of Indian women can very easily be overlooked. There is a fourth national aboriginal group, and I ask the Prime Minister if he will consider inviting that group, the Native Women's Association of Canada, to send representatives to the constitutional conference and to fund them for so doing.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I must say that I disagree with the premise of the question. The hon. member is suggesting that the national representative groups of the Indian people are not representative of half of those Indian people. I suggest that that is not a compliment to those representative bodies. He may have representations to make directly to them himself, but I take it that the official spokesmen of the Indian people speak for all the Indian people.

ADMINISTRATION OF JUSTICE

DISPOSITION OF DONALD MARSHALL CASE

Mr. Russell MacLellan (Cape Breton-The Sydneys): Madam Speaker, my question is directed to the Minister of Justice and it arises from my concern involving the Donald Marshall case. Donald Marshall is a man who was convicted of murder 11 years ago and his conviction is now being questioned. I wonder whether the minister is prepared today to tell us if he has reached a decision with regard to further disposition of this case.

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I would like to inform the hon. member and the House that I referred the question to the Nova Scotia Supreme Court and asked the court to make a determination on this case in the light of new evidence brought forward, pursuant to Section 617(b) of the Criminal Code.

Mr. Lawrence: Why did you not say that yesterday?

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THE ECONOMY

INDUSTRIAL PRODUCTION—REQUEST FOR NEW TAX INCENTIVES

Hon. George Hees (Northumberland): Madam Speaker, my question is directed to the Prime Minister. The Minister of State for Economic Development recently said in Victoria:

> We are going to stop propping up mature industries that will never be competitive in this generation, like textiles, clothing, footwear and a number of others.

And he also said:

> We are not going to process every one of our natural resources into the final product. For one thing, we do not have the people.

Does the Prime Minister not consider that Canada's million and a quarter unemployed people very clearly indicate that we do have the people necessary to process a far greater proportion of our natural resources into finished products than we process at the present time? I would ask him if the government is considering the introduction of a generous tax incentive to be applied to new and additional production, which will persuade entrepreneurs in Canada to undertake new, additional production in our factories so that we can provide employment for our very large number of unemployed workers.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member asked two questions. With regard to the first question, stated in the way it was stated, I must say that I agree with the hon. member that we do have the people. With regard to the second question, I understand that he is making a representation as to what our tax policy should be, and I assure him that it will be duly noted.

THE PRESS

PROPOSAL TO ESTABLISH NATIONAL PRESS COUNCIL—ONTARIO BODY'S VIEWS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is directed to the Minister of State for Multiculturalism. In a statement released yesterday, the Ontario Press Council stated that it views with great apprehension the implication of government intervention contained in the proposal to create a state-sponsored national press council. Will the minister agree to the Ontario Press Council's request that "no national council of any kind should be considered until every opportunity has been explored for encouraging full participation by newspapers in forming voluntary regional or provincial councils"?

Hon. Jim Fleming (Minister of State (Multiculturalism)): Madam Speaker, it is unfortunate that the hon. member did not refer to other parts of that release which are largely supportive, I believe, of the measures put forward by the government. The Davey Senate Commission in 1970 suggested press councils. It is now 12 years later. The newspapers have had a long time to react. They will have the period of time between now and the introduction of legislation and, indeed, the successful passage of legislation. I have already publicly said that if various newspapers voluntarily join press councils, that would be our press councils.

Mr. Clark: The big stick.

Mr. Beatty: Madam Speaker, apparently the minister rejects that proposal by the Ontario Press Council.

FUNDING FOR COUNCIL

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Is the minister aware of the statement by one of the public representatives of the Ontario Council, Reverend Brad Massman, who said that such a body would be "twenty million dollars of the taxpayers' money thrown into the sewer". If so, will the minister tell the House how he can justify this wasteful and dangerous expenditure of tax dollars at a time when the federal deficit has grown to some $16 billion?

Hon. Jim Fleming (Minister of State (Multiculturalism)): Madam Speaker, I might quote another member of the Press Council who is not always the best friend of the government, Doris Anderson, who encouraged us to proceed with everything we proposed.

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METRIC CONVERSION

MINISTER'S MEETING WITH RETAIL INDUSTRY REPRESENTATIVES

Mr. Bill Domm (Peterborough): Madam Speaker, my question today is directed to the Minister of Consumer and Corporate Affairs and stems from his commitment in this House on May 14 to call together a working group on scales to determine if the government would exempt small businesses from purchasing metric weigh scales. He has called that meeting for Monday. Unfortunately, he has chosen an employee of the Toledo Weigh Scale Company to act as chairman, and six members only of the 50 members of that sector. How does the minister justify calling only six members of the 50-member sector, none of them independent retail grocers, none of them major corporate food chains, and appointing as chairman an employee of the American Toledo Weigh Scale Company?

Some hon. Members: Oh, oh!

An hon. Member: Holy Toledo!

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, my consultations with the industry are continuing. Despite the statements of the hon. member, these consultations are going well. When I am ready, I will make a decision, at the appropriate time.

• (1500)

REQUEST FOR ENLARGEMENT OF INDUSTRY REPRESENTATION

Mr. Bill Domm (Peterborough): Madam Speaker, I have a supplementary question for the Minister of Consumer and Corporate Affairs. The corporate manager of Loblaws says that 85 per cent of them do not want metric in retail since the United States has moved off it and is back to imperial. Will the minister please answer why he refuses to include in the sector group on Monday, after five years of working with that 50-member group, instead of bringing in the Toledo weigh scale company and only six representatives, two of them federally funded groups, to vote us into metric against the wishes of the food retail sector?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, despite the fact that the hon. member repeats his question a little louder, what he is saying does not make any more sense. I listened to his question. I indicated to him that this was one meeting for consultation. Other meetings will take place. We will have extensive consultation, and it will not be only with a few members of the sector group. When the consultation process has been completed to my satisfaction, I will make the appropriate announcement. Until that time I recommend to the hon. member that he cool off, forget about metric for a little while, and concentrate on some other worth-while cause. I am sure he was not elected to Parliament only to think about metric.

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PETITION

MR. FLIS—POLAND—IMPOSITION OF MARTIAL LAW

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the table the two hundred and seventieth report of the Clerk of Petitions stating that he examined the petition presented by the hon. member

for Parkdale-High Park (Mr. Flis) on Tuesday, June 15, 1982, and finds that the petition meets the requirements of the Standing Order as to form.

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MESSAGE FROM THE SENATE

Madam Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-27, an act to amend the act of incorporation of the Grand Lodge of the Benevolent and Protective Order of Elks of the Dominion of Canada, to which the concurrence of this House is desired.

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POINTS OF ORDER

MR. CORBETT—REMARK OF MR. SKELLY

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I rise on a question of privilege. During the debate on the borrowing authority bill last evening, I was interrupted by the hon. member for Comox-Powell River (Mr. Skelly) who stated, about some remarks I had made in my speech, that:

—this is the greatest accumulation of mendacities I have heard in a long time.

The concise Oxford dictionary gives the interpretation of mendacious as "lying and untruthful". I am perfectly aware that this was probably a new word in the hon. member's vocabulary and he was not aware that the meaning of the word does connote lying and untruthfulness. Therefore, I feel I have a *prima facie* case of privilege. I would ask Madam Speaker to rule on it and perhaps, in view of the fact that that word is unparliamentary, or at least the meaning of it is lying or untruthfulness, request that he be asked to withdraw the term.

Madam Speaker: To be correct, that was not a question of privilege but a point of order since it deals with unparliamentary language.

I would also like to say that a point of order was raised at the time it took place and was dealt with by the Speaker at that time. The Speaker in the Chair at that time probably referred to the list of unparliamentary words cited in Beauchesne and did not find the word "mendacity". That is probably why he did not ask the hon. member for Comox-Powell River to withdraw the expression.

Hon. members might recall that very early in my mandate in the Chair, I had to deal with a member who had used an unparliamentary word which was a synonym of the word mendacity. It was substituted. I asked the hon. member to withdraw that word.

An hon. Member: Which hon. member?

Madam Speaker: For the purposes of this ruling I do not think it is necessary to identify the hon. member. That member substituted the word mendacious for the word he had used.

English not being my first language, I did not quite know what mendacious meant. It was not in Beauchesne. I thought it was quite sophisticated and proper and I accepted the word.

I will let the matter go this time. I think the hon. member for Fundy-Royal (Mr. Corbett) will bear with me since the matter was dealt with by one of the Deputy Speakers, probably based on what had happened previously in the House, and he let the matter go. I warn hon. members that in my view, any word that is a synonym of a word that is unparliamentary cannot be substituted for the unparliamentary expression. From now on the word mendacity will be considered by me to be unparliamentary as well as mendacator and all other words which mean the same thing. An hon. member cannot accuse another hon. member of not telling the truth by substituting words which mean the same thing.

Hon. Erik Nielsen (Yukon): Madam Speaker, it would appear that a new precedent has now been set by the Chair. The words mendacity, mendacious and mendaciousness do not appear in Beauschesne, or indeed in any precedent I know, as being unparliamentary. Indeed, since I have been here, which has been more than a few years, that expression has been used on all sides of the House with frequency. It has never been ruled by the Chair to be unparliamentary.

May I suggest that before coming to this precedent-setting decision the Chair might wish to hear some in-depth submissions on the matter. What would happen if the Chair makes a decision now to add this word to the list of unparliamentary expressions—in my submission it would constitute a new precedent? Members should certainly have the opportunity of (a) examining precedents in an effort to convince the Chair of the propriety of the expression, and (b) of making submissions to the Chair before it comes to a decision setting such a far-reaching precedent.

I suggest that if the Chair wishes to go that route, it advise the House that it intends to seek submsissions on the matter, and that time be set aside for doing that.

Madam Speaker: In reply to the hon. member, let we say that I have not been here as long as he has. How did words get on the list of Beauchesne? I suppose at some point the Speaker determined that certain words were unparliamentary, and the list was carried on from one Speaker to another. I do not really know how they got on the list.

In any event, I accept the hon. member's suggestion. I will look at the procedure by which these words got on the list of unparliamentary language. I will do what has been done in the past.

• (1510)

Mr. Dionne (Northumberland-Miramichi): On a point of order, Madam Speaker. If the hon. House leader of the official opposition had given the hon. member for Fundy Royal the

same lecture as he has just given to you, we would not have had this problem in the beginning.

Some hon. Members: Hear, hear!

MR. CHRÉTIEN'S ANSWER RESPECTING CASE OF DONALD MARSHALL

Mr. Howard Crosby (Halifax West): On a point of order, Madam Speaker. Very briefly, I would like the assistance of the Chair with respect to a matter that arises from question period today. You heard the Minister of Justice (Mr. Chrétien) announce to the House that he was referring the case of Donald Marshall to the Nova Scotia Supreme Court. Your Honour will also recall that I directed a question yesterday to the Minister of Justice concerning the same case, asking what action he was going to take, and I received no positive answer. It is difficult for me to know, as a member of the Bar of Nova Scotia for 25 years and also as a member of the Bar of Ontario, how the Minister of Justice could possibly not know 24 hours ago that he was going to take this course of action.

Bearing in mind, Madam Speaker, the difficulties that the Right Hon. Leader of the Opposition (Mr. Clark) had with the same Minister of Justice in the case of a reference to the Supreme Court of Canada of the Newfoundland off-shore dispute, I want to reserve my right to check the records and check the facts, to find out if the Minister of Justice was candid with the House yesterday when I addressed the question to him on the case of Donald Marshall.

Madam Speaker: The only guidance that the Chair can give the hon. member is that the Chair cannot interfere with any of the answers of hon. members. They stand on the statements they make. It is not for me to judge whether the hon. minister did not know one thing one day and happened to know it the next day. This is of no concern to the Chair. It is certainly a matter in which the Chair cannot intervene.

UNPARLIAMENTARY REMARK OF MR. ROBINSON (BURNABY)

Madam Speaker: I have checked the "blues" with regard to the expression used by the hon. member for Burnaby (Mr. Robinson) in the House yesterday. I asked the hon. member whether he thought he had used unparliamentary language, because I had not exactly heard what he said. I checked the "blues". The hon. member yesterday answered me that he had not used exactly those words, and I guess that answer was exactly correct in regard to the exchange we were having. But, having checked the "blues", I find that the hon. member said that an hon. member had lied to the country. I think that I asked the hon. member whether he had said that the hon. member had deliberately misled the House.

I do not want to get into the problem of determining whether one can not say that someone deliberately misled the House, and can say that the hon. member deliberately misled the country. I do not want to get into this distinction that one can possibly make. I believe that the idea behind what took place is that the hon. member for Burnaby cannot say, in any circumstances, that someone deliberately misled either the House or the country.

Therefore, I regret that I have to ask the hon. member, if he understands the sense of my intervention, whether he would volunteer to withdraw that expression.

Mr. Svend J. Robinson (Burnaby): Madam Speaker, if I might just give the context of those remarks, it might assist the House. We were dealing in this particular instance with a report of the Canadian Judicial Council which, pursuant to the provisions of the Judges Act, is sent directly to the Minister of Justice. That report of the Canadian Judicial Council is a document which was then made public by the Minister of Justice (Mr. Chrétien), Madam Speaker, and the contents of that report were interpreted by the Minister of Justice.

Madam Speaker: Order. The hon. member is arguing the matter that was discussed. What we are dealing with now is an unparliamentary expression. That is extremely narrow. I do not believe we need many explanations of the context. It is absolute. If a member says that someone has deliberately misled the House or the country, this is not acceptable in the House, no matter what the context is. In other words, there is no excuse for it. I would ask the hon. member if he would withdraw those words.

Mr. Robinson (Burnaby): Madam Speaker, Judge Berger cannot reply to a misrepresentation by the Minister of Justice. In view of that, I would draw your attention as well to Citation 321 of Beauchesne's that all references to judges and courts of justice in the nature of personal attacks and censure have always been considered unparliamentary.

Madam Speaker, the Minister of Justice stated that the remarks or that the conclusion of the Canadian Judicial Council was that Judge Berger's action was reprehensible. That was not an accurate statement. Judge Berger is not in a position to correct that. Therefore I am quite prepared, Madam Speaker, if the Minister of Justice will set the record straight and stop misrepresenting the position of the Canadian Judicial Council to the public, to withdraw my accusation. But until such time as the Minister of Justice stops taking these cheap shots at Judge Berger, I certainly do not intend to withdraw any such suggestion.

Some hon. Members: Hear, hear!

Madam Speaker: We can deal with another matter at another time, if there is any reason to deal with it. At the time I did not see anything in the intervention made by the minister that would reflect on the conduct of the judge. I do not know whether he was citing the report at that time or what he was doing. However, that can be dealt with at another time.

What we are trying to deal with now is the unparliamentary expression used by the hon. member. He knows that he simply has to withdraw this unparliamentary expression, because when an unparliamentary expression is uttered in the House it does damage to the House and to the decorum of the House

and it is not helpful in the pursuit of normal debate in the House of Commons. There is all the more reason, if the hon. member wants to have some of these questions further elaborated and elucidated, that he should co-operate with the Chair and remove an obstacle to the debate in the House of Commons by withdrawing that unparliamentary expression. It is not conditional. The hon. member may not impose conditions to withdrawing his own unparliamentary expressions.

Mr. Robinson (Burnaby): I will not be a party to this travesty of justice in which the Minister of Justice is abusing his position, and Judge Berger cannot reply. Madam Speaker, indeed the Minister of Justice did indicate that the Judicial Council found—

Madam Speaker: Order. I have to warn the hon. member that he cannot enter into a debate with the Chair on this particular question. It is clear that he has used an unparliamentary expression. It is in *Hansard*. It is in the record. This is not allowed in the House. These are the rules of the House, of which the hon. member is a part. He too like all other hon. members has determined that these unparliamentary expressions should not be used in the course of debate. It is quite understandable when the debate is somewhat heated, but he knows that he cannot use that unparliamentary expression. Therefore, I have to ask him to withdraw that expression.

Mr. Robinson (Burnaby): Madam Speaker, I have no intention of making a mockery of the truth. The statement I made stands. The Minister of Justice did deliberately mislead the Canadian public on this very important matter.

Madam Speaker: Order. I cannot allow the hon. member not to follow the rules of this House. Therefore, if the hon. member is not disposed—and I will ask him another time—if he is not disposed to withdraw that expression, he knows the consequences of refusing to do that.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Madam Speaker: Therefore it is with the greatest regret that I must name the hon. member for Burnaby.

The hon. Parliamentary Secretary to the President of the Privy Council.

Mr. Smith: Madam Speaker, I would move, seconded by—

Mr. Nielsen: On a point of order, it must be a minister of the Crown who moves the motion.

Hon. Jim Fleming (Minister of State (Multiculturalism)): Madam Speaker, I understand that at this time it will be necessary to move the motion.

I move:

That the member for Burnaby be suspended from the service of the House for the remainder of today's sitting.

● (1520)

Madam Speaker: Does the House agree to the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five members having risen:

Madam Speaker: Call in the members.

The House divided on the motion (Mr. Fleming), which was agreed to on the following division:

(*Division No. 201*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Corbin
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
de Corneille
Deniger
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupras
Erola (Mrs.)
Ethier
Evans
Ferguson
Fleming
Flis
Foster
Francis
Frith
Gamble
Garant
Gauthier
Gimaïel
Gingras
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Leduc
Lefebvre
Loiselle
Lumley
MacBain
Mackasey
MacLaren
MacLellan
Maltais
Massé
Masters
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Savard
Schroder
Simmons
Smith
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—120.

NAYS

Messrs.

Althouse	Fennell	McCain
Andre	Fraser	McDermid
Anguish	Gass	McGrath
Beatty	Gilchrist	McLean
Benjamin	Greenaway	McMillan
Blackburn	Gurbin	Mitchell
Blaikie	Gustafson	(Mrs.)
Blenkarn	Halliday	Murta
Bradley	Hargrave	Nielsen
Clark	Hawkes	Paproski
(Yellowhead)	Heap	Parker
Coates	Hovdebo	Riis
Cook	Howie	Rose
Cooper	Huntington	Sargeant
Corbett	Ittinuar	Schellenberger
Crombie	Jelinek	Scott
Crosbie	Keeper	(Hamilton-Wentworth)
(St. John's West)	Kempling	Siddon
Crosby	King	Stewart
(Halifax West)	Lambert	Taylor
Crouse	Lawrence	Thacker
Dantzer	Lewis	Towers
Darling	MacDonald	Waddell
de Jong	(Miss)	Wise
Dinsdale	Malone	Wright
Domm	Manly	Young—74.
Epp	Mayer	

● (1640)

Madam Speaker: I declare the motion carried. The motion being carried, the hon. member for Burnaby, Mr. Robinson, should withdraw from the House.

And Mr. Robinson (Burnaby) having withdrawn:

Some hon. Members: Hear, hear!

Mr. Nickerson: Madam Speaker, I rise on a point of order. With respect to the division which has just taken place, I respectfully request that the record show that although I was here in my seat, I did not vote on the motion.

Madam Speaker: The record will show that.

Some hon. Members: Hear, hear!

* * *

POINT OF ORDER

MR. ANGUISH—USE OF UNPARLIAMENTARY LANGUAGE

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, I would like to raise a point of order with respect to what appears to be a bit of an inconsistency which could possibly confuse some Members of Parliament.

On June 8 the question of the use of unparliamentary language was raised in the House when Your Honour called the hon. member for Burnaby (Mr. Robinson) to order for using the word "lie" in the House. As recorded at page 18212 of *Hansard* the hon. member for Burnaby said:

> At no time did I suggest that the Minister of Justice abused his position by lying in the House.

Your Honour then said:

> As long as the hon. member has not said someone in this House has told a lie, that is fine; no unparliamentary language has been used.

It seems that there might be a double standard as to whether a member can refer to another hon. member who has misled or lied to the public outside the House and whether an hon. member can accuse another hon. member of actually lying in this House. It seems to me that in Your Honour's ruling of June 8 Your Honour ruled that the hon. member could use this language.

Madam Speaker: Order. That matter was dealt with at the time according to the circumstances. I do not recall whether there was an exchange between the hon. member and the Chair about what I had heard or not heard. It is quite obvious that words are often uttered in this House which the Speaker does not hear. In that case the Speaker cannot intervene. I remember the exchange to which the hon. member refers. At that time the hon. member for Burnaby (Mr. Robinson) told the Chair he had not used unparliamentary language. I took his word for it. That matter was dealt with at the time. This matter should have been raised at that time. This point of order cannot be entertained several days later.

Today another situation occurred. I think the matter today was quite clear. I asked the hon. member to withdraw. He did not withdraw, and therefore the House has acted accordingly.

Mr. Anguish: Madam Speaker, this is not—

Madam Speaker: Order. Those are rulings and I cannot accept comments on them.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,345, 3,485, 3,575 and 4,289.

[*Text*]

PETRO-CANADA PURCHASE OF PETROFINA

Question No. 2,345—**Mr. Cossitt:**

With reference to the purchase of Petrofina by PetroCan, what are the names, titles and job designations of all persons who were involved directly or indirectly in the negotiations between PetroCan and Petrofina for the acquisition of Petrofina?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Petro-Canada reports as follows: W. H. Hopper, chairman and chief executive officer, Petro-Canada; J. I. Bell, executive vice-president, Petro-Canada; D. O'Brien, senior vice-president, general counsel and corporate secretary, Petro-Canada; M. F. Strong, vice-president and director, Société Générale pour l'Énergie et les Ressources (SOGENER); Leonard Hentsch, chairman, SOGENER; Adolph Demeurs de Lespaul, chairman, Petrofina S.A.; Pierre Nadeau, president, Petrofina Canada Inc.

Order Paper Questions

Question No. 3,485—**Mr. Waddell:**

1. Does Petro-Canada maintain that none of its employees or agents gave prior knowledge to anyone connected with Petrofina Canada that Petro-Canada was interested in purchasing Petrofina Canada?

2. On what date did the officers and directors of Petrofina Canada, either collectively or individually, first learn that an approach had been made to Petrofina S.A. to sell all or part of its holdings of Petrofina Canada?

3. On what date was Petrofina S.A. first approached by Petro-Canada or by an agent acting on its behalf concerning the purchase?

4. On what date did Sogener, acting on behalf of Petro-Canada, first approach Petrofina S.A. about the sale of Petrofina Canada?

5. On what dates did Mr. W. Hopper of Petro-Canada contact Petrofina S.A. or its agents about the possible purchase?

6. On what date did Petro-Canada first offer or suggest $120 a share as the purchase price?

7. Did the Quebec weekly magazine "Finance" on October 13, 1980 report that Petro-Canada was offering the parent company $120 a share for the purchase and, if so, on what date did Mr. Hopper first become aware of this?

8. On what date did Petrofina S.A., or any agent on behalf of the parent company, first inform Petrofina Canada that another party was interested in the purchase?

9. On what date did Petrofina Canada authorize the purchase of additional stock options for officers of the compnay?

10. Was a recommendation made that the offer to purchase Petrofina stock include the stock held through executive stock options and, if so, by whom and on what date?

11. Did Mr. Pierre Nadeau, president of Petrofina Canada, exercise his stock purchase options and, if so, in each case, how many shares did he purchase and what was the stock's price?

12. Did Mr. Nadeau on November 20 and November 28, 1980 or thereabouts contact Mr. Hopper or any other official of Petro-Canada or agent acting on behalf of Petro-Canada about the purchase?

13. Is the Minister of Energy, Mines and Resources satisfied that neither Petrofina S.A. nor Petro-Canada nor its agent in any way gave information about the possible purchase that would benefit officials of Petrofina Canada through insider trading in stocks?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): The Minister of Energy, Mines and Resources reports as follows:

13. Information as to persons who had access to relevant information within or through Petro-Canada has been given to the appropriate federal and provincial authorities to assist in their enquiries as to whether any party to the negotiations made improper use of any information. This information includes the names of the few officers of Petro-Canada, the directors and legal advisers of the corporation involved in the transaction. Also, the names of the small number of government officials, who were informed of the discussions for purposes of their duties, have been communicated to the same authorities. These authorities have found nothing of concern in the matter and have reported such.

Petro-Canada reports as follows:

1. Mr. Pierre Nadeau, president of Petrofina Canada Inc. was in attendance at a meeting in Brussels, Belgium, on October 3, 1980 between Mr. W. H. Hopper, chairman and chief executive officer of Petro-Canada and Mr. Adolph Demeurs de Lespaul, chairman of Petrofina S.A. He also took part in two telephone conversations with Mr. Hopper in November, 1980.

2. Mr. Nadeau was an officer of Petrofina Canada Inc. and his contacts are noted in part 1. Details of when other officers and/or directors of Petrofina Canada Inc. learned of the transaction would not normally be known to Petro-Canada prior to the corporation actually formalizing a deal. However, the board of Petrofina Canada Inc. did convene to consider the offer in early February of 1981.

3 and 4. Petrofina S.A. was first approached by SOGENER in late August, 1980.

5. Mr. Hopper called Mr. Nadeau on November 28, 1980.

6. January 29, 1981.

7. Any speculation as to price by the press prior to January 29, 1981 is unfounded.

8. It would not be appropriate for Petro-Canada to comment on how Petrofina S.A. dealt with Petrofina Canada Inc. after the first approach in August, 1980.

9. August 22, 1980.

10. Stock options, being a legal obligation of Petrofina Canada Inc., increased the number of shares required to be purchased. This fact was known to Petro-Canada at the time of making the deal and influenced the price.

11. Yes, Mr. Nadeau exercised his stock purchase options. Details are available from insider trading reports which are publicly available.

12. Yes.

NUMBER OF SOVIET OFFICIALS IN CANADA

Question No. 3,575—**Mr. Cossitt:**

1. Is the government aware that the FBI and the CIA estimate that approximately 350 of the approximately 1,000 Soviet officials posted in the United States are working as Soviet agents as well?

2. What is the number of Soviet officials presently in Canada, including diplomats, members of the news media and representatives of the Soviet Airline Aeroflot and how many are estimated to be acting on behalf of the Soviet KGB or GRU in addition to their regular duties?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of External Affairs and the Solicitor General of Canada as follows:

1. The Department of External Affairs is only aware of these estimates through press reports.

2. (a) Seventy. (b) While there are 70 Soviet officials as described in part (a) of this question presently in Canada, it would not be in the public interest to reveal what number, if any at all, are acting on behalf of the KGB or GRU.

EMPLOYEES OF O/A ADAMS COMMUNICATIONS

Question No. 4,289—**Mr. Mazankowski:**

Did any employees of O/A Adams Communications of Toronto work for the Department of Communications in providing switchboard attendant services in 1981 and, if so (a) how many (b) what was the number of man-hours involved (c) what were the titles and classifications of those employed (d) were they considered public servants by the department?

Mr. Jack Masters (Parliamentary Secretary to Minister of Communications): In so far as the Department of Communications is concerned, the reply to the above question is as follows:

(a) Three employees of O/A Adams Communications of Toronto are former term employees of the Department of Communications, Ontario region who were engaged in supplying attendant services at the Government of Canada consolidated telephone switchboard, Toronto, Ontario in 1981; (b) The total person-days consumed by these former employees during the period January 1, 1981 to December 31, 1981 were 621; (c) The title of the positions occupied by these former employees was telephone operator and the classification of the positions was CR-2; (d) During the period of employment as term employees of the Department of Communications, Ontario region they were considered to be public servants.

[*English*]

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

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, Notice of Motion for the Production of Papers No. 101 in the name of the hon. member for Portage-Marquette (Mr. Mayer) is acceptable to the government.

[*Text*]

"A STUDY OF SURETY ARRANGEMENTS OF LICENSEES"

Motion No. 101—**Mr. Mayer:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of a report commissioned by the Canadian Grain Commission entitled "A Study of Surety Arrangements of Licensees" by Clay Blackwell.

Motion agreed to.

[*English*]

Mr. Smith: I ask that the remaining notices of motions for the production of papers be allowed to stand.

Madam Speaker: Shall the remaining notices of motions for the production of papers stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—FISCAL AND ECONOMIC POLICIES

Mr. Nelson A. Riis (Kamloops-Shuswap) moved:

That this House condemns the government for its fiscal and economic policies which have led to unacceptably high levels of unemployment, record personal and business bankruptcies and general economic instability; and its failure to address these problems in any meaningful way particularly with reference to job creation and security in communities dependent on forestry, fishing and mining.

He said: Madam Speaker, this is indeed a dark day in the House and in the country. The inappropriate behaviour of the Minister of Justice (Mr. Chrétien) has been uncovered.

Mr. Peterson: Nonsense.

Some hon. Members: Order.

Mr. Chrétien: Mr. Speaker, I rise on a question of privilege. I have been somewhat silent, but the hon. member has suggested there has been inappropriate conduct on the part of the Minister of Justice. I could not be in the House on Monday night because I had a cold.

I want these insinuations to be clarified. I received a report—I have said this many times in this House—from the judicial council.

Mr. Nielsen: Order.

Mr. Chrétien: Do hon. members opposite not want to hear? They allege inappropriate conduct on the part of the Minister of Justice. I thought there was a rule in this House that a person can defend himself at times.

Mr. Nielsen: Order.

Mr. Chrétien: After 19 years in this House I think I am entitled to clarify the situation. If the hon. member does not want that, he should withdraw his comment about inappropriate conduct in this House.

Mr. Nielsen: Order.

Mr. Cousineau: Withdraw, Riis.

Mr. Rose: On a point of order, Mr. Speaker—

Mr. Cousineau: Have respect for this House and this institution. I would bet the minister's record against yours, man.

The Acting Speaker (Mr. Ethier): Order, please. The Chair gave the Minister of Justice (Mr. Chrétien) the opportunity to rise on this point. I shall quote from Beauchesne's Fourth Edition, page 115, Citation 128, which reads as follows:

• (1650)

A personal attack, by one member upon another, is an offence against the House, in the person of one of its members—

I think it was an attack on the hon. minister when the hon. member talked about the conduct of the minister. I gave the minister an opportunity to introduce his remarks. The hon. member—

Mr. Rose: Mr. Speaker—

The Acting Speaker (Mr. Ethier): The hon. member for Mission-Port Moody (Mr. Rose) rises on a point of order.

Mr. Nielsen: On a point of order, Mr. Speaker. If the—

Mr. Rose: Mr. Speaker—

The Acting Speaker (Mr. Ethier): The hon. member for Mission-Port Moody. Order, please. I had recognized the hon. member on a question of privilege. He sat down and now somebody else—

Mr. Chrétien: Mr. Speaker, when—

An hon. Member: Sit down!

The Acting Speaker (Mr. Ethier): Order please. I did recognize the hon. member for Mission-Port Moody on a point of order and I will hear him.

Mr. Rose: Mr. Speaker, if the Minister of Justice, through a question of privilege, is going to open this whole can of worms again, I think the Speaker might be guided by another citation. In Beauchesne's Fifth Edition at page 114, Citation 321 discusses protected persons and has this to say:

> All references to judges and courts of justice of the nature of personal attack and censure have always been considered unparliamentary, and the Speaker has always treated them as breaches of order.

Yesterday the Minister of Justice called the behaviour of Mr. Justice Thomas Berger reprehensible and no protection was offered by the Chair whatsoever.

All that was said today by my colleague the hon. member for Kamloops-Shuswap was that the minister's conduct had been inappropriate.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Ethier): Order, please. I recognized the hon. member for Mission-Port Moody on a point of order but now he is entering into debate on something that is not before the House.

Some hon. Members: No, no!

Mr. Nielsen: Mr. Speaker, my point of order is that the Minister of Justice should not be allowed to smuggle in, by way of a question of privilege, something that is properly debatable by the government making the time of the House available for that purpose. There is a private member's motion standing on the Order Paper, motion No. 78 in the name of the hon. member for St. John's West. It would give a complete airing to the conduct of the Minister of Justice if the government would follow normal parliamentary tradition and procedure and make government time available for that debate. That is where the issue of the minister's conduct should be debated, not by a question of privilege that is smuggled in.

[*Translation*]

Mr. Chrétien: Mr. Speaker, with your leave, I would like to get back to my question of privilege—

[*English*]

The Acting Speaker (Mr. Ethier): Order, please. The Chair wishes to consult with the Table officers for a moment.

I am sure hon. members are still questioning why the Chair allowed the hon. minister to have the floor. I might refer to the Standing Orders. Standing Order 35 reads as follows:

> No Member shall speak disrespectfully of Her Majesty, nor of any of the Royal Family, nor of His Excellency or the person administering the Government of Canada; nor use offensive words against either House, or against any Member thereof. No Member may reflect upon any vote—

Therefore, I recognized the Minister of Justice on a question of privilege. I would now invite the hon. member for Kamloops-Shuswap to enter the debate but not to use disrespectful language.

Mr. Riis: Mr. Speaker, I will not refer to the Minister of Justice in any negative way.

An hon. Member: Go ahead.

Mr. Riis: The response to what I intended to be a rather innocent statement is not surprising on such a dark day. The inappropriate behaviour of this government, if I can generalize in that way, Mr. Speaker, has certainly resulted in the need for this special debate today on the economic collapse the country is experiencing.

The term "economic collapse" does not come from the New Democratic Party only or from the Progressive Conservative Party only; it comes from the trust companies of Canada. Just a few days ago their representatives appeared before the Standing Committee on Finance, Trade and Economic Affairs. It is a very conservative group of people which is not known to cause undue alarm in the country. Yet when the question was put to those trust company representatives around the table, they said that unless the policies of the government are changed dramatically within six months, the country will face total economic collapse.

That statement was given credibility just a few days ago by the chief executive officer of the firm of MacMillan-Bloedel in British Columbia. Again, this is an individual who chooses in words very carefully when they are of a negative nature and dealing with the economy. He indicated that we are heading toward certain collapse in this country as a result of the monetary and fiscal policies of the government.

Today, in the richest country in the world, many of our elderly citizens are terrified by what they see happening around them. Their life savings of the last 60 or 70 years are evaporating before their eyes. Their security is falling away from them. The youth to whom we would look for the future of the country are disillusioned and have essentially given up hope of what the future holds for them and their friends. The

people of Canada per se are in a state of shock. They cannot believe that this government is standing passive while the economy literally falls around them.

The government claims to have a solution. Today the Minister of Finance (Mr. MacEachen) came before the House and told us to be patient for a few more days, because he will make a statement. As if that is going to change anything, Mr. Speaker. What we want in this country is some legislation that will result in action which will end this ever accelerating recessionary trend that we see around us.

A few weeks ago when the Prime Minister (Mr. Trudeau) visited British Columbia, he slapped the people there in the face by saying that they did not understand what is going on in Canada. He is absolutely right, Mr. Speaker, we do not understand what is going on in Canada. We do not understand why our dollar is below 78 American cents, the lowest it has ever been. It is lower today than during the depths of the depression we had in this country. We do not understand that. We do not understand why the government allows this to occur.

We do not understand why our already stratospheric level mortgage rates are still going up. We do not understand why we have the lowest employment opportunities in a post-depression time. We do not understand why our dollar is at its lowest level ever. We do not understand why we have such an increasing volume of idle capacity built into our industrial system. We do not understand why we have record lows in housing construction or in consumer and investor confidence. He is right, Mr. Speaker; we do not understand what is happening in Canada and why the government is content to stand passively by and allow this to occur.

• (1700)

This is a dark day in Canadian history. I can say with total honesty that many people in British Columbia are facing depression conditions today. They are not looking at a recession or thinking that a depression is going to occur some time in the future; a depression is occurring in parts of British Columbia at this very moment. Of course, in any depression situation the problem is jobs. That is the bottom line. When you have this number of people unemployed in one of the richest provinces in Canada, it is nothing short of a catastrophe.

Statistics Canada tells us that 148,000 British Columbians are unemployed. That is not true. That figure does not reflect the reality. They say 148,000 people are unemployed, yet 170,857 are collecting special UIC payments, and 72,000 we consider to be part of the hidden unemployed, those people who long ago gave up hope of ever finding a job and are not actively seeking work because of the hopelessness of the situation. That gives us a real level of unemployment in British Columbia of 272,857, nearly 20 per cent of the work force. That is what happened at the beginning of the depression in British Columbia. We are staring at a depression situation with 20 per cent unemployed, not an ongoing recession.

What, Mr. Speaker, is the cost of having 272,857 people out of work? It is costing us, every hour of the day, $226,644 in UIC payments. Then, of course, we must add on provincial welfare payments. We recognize that 150,000 people are now depending upon the human resources department for their income. Another 60,000 people are receiving GAIN payments from British Columbia. By the end of this year we will have paid out nearly $2 billion in UIC benefits in the province of British Columbia.

But the real cost is not measured in dollars and cents. The real cost is measured in human suffering and torment, and in the disintegrating social structure on the west coast. That is the real measure of what is going on. Given enough time, courage and real decision-making, the economic problems can be solved. But the social costs reflected in family violence, wife battering, child abuse, increasing drug and alcohol abuse, juvenile delinquency, are the costs we will pay not for one year or ten years, but for a generation or more. It will take a long time to heal those scars.

When it comes to the unemployed, Mr. Speaker, the real crisis has to be in the unemployed youth of Canada. In May of 1981, 11.6 per cent of youth seeking work in British Columbia were unable to find jobs. One year later that figure had increased to nearly 20 per cent. These are young people who want to get out and build a future for themselves, their province and their country but are unable to because of the inaction, bungling and incompetence of the federal government, complemented, of course, by the provincial government.

In the last few days I had the opportunity of delivering graduation addresses to nearly 2,000 students in my riding. The most disappointing and depressing aspect of that was the fact that most of those young people had given up hope of finding a meaningful job this summer or fall. Unemployment in British Columbia is 10.8 per cent, according to official statistics, which of course are very low. On Vancouver Island it is 11.2 per cent. In the Kamloops area it is 13.5 per cent with nearly 10,000 people on lay-off and 1,200 more to come in the next handful of days. There is a two to three-month backlog of cases to be processed in UIC office there.

The human agony and suffering going on in that community, Mr. Speaker, is something to behold. No fewer than ten people on a daily basis come into my office filled with despair and a sense of hopelessness. They are coming in and asking for food; this in one of the richest provinces of one of the richest countries in the world. These people have families to feed and not enough money to buy them food. So we have set up a food hamper system; we are asking our friends and the public generally to come into the constituency office and donate food, and we will pass it along to the different churches for distribution.

That is the situation in this country and it is getting worse by the week. These are people caught between UIC and the welfare system. They do not qualify for UIC or they have been receiving benefits for over a year and are no longer eligible. They might be fortunate enough to own a humble home but they go to the human resources department and they are told if

they have a home they cannot get welfare money; you have to lose your home first. These are people who have worked for perhaps 15 or 25 years and who through no fault of their own are in a situation in which they can only be called destitute.

Last year, Mr. Speaker, the Salvation Army gave out food vouchers in my community to 151 people. In the first four and a half months of this year, 427 food vouchers have been given out. The Salvation Army hostel for men is virtually filled every day. The number of meals served is up substantially over last year. The United Church of Canada is feeding ten families a week with food hampers. The women's emergency shelter is providing homes for 50 women a month, but of course after 30 days they are thrown out. These are women who have left their own homes because of abuse. After 30 days they are expected to be able to find a job and get started on their own, but that is totally impossible.

That is the kind of situation we have in our country today. It is indicative of the seriousness of the situation when Members of Parliament are forced to consider setting up food banks in their constituency offices to feed a growing number of their constituents. What kind of a statement is that about the Government of Canada? What kind of a state is it, my colleague the hon. member for Mission-Port Moody (Mr. Rose) asks.

The results of this Liberal government's mismanagement and bungling can best be described by an incident involving a 70-year old woman in my constituency. This woman, with her husband, purchased a modest three-bedroom bungalow in 1949. They lived there for 32 years. During that time her husband passed away and she has been widowed now for nearly 23 years. In the last few years, as she approached retirement, she decided to focus all of her savings, all the money she earned, on improving that home. She had a new roof put on her home, new aluminum windows, doors and new aluminum siding. She had new carpets installed in her home. She had the home rewired She had copper piping and a new gas furnace installed. She also had urea formaldehyde foam insulation installed. All of her money and all of her dreams were focused in the modest home that she and her husband had lived in for 32 years.

• (1710)

Immediately after the installation of the foam she became violently ill. She suffered from headaches, sore throats, and she had respiratory problems. As a result, she had to move out and sleep in her garage for a few months. Kamloops gets cold in the winter time so she could not do that for very long. She went to her lawyer and tried to get some action. She could go into the home for only 15 or 20 minutes during the day and each time she would end up visiting the doctor. She had to move out of her home. She had to try to sell it. She was desperate; she did not have any income. The real estate agents tried to sell the home but they could not give it away.

Then along came a developer who said that he would like to buy the lot. He told her that he would bulldoze the house and buy the lot for $13,000. She accepted this and stood watching while her home in which she had put every conceivable cent building up a nest for her retirement years was bulldozed right before her eyes. You can imagine her standing there with tears welling up in her eyes as she watched her dream literally swept away through no fault of her own.

By the time this lady paid off her lawyer who had worked on her behalf trying to get some action from the federal government, she had to walk away from her dream and her home with only two suitcases. Literally that is all this elderly woman had left. She came to my constituency office and asked what I could do for her. I told her that perhaps we could arrange to get her $5,000. Is that not wonderful, Mr. Speaker?

Mr. Benjamin: There is one Liberal smiling on the other side.

Mr. Riis: Some Liberals are laughing. They think this is a great joke. They think that this woman's plight, a person who is on the streets with only two suitcases as a result of Liberal promises, is a great joke. I tell hon. members opposite that the people of Canada think they are a joke. Anyone who can sit there and laugh about the plight of this particular woman, and many like her, is just a sick joke. The whole group is a sick joke.

We have the spectre of a depression staring us in the face. Nowhere is it more evident than in the province of British Columbia. Our number one industry, which is the forest industry, has one-quarter of its membership out of work. There are 12,837 IWA workers unemployed. In addition, the pulp and paper workers—

[*Translation*]

The Acting Speaker (Mr. Ethier): Order, please. The hon. parliamentary secretary, on a point of order.

Mr. Tousignant: Mr. Speaker, I would like to make it clear to the hon. member that we are not laughing at this poor woman. We are laughing at the crocodile tears being shed when these people describe a situation.

[*English*]

The Acting Speaker (Mr. Ethier): Order, please. The hon. member does not have a point of order.

Mr. Riis: Mr. Speaker, I do not apologize for feeling compassion for my constituent. If the hon. member feels that my behaviour is a laughing matter because I feel very strongly about my constituent as a result of the policies of his government, I do not apologize.

I want to describe for a moment or two the economic situation in British Columbia. One-quarter of the IWA workers are out of work. They are soon to be joined both in the next two or three weeks by about 10 per cent of the pulp and paper workers. The mining industry, which is the number two industry in British Columbia, by this summer will have 50 per cent of its total work force affected by lay-offs and shutdowns resulting in 9,000 workers being unemployed. During the month of May business bankruptcies in British Columbia were

up 140 per cent. Business receiverships were not up 140 per cent in the first five months of this year, they were up 530 per cent over the corresponding five months of last year.

Then we have the business barometer which shows that what is going on in British Columbia is the same as what is going on across the country. I am referring, of course, to the stock market. We have seen what has happened to BCRIC, the magnificent dream of the Premier of British Columbia. BCRIC had a book value of $11.16 which the Premier devalued by decree to $6. BCRIC is now trading on the Vancouver exchange at $2.95. The Premier wanted to introduce the people of British Columbia to the free enterprise system and to the benefits of the stock market. He wanted to show how the capital system worked. He did it very well.

The cruellest blow of all by the federal government, and now with the co-operation of the provincial government of British Columbia, was the cut in health care. There are 1,200 fewer hospital beds today than there were a few months ago. There are 2,100 fewer hospital workers than there were a few months ago. The situation can only be described as sick when the sick and ailing of the country are no longer able to be cared for as we have grown to accept as the rule in this country. The problem is the Government of Canada and the provincial government. It is rather ironic that we wait day by day with bated breath for answers from the same group who got us into this disastrous situation in the just place.

Look what the Government of Canada has done to co-operative housing opportunities in this country. In British Columbia alone meetings were called to see if people were interested in co-operative housing. The demand was there. The halls were packed. Virtually every single meeting call was a surprise; there was an overwhelming response to the concept of co-operative housing from these communities. The government then came in with a program which for 1982 provided enough money to build 898 units. On the books are already 2,223 units that could be under construction by tomorrow morning. Many, many more could be constructed if the opportunity were there.

Next is mortgage assistance. A lot of folks in British Columbia are having trouble renewing their mortgages. Across the country 640,000 people will have difficulty renewing their mortgages. The government has a plan. The minister responsible for housing stands up and says that he has a plan that is going to assist not 640,000 people but 12,000 people, maybe. Here we have the infamous program to assist those people who are having mortgage renewal difficulties with a clause that says: "Okay, you can have assistance if you have only 5 per cent equity in your home." Not many Canadians have only 5 per cent equity in their homes. In order to get a mortgage, you have to have more equity than that in the first place. It is a rather Catch-22 solution.

Then, of course, there is the small business bond. The Minister of State for Small Businesses and Tourism (Mr. Lapointe) sponsors his infamous small business bond which at this time no banks are supporting. No matter where you go in the country there is virtually no bank that is prepared to guarantee that particular program to their customers. For all intents and purposes, the small business bond has disappeared.

What are the solutions? The problems are obvious. The government's solutions have failed. What do we in the New Democratic Party say we are prepared to do when we are the government of this country?

As our first priority we would see full employment in this country and full employment in the province of British Columbia. Then we would identify some short-term and long-term solutions. For the short term, because no economic recovery will begin until the interest rates are lowered, we would lower interest rates right now to one percentage point above the rate of inflation as a starting point in order to provide a signal to consumers and investors in this country that we mean business. We would put $500 million into housing immediately to stimulate that industry and put it back to work, put the manufacturing industry which services the housing industry back to work, and put a good number of forest workers back to work as well by creating a demand for lumber products in this country.

Where would we get $500 million? The government set aside $5.8 billion to help Alsands. We would only ask for 10 per cent of that to be put into housing. If the government can put up that amount of money to help the oil companies, certainly it could use 10 per cent of it to start building 50,000 units in the country immediately.

• (1720)

We would provide in the short term a tax cut to low and middle-income Canadians of $2.2 billion to generate some cash velocity in the system. Unemployed people do not purchase refrigerators and new cars. We must put cash in the hands of low and middle-income Canadians. As a result of the government's policy, we are seeing a decay of the middle classes of the country. A small group of people are doing extremely well today as a result of this monetarist fiscal policy. More and more Canadians are finding themselves squeezed into the category of the have-nots. For five consecutive years we have seen the purchasing power of working Canadians deteriorate. The money from their paycheques buys less and less every year, but the Minister of Finance still has the gall to stand up and say that the cause of inflation in the country is working Canadians.

On July 1 Canadians will be asked to pay more for oil and natural gas. On July 1 the price of oil will be going up $2.25 per barrel, or 7 cents per gallon for those driving vehicles. On August 1 gas will be going up 25 cents per thousand cubic feet. We would cut that immediately. We would not introduce those increases and as a result save Canadian taxpayers this summer $1.8 billion which they could use to purchase goods and commodities.

We would immediately begin a reforestation program, recognizing that the forest industry is the cornerstone of the British Columbia economy. We would begin the process of forest farming as opposed to forest mining and start working toward a perpetual, sustained yield program which makes

sense. This is something which must be done. It would put a good number of unemployed forest workers back to work.

These are the short-term solutions. What about the long-term ones? First we must recognize that the economic structures of the country are inappropriate and that we have ourselves in a real box or corner. It is time to stand up and say to the multinationals that we want some new production agreements negotiated and, if they want access to our domestic markets, that they must create some jobs in the country. The Japanese auto industry could be used as a case in point. We would say to the Japanese auto industry that if it wants to sell 200,000 cars in Canada in 1983, it must source the components and parts of those vehicles from Canadian manufacturers and that the vehicles must be assembled in this country. Of course, there is no more obvious place to assemble cars from Japan in this country than in British Columbia.

Mining plays an important role in British Columbia and in the economy of Canada, yet we continue to import most of the equipment used in mining and in the heavy construction industry. In a resource-oriented economy it is critical, yet we continue to welcome foreign mining equipment from Germany, Switzerland and Sweden, instead of developing and stimulating our own manufacturing industry. Again, there is no place better than British Columbia to start focusing on manufacturing, mining and construction equipment.

One could talk about the need for research and development to open up some new technologies so that we could start competing in a real way in the international marketplace. We should be encouraging Canadian industry in some of the critical sectors where we have a strategic advantage, such as the telecommunications and transportation industries. The important point is that we cannot wait. When we hear people like the chief executive officer of MacMillan Bloedel and some of the chief executive officers of the major banks and trust companies in Canada saying that we are staring an economic collapse in the face, we cannot await economic statements from the Minister of Finance. We are approaching a real depression in the country. Many people in British Columbia are now living in a depression state. Those who got us into this are the Liberals and the Tories. Canadians would welcome a proposal now that, if we are to get out of this economic and financial mess, we ought not to look to those who put us into the situation but look for a New Democratic Party solution.

Hon. Donald J. Johnston (President of the Treasury Board): Mr. Speaker, I must say it is a bit difficult to know where to begin when faced and confronted with the pot-pourri of rubbish we have just heard from the financial critic of the New Democratic Party. If I were to characterize his speech, I guess I would have to draw upon the term which he used. He said that he does not understand. He certainly proved that to us in spades during the course of his remarks.

In the course of the remarks which I am about to make, perhaps I could help him understand some of the areas that give him particular difficulty. Let me begin with an example. He started by citing the case of a woman who lives in his riding whose life savings are evaporating. They are evaporating because of inflation, which apparently the New Democratic Party does not understand. All the policies of this government, policies which have been consistently stated by the Minister of Finance (Mr. MacEachen) and other spokesmen, policies, incidentally, which have been identified clearly by all members of the OECD group including the Mitterrand government as recently as this week, and all economic priorities in these countries have addressed the issue of inflation. This is something which our friends in the New Democratic Party have yet to understand. They do not understand that inflation is the evil which must be attacked with every fiscal, monetary and economic gun which the government has at its disposal. This is what the government has been doing and it is what the government intends to continue to do.

The hon. member does not understand why we suffer from such high unemployment, yet at the same time spokesmen for his party encourage and even exhort unionized labour in the country to seek higher and higher wage demands. Again, the New Democratic Party does not understand the relationship between wage increases and inflation. It has yet to understand the wage-price spiral. I will come back to that point in a minute.

The hon. member for Kamloops-Shuswap (Mr. Riis) spent a few moments describing the unfortunate circumstances of a woman in his riding and others. I am sure hon. members on both sides of the House are very sensitive to the difficult problems which are besetting Canadians today. I get tired of the New Democratic Party pretending that it has some kind of monopoly on compassion. We all have compassion; we are all trying to help those people. The policies of the government are intended to help those people, but not in the short term through spending programs and the traditional nonsense which emerges from the New Democratic Party. The policies are intended to put Canada on the road to long-term economic growth so that all Canadians will enjoy the benefits of growth. Our compassion will not only be rhetoric in the House of Commons and statements to the media; our compassion will be translated into hard, firm, sound benefits for all Canadians. That is what these policies are intended to do.

• (1730)

When that woman next walks into the office of the hon. member for Kamloops-Shuswap and asks, "What can you do?", she should be told that there is something he can do and that is to stop preaching increased wages to workers across this country and to begin to preach to his constituents, and to the CLC in particular, for whom he acts as a proxy in this House, that wage restraint must be the beginning of sound economic growth in this country. That is something he can do. I sympathize somewhat with the hon. member and, in fact, with all hon. members of that party, because they must march to the tune played by Dennis McDermott of the Canadian Labour Congress. It is most unfortunate.

Mr. Riis: Is that the best you have to say today?

Mr. Johnston: We all know the old adage that he who pays the piper calls the tune.

Mr. Riis: The Bank of Canada pays you guys.

Mr. Johnston: The person with the lyricist's pen, in this case, happens to be Dennis McDermott of the CLC. I can assure Your Honour that hon. members on this side of the House would very much like to hear some time, some day, in this place, the very own ideas of members of the New Democratic Party. The New Democratic Party benches are crowded with young, bright Canadians and it is a tragedy that we must sit here and listen to them spout the rhetoric which comes out of the CLC instead of some of their own thoughts. Indeed, it is disturbing to listen to the same tired, old bromides, the same old ideas—

Mr. Riis: Imagine how we feel.

Mr. Johnston: —the same lack of understanding that we have heard today. The NDP—

[*Translation*]

—is always looking for scapegoats. We must—

[*English*]

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

The Acting Speaker (Mr. Ethier): The hon. member for The Battlefords-Meadow Lake rises on a point of order.

Mr. Anguish: Mr. Speaker, I believe that there should be some relevancy in the speech of the hon. member, and I would ask Your Honour to call on that. But Your Honour should actually overlook it, because there will be very few opportunities left for any Liberal to stand up in this House again and speak from a government perspective. Therefore, I ask Your Honour to overlook the irrelevancy in the Liberal benches.

The Acting Speaker (Mr. Ethier): Order, please. The House fails to recognize the point of order.

Mr. Johnston: Mr. Speaker, I apologize. I thought that the liaison between the New Democratic Party and the CLC was well known. If I am exposing something which is a matter of confidence which will come as a surprise or a shock to constituents, that is another matter.

Some hon. Members: No, no.

Mr. Johnston: The hon. member says he does not understand. What he clearly does not understand is that Canada's problems are not unique.

Mr. Riis: That is right: blame someone else.

Mr. Johnston: We all know that U.S. recovery is needed. Now the hon. member is calling out and saying that we always put the blame on someone else. He speaks with great concern for the forestry industry in the province of British Columbia. Surely an hon. member from British Columbia realizes that the strength and future of the forestry industry in the province of British Columbia depends to a very large extent on the health of the U.S. economy and housing starts in the United States.

Mr. Riis: How about some new markets?

Mr. Johnston: Any high school student of economics in the east knows that, so I am sure that the hon. member must know it too.

Mr. Riis: New markets are needed.

Mr. Johnston: He knows the impact of U.S. interest rates. Surely I do not have to go back over all that ground and explain what the consequences would be to the ecnomic circumstances of this country if interest rates were to be arbitrarily lowered to one point above the going inflation, as the hon. member suggests. It is ludicrous that at this point the hon. member, after having been lectured constantly on the subject, after having the opportunity to speak to the Governor of the Bank of Canada on this subject, having been made fully aware of the subject from every reputable economic source in this country, would stand up and make that proposition again today.

Mr. Riis: He convinced me that I am right.

Mr. Johnston: All countries are in a slump, we all know that.

Mr. Riis: Japan's interest rate is 6.5 per cent today.

Mr. Johnston: He says that Japan's interest rate is 6.5 per cent.

Mr. Riis: Japan's inflation rate is 3.5 per cent.

Mr. Johnston: I would also invite the hon. member to point to Japan's rate of inflation.

Mr. Riis: The real rate of interest is 3.5 per cent.

Mr. Johnston: That is exactly the point that is pivotal to this debate, namely, the effect of our rate of inflation and the expectations in this country with respect to the rate of inflation. That is what affects the interest rate, and that rate of inflation, I suggest to Your Honour, is a direct consequence of the wage-price spiral, which the hon. member for Kamloops-Shuswap does not understand either.

Mr. Riis: He accurately described it.

Mr. Johnston: Let me spend a moment on it so that when he next goes out to his constituents and when he next has the opportunity of exchanging views with Mr. McDermott, he can explain to him the serious dangers which will confront this country unless we are able to get our wage structure under control. We have done a very poor job in this country in limiting increases.

Some hon. Members: Hear, hear!

Mr. Riis: You have.

Mr. Johnston: All we have to do is look at the U.S. performance in autos and in steel. All we have to measure that against is the reaction of the UAW in this country, encouraged and egged on by our friends in the NDP who categorically refuse to recognize the linkage between wages and prices in a period of falling productivity. Again, the financial critic for the New Democratic Party surely knows that in the absence of productivity, wage increases are translated almost immediately and almost completely into increased prices. We are not alone in this situation. All countries have recognized that fact.

I would like to refer the hon. member for Kamloops-Shuswap to an article appearing in yesterday's *Globe and Mail* by one of the most respected economic writers in this country, I would say, Ronald Anderson, who draws heavily upon the statement of the Bank of International Settlements. I would like to quote several passages from the article. It states:

> Statistical tables indicate that Canada is making the wage adjustment less successfully than any other country among the 11 major industrial nations examined in the report.

It goes on to state:

> The BIS report comments that Japan, West Germany, Austria, and Switzerland have a good record in terms of adapting wage behaviour to the broader needs of the economy. Moderation in bargaining attitudes, by both labour and management, has allowed real incomes to adjust smoothly to changing conditions. Concern over job security—

The hon. member is now leaving the House. He said that he does not understand and we are offering him the opportunity to understand some of the problems which we face and some of the solutions we are proposing. I see that he has left his seat. In any event, I will continue and send him a copy of *Hansard* tomorrow. The article continues:

> Moderation in bargaining attitudes, by both labour and management, has allowed real incomes to adjust smoothly to changing conditions. Concern over job security has been a factor in persuading unions in West Germany, for example, to accept wage increases lower than the rate of inflation.

This is fundamental, as I said before, to the problems confronting us in this country. Japan and Germany have kept wage increases down and have done well. I say that in answer to the question raised by the hon. member just a few moments ago. But militant unionism in this country is not helping us at the present time. I plead with the hon. member to go forth and preach restraint to the union movement just as we practise restraint in government.

Some hon. Members: Oh, oh!

Mr. Johnston: I hear some cackling from my friends in the Conservative Party.

Mr. Riis: Watch Dome Petroleum.

Mr. Johnston: Your Honour will notice that I have gone rather easy on our friends from the Conservative Party because I have one thing to say for our friends in the New Democratic Party: at least they come forward with proposals. Those proposals are totally unacceptable and will simply exacerbate the very difficult economic conditions in which we find ourselves, but at least they have the courage to come forward and suggest that we should spend, spend, spend. The Conservative Party proposals, on the other hand, whatever they may be, have remained a deep, dark secret and I suspect they will always remain so.

Mr. Munro (Esquimalt-Saanich): Withdraw the budget.

Mr. Johnston: In any event, I will ignore the cackling from that side of the House and deal lastly with one idea that I must repeat because it is such an important lesson for the hon. member to learn, since he does not understand it.

There are some who believe that if the wage increases are less than the CPI or do not exceed the CPI, they in some way do not have an inflationary impact. As I pointed out a moment ago, any wage increase in the absence of productivity gain is immediately translated into increased prices.

There is also another aspect to this matter. The hon. member clearly has compassion for the unemployed. We all have great compassion for the unemployed. It is a serious problem with which every thinking Canadian must be concerned. Those of us who have jobs, whether as Members of Parliament or members of the press gallery, are in a privileged position. Each time we put demands on the system, whether in the public or the private sector, through seeking increased wages, we are effectively taking that out of the hides of the unemployed. That capital could be used for job creation, capital investment, plant expansion and the kinds of programs the hon. member is putting forward. It cannot go into wage increases on the one hand and at the same time provide employment. When the hon. member asks what he can do, I tell him to preach to the CLC and the labour movement that if they restrain their wage demands, they will bring more of the work force back into the workplace, which is what we want.

• (1740)

The hon. member touched in the traditional way on the problem of high interest rates. I do not intend to go over that except to say that for 30 years in this country savers have seen their savings erode. We have seen low interest and a steadily depreciating value of those assets and debt obligations due to inflation. That is why inflation is and remains our number one problem.

What we are witnessing today is a revolt of savers. This is particularly true in the United States where the spread between the rate of interest and inflation is so large. Why is it so large? It is not only because of the tight money policy, but because savers have been burned year over year. The constituent who came into the hon. member's office and said, "I see my life savings being eroded by inflation" was absolutely right. That is one of the problems, and is why we have to focus on inflation.

Is the kind of spending recommended by the hon. member for Kamloops-Shuswap compatible with an anti-inflationary stance? Is it conceivable that further expansion emphasis, further government intervention and further government programs of the kinds he is describing are compatible with tackling inflation, which all responsible economists and all

member countries of the OECD have recognized as the major problem? I suggest it is not.

Until recently, I will confess that our friends in the NDP were able to prop themselves up on the policies of the only country of the major industrialized group which had opted for a spending approach, namely the socialist regime in France. We all know what that has come to—a 14 per cent rate of inflation and the realization as of several days ago that the only way to get back to a healthy economy in France is to tackle inflation, and that is going to demand an austerity program.

I would like to quote some comments from the June 14 *Wall Street Journal* which touch upon the kind of austerity program that the socialist regime in France has seen fit to introduce because of the continuing problem of inflation. First, the Prime Minister said there will be a four-month freeze on prices and wages in an effort to curb the 14 per cent inflation. Also, there has been a devaluation of the French franc, a devaluation in France and an upward evaluation in Germany, so that against the mark there has been a 10 per cent change.

The huge French deficit has to be attacked. How is that to be done? By austerity measures. The French foreign reserves have plunged dramatically in recent weeks in an attempt to defend the franc. We find elements in it such as the minimum wage will be allowed to rise by 3.2 per cent. This is against an inflation rate running currently at 14 per cent.

It is quoted here that in keeping with its socialist priorities, the government said that family allowances, housing allotments and pensions would be allowed to increase by 6 per cent, 8 points below the current rate of inflation of France. Prime Minister Mauroy said the government's immediate objective was to bring inflation below 10 per cent, and next year the government intends to hold inflation to 8.5 per cent.

I wish that our friends in the New Democratic Party would begin to understand what their cousins in France have finally understood, namely that inflation is the number one problem and that expansionist policies, rising government deficits and increased intervention by the public sector is not compatible with an anti-inflationary stance. You cannot marry the two; France has learned that. The spending solution is not the way out of the economic difficulties which face us at this time.

I suppose we all belong to a political generation which has grown up, understandably, in very prosperous times. Looking back to the early seventies, we had something like 25 years of continual prosperity and growth in productivity after World War II. This is why many people in our generation, and I take the privilege of including the hon. member for Kamloops-Shuswap in my generation although I may be somewhat older, have grown up to believe that spending can solve any problem. We know now that it cannot.

There was an old slogan with which I would suspect many members of this House are familiar: spend, spend, spend, elect, elect, elect. Every proposal and program put forward by our friends in the NDP should be engraved with a modification of that slogan: spend, spend, spend; inflate, inflate, inflate. I further suggest—and God spare us the day which the hon. member for Kamloops-Shuswap dreams of when his party forms the government of this country—that would be a fitting epitaph on our national economic tombstone. In any event, we know that France tried it and failed. We know it has been rejected by all other members of the OECD as not being the way out of the dilemma which faces this country—

[*Translation*]

—I believe there is an expression in French that is the equivalent of "two-edged sword", which is to say that there may be positive effects for a time which are then followed by extremely negative ones. There is always the matter of reciprocity. We all know, Mr. Speaker, that our country, Canada, is so dependent on international trade that the protectionism so often urged on the government by our colleagues opposite, even, it seems to me, by the hon. member for York-Peel (Mr. Stevens), is an approach that in the present circumstances could have extremely negative results.

[*English*]

We have some real problems, frankly, and perhaps unconsciously because of a lack of understanding of the Canadian economy and the way capital markets work, the way investors think and the reason why free enterprisers are motivated. I think there is a serious lack of understanding. The result is, I suggest, that instead of helping the situation, the recommendations of our colleagues who believe in the socialist option are in fact reinforcing policies which, in the minds of their constituents and in the minds of Canadians, are extremely negative for this country and are not going to solve the problems of the constituents, who are indeed in very serious difficulties and for whom I believe the hon. member has great compassion.

• (1750)

The idea of stimulating a thought that we should have perpetual expectations of rising incomes is one of the cornerstones, it seems to me, of what I hear in terms of New Democratic Party policy. They would seem to suggest that we should have an inflation-conditioned society. What we must do is go in exactly the opposite way. We must make people realize that we cannot live with inflation. This country's prosperity, its future, its potential and its riches that we are so dependent upon cannot be accomplished through inflationary policies of the kind that party recommends. Surely the hon. member does not want to put us on the road to Argentina or to Brazil in terms of inflation. That is where we would be going, Mr. Speaker, with the kinds of policies that that party recommends.

I suppose that it is partly a result of the "me too" generation—help ourselves first; do not think of the greater collectivity, but help ourselves first at the expense of society. We really do, during this terribly difficult period, have to develop a sense of collective responsibility and stop pointing fingers.

Some hon. Members: Hear, hear!

Mr. Johnston: You can point the finger at governments, you can point fingers at unions and at business, but that solves

nothing. To help this country, we have to get together and look together in the same direction.

To correct any impression I may have left with the hon. member that the problem rests with the unions, let me say now that the problem does not rest with the unions. The problem rests with the wage demands which all sectors are making. The sacrifice and the belt-tightening that is required to make us productive, to make us efficient as a collective group, must begin at all levels. It must involve executives, parliamentarians, public servants, unionized labour and non-unionized labour. It has to involve all of us.

It disturbs me very much, Mr. Speaker, when I hear spokesmen for the New Democratic Party preaching the gospel of the CLC to workers, encouraging them to put greater wage demands on the system, and arguing through the most convoluted logic one could ever imagine that these wage demands are not inflationary. It is distressing to me and to my colleagues.

Some hon. Members: Oh, oh!

Mr. Johnston: As I have said, Mr. Speaker, we have this assembled group of bright young men in the New Democratic Party across the way. I even include the member for Mission-Port Moody (Mr. Rose), who I see has left his seat.

An hon. Member: He is at least bright.

Mr. Johnston: We should hear some constructive, thoughtful ideas, rather than the old, tired bromide of spend, spend, spend. It is very easy for those who are not responsible for government, for the raising of money, to recommend its expenditure.

I would like to add one footnote to my comments, Mr. Speaker. It concerns something I read in the Montreal *Gazette*. It is an important message that I am asking him to deliver to the labour movement. Yesterday, June 15, it was reported in the Montreal *Gazette* that:

> The Housing and Urban Development Association of Canada, representing more than 6,000 residential construction firms, has called on Ottawa to allocate $600 million to revive the home building industry.

It has called on Ottawa, on the Canadian government, and that means calling upon the taxpayers, to allocate $600 million to revive the home building industry. Yet, Mr. Speaker, with the housing market desperate for help, as the hon. member himself underlined, my colleague, the Minister of Public Works (Mr. Cosgrove), who is responsible for the Canada Housing and Mortgage Corporation, is of course very much concerned on a daily basis.

An hon. Member: You would never know it.

Mr. Johnston: He is concerned, inside this House and outside this House, as we all are, with this very important sector of the economy. It is not only concern for those people who require housing but concern about the impact that sector has across our whole industrial sector. As I say, with the housing market desperate for help, what do we see? We see Ontario construction wage settlements increasing at the rate of $2 per hour in each of the next two years, which is something in the neighborhood of 15 per cent.

Mr. Blais: On a point of order, Mr. Speaker, I simply want to indicate to the Chair that I would have liked to participate in this debate, had the opposition—

Some hon. Members: Order!

Mr. Blais: —had the opposition not provoked another discussion and deprived this House of an hour and a half which we could have used for a very interesting debate.

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Richmond-South Delta.

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, it is commendable that Her Majesty's opposition has been granted five minutes to engage in this debate. I suppose we might thank the hon. member for Burnaby (Mr. Robinson) for that pleasure, he having delayed the House for an hour and a half earlier this afternoon.

I listened very carefully to the speeches made by the hon. member for Kamloops-Shuswap (Mr. Riis) and the President of the Treasury Board (Mr. Johnston). I might be moved to say a pox on both their houses, but I would not want to provoke an argument at this late hour. Leave it to be said, Mr. Speaker, that it was interesting that the President of the Treasury Board, who is responsible for the largest labour union in Canada, the Public Service Alliance of Canada, has not shown the kind of resolve, in terms of confronting the wage expectations of Canadian workers, that he advocated in this House this afternoon.

If we look back to the resolution of the postal strike last summer, where that minister approved a substantial increase, and together with the cabinet approved a 22 per cent increase in the budget of the Government of Canada, as put forward in the November budget, it is just appalling that he should exercise such hypocrisy in this House.

Although the hon. member for Kamloops-Shuswap spoke with such doom and gloom, with all of the statistics that underscore the tremendously devastating situation that confronts our economy, it was remarkable to note that his closing five minutes dealt with solutions.

Let me list some of those solutions, Mr. Speaker. There was a $500 million mortgage subsidy program, which would bring rates down to 1 per cent above prime. Yet, Mr. Speaker, he is a member of the same party that voted against the mortgage tax credit program in December of 1979. That program would have brought a $2 billion benefit to Canadian home owners this year by way of a 25 per cent subsidy on mortgage interest. That would have gone a long way to resolving that problem. He was part of an opposition which moved that motion and defeated a government which had positive solutions for Canada.

He also talked about $5 billion being set aside for Alsands. He knows that that was a bail-out, last gasp attempt by the Minister of Energy, Mines and Resources (Mr. Lalonde) to salvage that project. In fact, Mr. Speaker, the Alsands project would have gone ahead. There would have been 30,000 more jobs in Canada today and a lot greater confidence in the future of our economy. We would be much closer to achieving energy self-sufficiency if he had not voted against the government at that time.

An hon. Member: Right on!

Mr. Siddon: If he wants $2 billion in tax cuts now, he should remember the more than $2 billion in tax credits and incentives, including an energy tax credit for low-income Canadians that he and his party voted against in December of 1979. So, Mr. Speaker, I say a pox on both their houses.

Mr. Blais: You never introduced the legislation. We did not vote against it.

Mr. Siddon: They have not addressed the fundamental problems of our economy. We are converting investment and confidence in this country into debt and despair. We have seen over $18 billion of tax revenue leave Canada for the United States.

The Acting Speaker (Mr. Ethier): Order, please. It being six o'clock, it is my duty to inform the House that, pursuant to Section (11) of Standing Order 58, proceedings on the motion have expired.

This House stands adjourned till tomorrow at two o'clock p.m., pursuant to Standing Order 2(1).

At 6 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, June 17, 1982

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

ENVIRONMENTAL AFFAIRS

NECESSITY FOR CANADA-UNITED STATES ACTION ON ACID RAIN—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, the government is clearly aware of the vital necessity of establishing an immediate program for the reduction and eventual elimination of acid rain, the greatest single threat to our environment today. It is also aware that, although acid precipitation from the United States contributes significantly to the problem, that country's administration is obviously unwilling to participate in a meaningful way in such a program. In light of the recent collapse of bilateral negotiations, due to the obstructive attitude on the part of U. S. representatives, I move, seconded by the hon. member for Prince Edward-Hastings (Mr. Ellis):

That the Prime Minister immediately contact President Reagan to demand that priority action be taken by both nations to solve the serious problem of acid rain.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSING

CALL FOR ACTION ON MORTGAGE INTEREST RATES—MOTION UNDER S.O. 43

Mr. Len Gustafson (Assiniboia): Madam Speaker, housing in Canada is in a deplorable situation, while housing starts in the United States are up 22.3 per cent. The Premier of Saskatchewan today is implementing a mortgage interest rate of 13.25 per cent for housing in Saskatchewan, which will stimulate housing starts in that province. I move, seconded by the hon. member for Bow River (Mr. Taylor):

That this government take positive steps on interest rates before the House closes, in order to put an end to the depressed state of the housing industry in Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

NATIONAL ENERGY PROGRAM

SUGGESTED ROLE FOR PUBLIC SERVANT—MOTION UNDER S.O. 43

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, Mr. Ed Clark, the architect of the Liberal government's ruinous National Energy Program, is being sent off to France for one year at a cost to the Canadian taxpayer of approximately $70,000, in order that he may work for a Paris-based multinational, a company that would appear to have a death wish.

Some hon. Members: Oh, oh!

Mr. Greenaway: In view of the disastrous effect that Ed Clark's policies have had on the Canadian energy sector and the entire Canadian economy, I move, seconded by the hon. member for Edmonton-Strathcona (Mr. Kilgour):

That the government fire Ed Clark and urge him to spend the next year in western Canada instead of in Paris, in order that he can explain the National Energy Program to the thousands who have lost their jobs and businesses as a result of his destructive policies.

Some hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FOREIGN INVESTMENT REVIEW AGENCY

EXPRESSION OF SUPPORT—MOTION UNDER S.O. 43

Mr. Derek Blackburn (Brant): Madam Speaker, I, too, rise under the provisions of Standing Order 43. In view of statements made by William Brock of the Reagan administration that his discussions with the Canadian External Affairs minister about FIRA were, "encouraging" and "would make life easier for both of us", implying a weakening of the Agency, and this in spite of the Minister of Industry's recent

statement that, "the purpose of our foreign investment review law is to help provide an assurance that Canada and Canadians benefit from the investments that are reviewed under the act", I move, seconded by the hon. member for Mission-Port Moody (Mr. Rose):

That this House oppose any attempt by the Liberal government to abandon the interest of Canadians by weakening FIRA.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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FINANCE

PAGES MISSING FROM MINISTER'S DINNER SPEECH—MOTION UNDER S.O. 43

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, last night the Minister of Finance (Mr. MacEachen), in a faltering voice, spoke to a Liberal fund-raising dinner in Toronto. Consternation developed when he came to that part of the speech which dealt with solutions to our economic problems, and he found the pages missing. Therefore I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That the government undertake a nation-wide contest in which all Canadians are invited to supply the last few pages of the minister's speech. Prizes for the runners-up will include a trip to Versailles, or the Liberal nomination in Leeds-Grenville, and the grand prize, the chance to be the next Liberal finance minister of Canada.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Madam Speaker: The hon. member for Bow River.

TAXATION OF EMPLOYEE HEALTH BENEFITS—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, the November 12 budget included medical and dental benefits—although paid for by employers—in the income of employees for income tax purposes, on the pretext that the revenue gained would be used to lower income tax rates generally to the benefit of all Canadians. The Canadian Dental Association has submitted arguments to the Minister of Finance (Mr. MacEachen) which show his statements are not valid and that this taxing of employees for benefits provided by their employers is basically unsound and wrong. Therefore I move, seconded by the hon. member for Assiniboia (Mr. Gustafson):

That this House deplores this insidious type of taxation which robs the needy of dental and medical care; and urges the minister to withdraw the entire November 12 budget which contains numerous inaccuracies and inequities.

When is the minister going to stop putting the bite on the poor and the needy?

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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CAPITAL PUNISHMENT

REQUEST FOR REFLECTION IN LIGHT OF DONALD MARSHALL CASE—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I, too, have a motion under Standing Order 43. Twice this week the hon. member for Halifax West (Mr. Crosby) has risen in the the House to espouse the cause of Donald Marshall, who in 1971 was convicted of murder in Nova Scotia. Referring to the reports that another person has since admitted to the crime, the member asked the Minister of Justice (Mr. Chrétien), "If an injustice has occurred, can he take steps to have it remedied?" Madam Speaker, in light of the fact that a year ago this month the same hon. member represented the majority view of his party on the issue of capital punishment, when he said, "I am in favour of the reinstatement of capital punishment," I move, seconded by the hon. member for Beaches (Mr. Young):

That this House invite the member for Halifax West and other members of his party who hold similar views, to reflect on their capital punishment position and to ask themselves where Mr. Marshall might be today if their hanging views had prevailed when Marshall was convicted in 1971.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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• (1410)

NATIONAL ENERGY PROGRAM

DEMAND FOR ROLLBACK—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise with regard to the limited rollback or so-called "Update" of the National Energy Program. People expected a torrent of relief but, instead, all they got was a trickle. Canada is losing $16 million a day because of foreign crude imports while the minister and the government fumble with the levers of socialism. I therefore move, seconded by the hon. member for Kindersley-Lloydminster (Mr. McKnight):

That the Prime Minister personally intervene in the energy picture and order a complete rollback of this destructive program which has caused the loss of jobs, investment and investor confidence in the oil and gas industry in Canada, and is adding unnecessarily to gas and oil prices in Canada, all of which is taking a heavy toll on Canadians through human suffering.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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FITNESS AND AMATEUR SPORT

GOLF À LA METRIC—MOTION UNDER S.O. 43

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, at a time when Canada is experiencing record unemployment, record high interest rates, and a record low dollar, it is refreshing to know that the federal government has not forgotten the golfer. Therefore, I move, seconded by my golfing seatmate, the hon. member for Waterloo (Mr. McLean):

That this House congratulates the Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion for hiring one of Canada's top professional golfers to tour Canada and educate Canadian golfers, professional, amateur and recreational, on the joys of playing golf using the metric system, and at the same time requests that the government hire the hon. member for Edmonton North to do the same for football players.

Some hon. Members: Oh, oh!

Madam Speaker: Order, please. The hon. member for Richmond-South Delta (Mr. Siddon).

* * *

AUTOMOTIVE INDUSTRY

NEGOTIATION OF AGREEMENT WITH JAPAN—MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, in view of the childish, adversarial decision by the Minister of State for International Trade (Mr. Lumley) to slow down the customs clearance of Japanese manufactured automobiles entering this country through west coast ports, which is causing inexcusable hardship and unemployment for countless port workers, transportation workers, and businesses dependent on this important trade, and whereas at present more than 3,000 cars are being held up at Fraser Wharves terminal at Richmond, B.C., saturating that facility and preventing a recently docked freighter, the *Canadian Ace*, from unloading a further 1,750 cars, I move, seconded by the hon. member for Vancouver Centre (Miss Carney):

That this House direct the Minister of State for International Trade to abandon immediately his peevish approach to trade relations with the Japanese and adopt a more creative and constructive approach aimed at negotiating a fair trade agreement with Japan which would protect Canadian jobs instead of endangering them.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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FISHERIES

PROTECTION OF BRITISH COLUMBIA SALMON STOCKS—MOTION UNDER S.O. 43

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, I rise under the provisions of Standing Order 43. There will be 37 fewer fisheries officers than needed to protect the B.C. salmon industry, and the Treasury Board refuses additional funds. This reduction would place many salmon runs in jeopardy of illegal fishing, and expose more B.C. recreational and commercial fishermen to danger as a result of decreased search and rescue capability. I therefore move, seconded by the hon. member for Vancouver East (Mrs. Mitchell):

That this House recognizes the urgency and significance of at least maintaining previous patrol capabilities and demands that the Treasury Board approve the request of the Department of Fisheries and Oceans for funds to carry out its mandate to protect salmon stocks and B.C. boaters.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE ADMINISTRATION

CALL FOR HOLDING OF GENERAL ELECTION—MOTION UNDER S.O. 43

Mr. Vince Dantzer (Okanagan North): Madam Speaker, the National Energy Program is a recognized disaster, the budget of the Minister of Finance (Mr. MacEachen) is a bust, and we now understand that the much heralded pension reform program has collapsed and the country's senior citizens will continue to suffer under the government's punishing economic policy. This country no longer has any government. The frightened and confused cabinet and bureaucrats have lost control. Therefore I move, seconded by the hon. member for Capilano (Mr. Huntington):

That this House move non-confidence in the government so that the Governor General can call an election and allow the Canadian people to remove this albatross from their necks.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1415)

HOUSING

SASKATCHEWAN MORTGAGE INTEREST RATE SCHEME—MOTION UNDER S.O. 43

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I wish to move a motion under Standing Order 43. Today the Saskatchewan legislature meets under the newly elected Progressive Conservative government.

Some hon. Members: Hear, hear!

Mr. McKnight: The throne speech will include a 13.25 interest rate for mortgages of $50,000 for a three-year term. I move, seconded by the hon. member for Saskatoon West (Mr. Hnatyshyn):

That the House instruct the minister responsible for housing to offer the same mortgage package to all people in Canada in order to stimulate the economy and provide decent housing for Canadians.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

QUERY RESPECTING DELIVERY DATE OF ECONOMIC STATEMENT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is directed to the Minister of Finance who will know the latest results of the government's drift in economic policy has resulted in the continued fall of the Canadian dollar to 77.50 cents and an increase of 39 basis points in the bank rate. This could lead to an increase of a full point in the prime interest rate and the mortgage interest rates that Canadians have to pay. That underlines dramatically the urgency of stopping the drift in Canadian economic policy. Has the Minister of Finance decided on a date for his economic statement, and will he tell the House of Commons what that date is?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have not yet decided on a date. When I do, I will advise the House.

Mr. Clark: Madam Speaker, I can only assume that the date is written on the last two pages of the minister's speech notes and he has mislaid those too.

Some hon. Members: Hear, hear!

IMPACT OF ECONOMIC POLICY

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, as reported at page 18416 of *Hansard*, in answer to a question put by my colleague, the hon. member for Cambridge, the Minister of Finance said:

Madam Speaker, of course I find the comments of the hon. member really quite unjustified and almost nonsensical when he attributes the current economic situation in Canada to the policies of the Government of Canada.

That is what the Minister of Finance actually said. Is it the position of the Government of Canada that Canadian economic policy has no impact on the Canadian economy?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Not at all, Madam Speaker.

Mr. Clark: Madam Speaker, we are making progress, point by point.

REQUEST THAT MEASURES BE CONSIDERED IN HOUSE OF COMMONS

Right Hon. Joe Clark (Leader of the Opposition): The minister has admitted that his economic policy is contributing to 1,200 Canadians a day losing their jobs, is contributing to record collapses in Canadian businesses, and is contributing to the record decline in the value of the Canadian dollar. Now that he has indicated to his caucus colleagues that he will be proposing an action program in this mysterious forthcoming statement, will he give us a firm commitment that this so-called action program will include specific measures that can be considered in this House of Commons?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, we were making progress until the right hon. member asked this last question. All I can say to him is that he asked the same question yesterday, and the answer is precisely the same today.

REQUEST FOR POLICY CHANGES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Minister of Finance has admitted the responsibility of his government for the serious economic situation facing Canada today. He knows that every day of drift drives the value of the Canadian dollar down, drives interest rates up, drives Canadians out of jobs, out of homes and out of businesses. When is he going to accept his responsibility and come before the House to give a commitment that at least the measures he is going to bring in and the statement he is going to make will include specific measures to help Canadians?

Why is he afraid to tell us whether there will be something specific in the proposals? Is he trying to set Canadians up for a statement that will contain nothing at all? If he is not, why does he not have the courage to tell the House that there will be specific changes in economic policy announced in that statement?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I must comment on the preamble to the right hon. member's question when he relates the question he asked today to a question that had been answered in reply to another hon. member some days ago. I believe, of course, that the interpretation which the right hon. member put on the two questions is a gross misinterpretation. Of course it is true that the economic policies of the government have an impact on the Canadian economy. That ought to be obvious even to the Right Hon. Leader of the Opposition. The field of transportation and the field of trade for instance—all of these things have an impact on the economy. But when the hon. member a few days ago attributed all the circumstances existing in our economy to government policies, I said that was untrue. We are in a world recession. We are being affected by what, just two days ago, a member of the United States cabinet described as tragically high interest rates in the U.S. All of these are affecting the Canadian economy, and that is what I am trying to get the Right Hon. Leader of the Opposition to understand in order to try to expand his understanding of the situation which currently exists in this country.

• (1420)

Madam Speaker: The hon. member for St. John's East.

Mr. McGrath: Madam Speaker, we can only hope for the sake of the country that the minister finds those two key missing pages from his speech yesterday.

* * *

HOUSING

PLIGHT OF HOME OWNERS FACING FORECLOSURE

Hon. James A. McGrath (St. John's East): Madam Speaker, is the Minister of Finance prepared to exercise his responsibility and the responsibility of the government to shelter those who are least able to protect themselves from the government's disastrous monetary policy? For instance, the minister will know that housing starts in the U.S. as of this morning rose by almost 23 per cent over those figures reported in April, contrasted with a decline in Canadian housing starts of 51 per cent. In light of the fact that the minister's housing policy does not address itself to protecting those Canadians least able to protect themselves, is the minister prepared to exercise any responsibility or any leadership—

An hon. Member: Question.

Mr. McGrath: I presume the hon. gentleman who interrupts me had his say in caucus yesterday and will let me finish.

Does the minister have any leadership to show in terms of protecting these innocent Canadians, over 40,000 of whom are facing mortgage foreclosures?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member knows perfectly well that we, as a government, have already taken measures to increase housing construction. In the last budget we provided the sum of $350 million; we provided support for people with mortgages in a bill which members of the opposition took a very long time to pass in the House of Commons.

APPLICATIONS FOR MORTGAGE ASSISTANCE

Hon. James A. McGrath (St. John's East): Madam Speaker, I find it strange that the minister has not been adequately briefed on exactly what is happening to the governments housing policy. If he had been, he would know, for example, that under the mortgage renewal plan less than 1,300 Canadians have even bothered to apply, only 497 have bothered to apply for the one-time grant of $300, and only 800 have bothered to apply for the mortgage interest deferral plan. Even the minister responsible for housing is now saying that he cannot understand why this program has not been taken up by Canadians. He is quoted in *The Globe and Mail* as saying "Maybe people were confused and unaware." Madam Speaker, it is this government which is confused and totally unaware of what it is doing to the average Canadian.

Hon. Paul J. Cosgrove (Minister of Public Works): The hon. gentleman's rhetoric is one of misconstruing the facts to this House. It is a $3,000 grant to individual families, not a $300 grant. If you start with those kinds of facts, Madam Speaker, and make those kinds of inaccurate statements which go out to the public, there is no wonder the public is not using the program.

* * *

DISARMAMENT

UNITED NATIONS CONFERENCE—PRIME MINISTER'S FORTHCOMING SPEECH

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, my question is for the Right Hon. Prime Minister. The ground is shifting internationally toward strong and realistic disarmament initiatives. On Tuesday of this week the delegates to the United Nations Special Session on Disarmament greeted with enthusiasm the Soviet Union's unilateral pledge not to be the first to use nuclear weapons. At the same time people around the world are demanding a nuclear freeze which would be followed by weapons reduction. Tomorrow the Prime Minister will address this U.N. special session. Since his strategy of suffocation has yet to be accepted by the super powers, will he commit his government tomorrow to new initiatives such as a no-first-use policy?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I thank the hon. member for drawing attention to the fact that I will be stating government policy at the United Nations tomorrow, and I will be dealing with the question of no-first-use. I hope the hon. member tunes in.

Oral Questions

NUCLEAR ARMAMENTS—FIRST-USE OPTION

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, can the Prime Minister let the people of Canada know what the policy might be? In response to the Soviet Union's promise this week, the Secretary General of NATO, Joseph Luns, and the commander of NATO forces in Europe, General Rogers, insisted yesterday that NATO must retain the option to be the first to use nuclear weapons. As a member of NATO, does Canada subscribe to that policy? Does the Prime Minister believe that retaining the first-use option is the best way to maintain world peace?

• (1425)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, we recognize that the question is argumentative. I will give the point of view of the Canadian government tomorrow. I hope I will persuade the hon. member that that point of view is the right one, but he cannot say until he has looked at the arguments.

QUERY RESPECTING FREEZE ON DEVELOPMENT OF NUCLEAR WEAPONS

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, my question is for the Prime Minister. I will not continue to ask what he is going to do tomorrow, because clearly he is not going to tell the Canadian people and the House of Commons until tomorrow. What I would like to do instead is to go back to a question and answer of last Monday, which the Prime Minister will recall. Looking at the past in 1978, as reported in *Hansard* for June 14, 1982, the Prime Minister said:

> I did advocate the policy of suffocation, which is a freeze, but that policy was always advocated in a bilateral context—

And the Prime Minister told us that that policy was not accepted by either of the two major powers.

In his speech in Madrid, the Prime Minister said that he would be advocating a freeze on the development of new nuclear weapons. Was he saying that he would lend his support and the support of Canada to the freeze movement now taking place, which is asking for a bilateral, verifiable freeze on the development of new nuclear weapons?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I will have to answer that question in at least the same length as it was asked. The 1978 position was the advocation of a suffocation on new weapons, which it is perfectly justifiable to call a freeze on new weapons. That proposal, as the previous questioner pointed out, was not accepted by either of the super powers. On the contrary, since that speech was made, the Soviet Union has not suffocated new arms, it has deployed 300 SS-20s, each with a capacity of three warheads. That is what happened since I made my futile plea for a freeze. That has changed the strategic balance. The policy that NATO is following now is the re-establishment of the balance, and the freeze should continue on all other weapons.

As to the SS-20s, the NATO decision is a two-track one. It is on the one hand to be prepared to deploy Cruise and Pershing II missiles, which are a year and a half down the road at the soonest, but to hope that the threat or the possibility of deploying those missiles to counter the SS-20s will be enough to convince the Soviet Union to go either for the zero option proposed by the United States—no intermediate-range nuclear arms—or, alternatively, to negotiate a very, very reduced level of such arms. That is the position of the Canadian government.

* * *

SOCIAL SECURITY

INDEXING OF BENEFITS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is for the Minister of Finance. In the last couple of days backbenchers of his party have caused a great deal of concern across the country among those who are hardest hit and hardest hurt by the government's economic policy. Those Liberal backbench members have advocated removal of indexing for those in social programs, in other words, cutting off indexing for people who receive old age pensions, guaranteed income supplements, family allowances, veterans pensions, and disability pensions. If these people, who are the most vulnerable in our society, are going to have their indexing cut off, has the Minister of Finance given in to the pleas of his backbench members?

• (1430)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have not given in to such pleas because I have not heard such pleas.

Miss MacDonald: The minister may deny that those pleas were made, but his backbench members, even coming out of caucus, reported that those were the suggestions made to the Minister of Finance.

PRODUCTION OF GREEN PAPER ON PENSION REFORM

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I should like to ask the minister as well, how long will he place the credibility of the Minister of National Health and Welfare in jeopardy. The Minister of National Health and Welfare gave a firm commitment last August that she would bring in pension reform proposals.

Some hon. Members: Order.

Miss MacDonald: She gave a commitment again in committee in January and February to bring in pension reform proposals. She said that they would be brought in before the end of the session.

Madam Speaker: Order, order. The hon. member must ask a question. Her preamble has lasted for over a minute.

Miss MacDonald: Why has the Minister of Finance pressured cabinet and caused the delay of the introduction of the green paper on pension reform until next autumn or later, a pension reform which would be of great help to a large number of women?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member's facts are as far off the mark as the facts in the initial question.

Miss MacDonald: Then table the paper.

Mr. MacEachen: The credibility of the Minister of National Health and Welfare is not in jeopardy. Her credibility is outstanding, and it will be further improved when the pension reform paper is produced.

Miss MacDonald: When?

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DEPUTY PRIME MINISTER OF AUSTRALIA

Madam Speaker: I would like to draw the attention of the House to the presence in our gallery of the distinguished Right Hon. J. Doug Anthony, the Australian Deputy Prime Minister and Minister for Trade and Resources.

Some hon. Members: Hear, hear!

PRESENCE IN GALLERY OF NORWEGIAN PARLIAMENTARY DELEGATION

Madam Speaker: I also have the honour to call to the attention of the House the presence in our gallery of a delegation of Norwegian parliamentarians, the Committee on Consumer and Administrative Affairs of the Norwegian Parliament, and its chairman, Marit Lovvig.

Some hon. Members: Hear, hear!

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN POLLUTION

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is directed to the Prime Minister, if I may have his attention. Last week a former chairman of the International Joint Commission blamed the Prime Minister for the failure of Canada's negotiations with the United States to achieve a binding bilateral accord on the urgent problem of acid rain. Robert J. Sugarman stated in Calgary:

> There has never been a statement in the U.S. by the highest official in your government to the American people that has reflected the seriousness with which Canadians take the problem.

Given the fact that the Canadian Minister of the Environment this week said that Canada may have to scrap its negotiations with the Americans toward a bilateral accord on acid rain, will the Prime Minister finally take a leading role in Canada's efforts to impress upon Americans the urgency of the problem and the need for strong action on it?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member referred me to a speech of which I have no knowledge. I am happy to take notice of it on behalf of the Minister of the Environment who, I am sure, knows about the speech. When the hon. member suggested that Canada take a role, I can assure him that perhaps everyone except the hon. member knows the Canadian Minister of the Environment has been taking a very strong position in this matter, and that I personally raised the matter at least twice with the President of the United States.

Mr. McMillan: The credentials of the Minister of the Environment in this matter are not suspect; the Prime Minister's are.

ECONOMIC SUMMIT AND NATO MEETINGS

Mr. Tom McMillan (Hillsborough): Madam Speaker, no doubt the Prime Minister had ample opportunity to discuss urgent Canada-United States issues informally with President Reagan during the Versailles Summit and the NATO Summit in Bonn a few days ago. Did the Prime Minister use either of those occasions to press Canada's case on acid rain with the Americans, and with the President of the United States in particular? If so, what was their response? If not, why did he not do so?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the hon. member judges that my credentials are suspect because I did not raise every outstanding bilateral matter which exists between the United States and Canada at international meetings dealing with none of these bilateral matters, then that is his judgment and I do not share it.

* * *

THE JUDICIARY

BRITISH COLUMBIA JUDGE'S VIEW OF 1970 FLQ CRISIS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is directed to the Prime Minister. I refer him to an article written by Mr. Justice Thomas Berger of the Supreme Court of British Columbia that appeared in the June/July 1982 edition of "Canadian Forum", in which he said with respect to the October FLQ crisis in 1970:

> —my view is that ordinary police powers of detection and arrest were sufficient to deal with the FLQ, with the kidnappers of Mr. Cross, and the murderers of Mr. Laporte ... By the enactment of the War Measures Act the federal government converted the kidnapping into an insurrection.

I wonder whether the Prime Minister agrees with the conclusion of Mr. Justice Berger with respect to his handling of the FLQ crisis.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I would be interested in knowing whether the hon. member's question is addressed more to me or to Justice Berger. If he is questioning the conduct of Justice Berger in entering into this kind of political debate, then he should address the question to the magistrature itself, not to me.

JUDGE'S VIEW ON POSITION OF QUEBEC UNDER CONSTITUTION

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, in the same article Mr. Justice Berger supported the concept and suggested that there should be a veto for the Province of Quebec under the Constitution of Canada. I wonder whether or not the Prime Minister shares the point of view of Mr. Justice Berger and if he agrees with Mr. Justice Berger speaking out with respect to these political issues.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not think anything in the rules calls for me to comment upon every statement made across the country, or anywhere, for that matter, by private citizens. If the hon. member wants to ask a series of questions about the War Measures Act—I have answered them in the House—and of course if Mr. Justice Berger wants to debate them he can do so in the proper forum.

* * *

ENVIRONMENTAL AFFAIRS

REQUEST THAT ACID RAIN SUBCOMMITTEE BE REACTIVATED

Hon. John A. Fraser (Vancouver South): Madam Speaker, my question is directed to the Right Hon. Prime Minister; it is supplemental to the previous question asked on acid rain. As the Prime Minister may know, as long ago as last year there were requests made of the government by members of the acid rain subcommittee representative of all parties that the committee be allowed to continue. Part of the reason for those requests was the anticipation that traditional forms of diplomacy would not be sufficient to obtain an acid rain agreement with the Americans.

In view of the comments of the Minister of the Environment yesterday that these talks are on the verge of falling apart, if they have not already done so, would the Prime Minister consider giving a commitment to us and to the members of his own caucus that the acid rain subcommittee will be reactivated so that Members of Parliament in all parties could stand together on this issue and can move with some authority in the United States to pick up the pieces and get the negotiations going again?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I will be happy to take notice of the question on behalf of the minister.

* * *

THE ADMINISTRATION

REQUEST GOVERNMENT ESTABLISH DEPARTMENT OF CO-OPERATIVES

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, my question is directed to the Right Hon. Prime Minister. The co-operative movement is an effective component of every part of the Canadian economy. It takes in agriculture, fisheries, manufacturing and finance, to mention a few. The co-operative movement is struggling to meet the real needs of people in the midst of a faltering and hostile environment, and is one of the optimistic forces in the economy today. Will his government respond to a long-standing request by the co-operative movement to establish a department of co-operatives?

• (1440)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, that is, indeed, a request that has been—

Mr. Broadbent: Give Serge something.

Mr. Trudeau: Now the Leader of the NDP wants to ask a supplementary. I will wait for it.

POSITION OF CAISSES POPULAIRES AND CREDIT UNIONS

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, the need for a department of co-operatives is very obvious. When we ask about machinery, we have to go to agriculture. When we ask about housing, we have to go to housing. My supplementary question is for either the President of the Treasury Board or the Minister of Supply and Services. The caisses populaires and the credit unions are put to particular disadvantage in their dealings with the government. This disadvantage is caused by archaic regulations and legislation. Last April the minister promised in a letter to me that action would be taken to alleviate this disadvantage. Will the minister give me an indication now of when that action will be taken?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, I am very grateful to the hon. member for that question. I want to tell him that not only are we acting on the representations that the hon. member made relating to the cheque issue and the ability to deal with certified cheques issued on caisses populaires but I would also call to the attention of the hon. member that tomorrow we will be passing, through all stages, the Co-Enerco bill which indeed is one of the most brilliant initiatives that has been advanced by this government relating to the co-op movement, and for which the hon. gentleman, as well as all hon. members of the House, should be grateful.

INDIAN AFFAIRS

HOUSING PROJECT AT RENOUS, N.B.

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, my question is for the Minister of Indian Affairs and Northern Development and I have given him notice of it. As the minister knows, a housing situation has been created by the failure of his officials to act in a timely fashion in the disposal of ten housing units at Renous, New Brunswick, and by their subsequently interfering at the eleventh hour with the tender process. Has the minister had an opportunity to look into this situation, and when can we expect a resolution of this serious and unfair problem?

An hon. Member: Why do you not raise it in caucus?

Mr. Dionne (Northumberland-Miramichi): Shut your mouth and ask your own questions.

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I appreciate the hon. member giving me notice of his question. I would point out that the action taken by myself, answerable for the department, has received the support of the Indian chief of the band in question in that particular area, by telegram the other day, confirming the decision taken. However, I do realize there is a difficulty and, as I have told the hon. member, I will be meeting with him to try to iron out any difficulties within the next few days.

* * *

MINES AND MINING

POSTPONEMENT OF SMELTER CONSTRUCTION IN NEW BRUNSWICK

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, in the absence of the Minister of Regional Industrial Expansion my question is directed to the Minister of Finance. The minister may recall that he interrupted his budget speech to announce a $350 million smelter to be erected in New Brunswick, which brought great hopes to a large number of unemployed people in that province. The proponents of the smelter have recently announced an indefinite postponement of construction. Has the minister had any consultation with the Noranda group or the New Brunswick government with a view to bringing this vital project on line as soon as possible? Does he have any favourable indications which he can give the House?

[*Translation*]

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism)): Madam Speaker, I shall take the hon. member's question as notice, because I have no exact information on this project at the present time. I shall be able to report on the matter to the hon. member next week.

[*English*]

REQUEST THAT GOVERNMENT TAKE EARLY ACTION

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, would the minister of Finance and his colleagues treat this matter with high priority and pursue it vigorously, since this smelter will create 1,000 construction jobs and about 400 permanent jobs in a part of New Brunswick which has 40 per cent unemployment largely because of the government's policies and acts of omission in this regard?

[*Translation*]

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism)): Madam Speaker, on the basis of information I have received in the past, I feel the project is still progressing, and I would not want the hon. member to give the House the impression—and I know that is not his intention—that the project has been abandoned. The project is still progressing, I shall enquire about the implementation date next week—I can assure the hon. member that we are aware of the importance of this project for New Brunswick and Canada—and I shall then be able to be more specific about the dates involved.

* * *

[*English*]

VOLUNTARY ORGANIZATIONS

REQUEST THAT GOVERNMENT PROVIDE INCENTIVES

Mr. Walter McLean (Waterloo): Madam Speaker, my question is for the Minister of Finance. It relates to his forthcoming financial statement. As the minister will know, reference has been made today to the impact of the problems of housing and jobs, family violence, and the problems of the elderly and the disabled. With respect to their particular needs during these difficult economic times in Canada, will there be reference in his statement to the voluntary sector which offers the most cost efficient way of providing services which are needed more every day by those people? This was omitted in the November budget. Can we expect that there will be a reference and incentives in the statement for the voluntary sector?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I appreciate the hon. member's concern about the voluntary sector. I share his views about the necessity of maintaining very active voluntary participation in our society. If he has any suggestions or views on that subject on how the voluntary sector might be advanced, I would be prepared to receive them and give them consideration.

MINISTERIAL REPRESENTATIONS

Mr. Walter McLean (Waterloo): Madam Speaker, my supplementary question is directed to the Minister of Finance. On March 12, I wrote to the Secretary of State with an outline

of program suggestions on how the voluntary sector might be supported. I have not had any response to that. In speaking with the Under-Secretary of State when dealing with estimates we are assured that proposals were forthcoming. Has the Minister of Finance not received these representations from the Secretary of State on behalf of the voluntary sector?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am sure that our officials have been discussing this question. I have not, however, had these representations, to my recollection. They are probably being given consideration by the minister himself.

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DISARMAMENT

SUGGESTED MEETING OF AMERICAN AND RUSSIAN POLITICIANS

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, my question is directed to the Right Hon. Prime Minister. It also deals with the question of world disarmament, but from a different approach. During my recent attendance at the United Nations as a member of the Parliamentarians for World Order, I was dismayed to see the lack of understanding and the distrust between representatives, at the ambassadorial level, of the Soviet Union and the United States on the subject of world disarmament at an open forum.

Would the Prime Minister, in an effort to reduce international tension and to promote mutual understanding between the two super powers on disarmament, be willing to use his good offices to bring together in the near future some members of the Senate of the United States and of the Politburo of the U.S.S.R., the politicians with power to create change, in order that they may meet and discuss mutual problems on an individual basis, get to know each other, and develop the trust that is needed if an agreement to reduce nuclear arms is to be reached?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I think the suggestion of the hon. member is an interesting one. It is certain that politicians at all levels should be interested in this question, as is the hon. member. I do not think it is a bad idea at all if members of the U.S. Senate and members of the Soviet Politburo could meet together on that kind of exchange.

* * *

• (1450)

ENERGY

OFFSHORE RESOURCES—NEGOTIATIONS WITH NEWFOUNDLAND

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources concerning the Hibernia oilfield off Newfoundland. Will the minister agree that Premier Peckford, who is now in Ottawa, appears to have made some concessions in this dispute such as, for example, shared ownership? Premier Peckford seems to be prepared to return to negotiations before the Supreme Court of Canada case is completed. Does the minister agree with what I just said? Also, can we now expect the Government of Canada to do likewise?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I obviously cannot speak for Mr. Peckford or speculate on what he has in mind. I can tell the hon. member that we never left the negotiating table. Mr. Peckford refused to meet with us on February 16, as had been requested, and decided to go to court instead. He has refused negotiations ever since.

I had a meeting with Mr. Marshall a few weeks ago. I asked him whether he would come to the negotiating table, but was turned down. He agreed to meet with me, only on the basis that it would not be a negotiating session but simply a discussion. Therefore, the federal government has been at the negotiating table all along. We never left it.

If Mr. Peckford or his representatives want to come back to the negotiating table, they will find us there. We have been waiting for them. We have never said that we refuse to negotiate while the matter is before the courts. We are quite ready to negotiate. In fact, we indicated quite clearly, as we did with Nova Scotia, that we are ready to arrive at an agreement that will withstand any court decision, one that cannot be changed by whatever court decision might be rendered eventually.

The record is straight. It speaks for itself. We are quite ready to negotiate. We have always been ready to negotiate. The ones who left the negotiating table are the representatives of the Government of Newfoundland.

Mr. Waddell: Madam Speaker, the answer is inadequate in that—

Some hon. Members: Oh, oh!

Mr. Malone: Don't make him do that again.

ISSUE OF SHARED OWNERSHIP

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, let me direct a supplementary question to the minister. Premier Peckford is now talking about shared ownership. That seems to be something new and reasonable. The minister talks about federal ownership. Is the minister aware that we have an economic crisis in this country and we need co-operation, not confrontation? Is the minister prepared to consider shared ownership on the east coast and is he prepared, for example, to sit down with Premier Bennett on the west coast with regard to the dispute there, and Premier Peckford on the east coast, before the summer is out? This would show the Canadian people that co-operation is possible in this country and that we can reach an agreement. Why not do this on the basis of shared ownership?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I would remind the hon. member that the Government of British Columbia has appointed an outstanding representative that my officials have already met with that representative, and discussions have begun on that very subject. These discussions will continue at a rate that is satisfactory to both governments.

As far as the other point raised by the hon. member is concerned, we have indicated that we are ready to talk about revenue-sharing and joint management. Even leaving aside the question of management, we have said that the question of management is one that can be decided by the courts one way or the other at whatever time is satisfactory. As far as we are concerned, we have not set any pre-conditions before starting or continuing negotiations. We are as ready to talk now as we were all along, as we proved with the Government of Alberta, the Government of British Columbia, the Government of Saskatchewan, and the Government of Nova Scotia. These governments are represented by Social Crediters, New Democrats, and Conservatives. If the hon. member is suggesting that this government is not ready to negotiate, I suggest that he check to see whether it is the Government of Newfoundland that has not been ready to negotiate.

* * *

PORTS

CONSTRUCTION OF GRAIN TERMINAL AT PRINCE RUPERT, B.C.

Hon. Don Mazankowski (Vegreville): Madam Speaker, my question is directed to the Minister of Transport. The proposed Prince Rupert grain terminal continues to waver under a cloud of uncertainty. Can the minister advise what action he or his department have taken in recent days to ensure that this project goes ahead?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the grain consortium have asked us, as I have said before, for essentially two things. The first was to raise the level of government support that exists so as to make the contribution of the federal government and of the Government of Alberta, which is sharing with us on a 50-50 basis, higher. This has been agreed to and the parties are quite satisfied with that. The other item mentioned was the possibility that CN might build the tracking facilities in port. CN is convinced that this might be a good idea on a cost recovery basis; added to each tonne of grain going through Prince Rupert in the future. They are now looking at this and seem to be favourably disposed.

* * *

RAILWAYS

CROWSNEST PASS RATES—TABLING OF GILSON REPORT

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, my question is for the Minister of Transport. Yesterday the minister received the final copy of the Gilson report. Can he now inform the House and the grain producers of western Canada whether that report will be tabled while the House is in session, or will he take the other way out, as he did with VIA Rail, and table the report after the House is adjourned?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, my hon. friend is unnecessarily antagonistic. My reputation for being friendly is well known. I do have the report. It is now being translated and will be printed. If all goes well it should be ready by June 29. Again, everything going well, I will be in a position to table it that day.

* * *

LABOUR CONDITIONS

LAY-OFFS IN FURNITURE INDUSTRY

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is for the Minister of Finance. Furniture workers across Canada are facing mass lay-offs. In the town of Hanover, Ontario, the unemployment rate has reached 30 per cent in consequence of that. Does the minister have anything in mind that will be forthcoming in his economic statement that might provide some hope for the future of these people, the workers, their families, and those in other towns like this across Canada?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am not sure I heard every word of the hon. member's question. If he is asking me whether I have anything in mind to put in the economic statement that will affect these workers, obviously I will be able to satisfy the hon. member's curiosity when the statement is made. I am afraid I have no suggestion for him but to be patient for a little while longer.

REQUEST FOR ASSISTANCE TO RESIDENTIAL CONSTRUCTION INDUSTRY

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, the minister will know that the furniture market is at least partially dependent on housing starts and on the sale of new homes. He will know from previous questions today that new housing starts are at about 50 per cent of what are reasonable levels. The unemployment rate in the home construction industry is 25 per cent. Only one in six Canadians who is renting can look forward to owning a new home. Does the minister have in mind anything that might accommodate the housing industry by way of lowering interest rates and mortgages so that new housing starts will again occur and there will be some return to the economy, that industry, and the furniture industry?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member asks me whether consideration is being given to the problems of various sectors of the economy, including the furniture indus-

try, the housing industry and the construction industry. I wish to tell him that of course all these matters are being considered intensively by myself at the present time.

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CANADA POST CORPORATION

LETTER CARRIER WALK SERVICES

Mr. Maurice Foster (Algoma): Madam Speaker, my question is directed to the Minister of Consumer and Corporate Affairs who is responsible for the Post Office. In view of the statement earlier this year by the president of the Canada Post Corporation with regard to providing improved postal service, including new letter carrier walks across the country, can the minister advise when these additional letter carrier walks will be provided to rapidly-growing communities such as Elliot Lake, Ontario, thus improving the present unsatisfactory service to new subdivisions in that town?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I will bring to the attention of the president the representation made by the hon. member, and report to him as soon as possible.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

Madam Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-111, an act to provide supplementary borrowing authority, without amendment.

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THE ROYAL ASSENT

Madam Speaker: I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

June 17, 1982

Madam:

I have the honour to inform you that the Honourable W. Z. Estey, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 31st day of March, 17th day of June, 1982, at 5:45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Madam,
Your obedient servant,
Edmond Joly de Lotbinière
Administrative Secretary
to the Governor General

* * *

● (1500)

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Nielsen: Madam Speaker, may I ask the government House leader what the business will be for tomorrow and for next week. Presumably he can give us the business up to and including Wednesday.

Mr. Pinard: Yes, Madam Speaker. In so far as the business for tomorrow is concerned we have made an agreement to deal with all stages of the following four bills, with a maximum of one speaker per party.

First, Bill C-116, to establish the Cooperative Energy Corporation and the Cooperative Energy Development Corporation; second, Bill C-38, to provide for garnishment or attachments; third, Bill C-120, to amend the Supplementary Retirement Benefits Act; and finally, Bill C-118, to provide for the retention of certain records. On each of those bills there will be a maximum of one speaker per party for all stages of the bills tomorrow.

[*Translation*]

As far as the business of the House for next week is concerned, next Monday will be the last allotted day for this supply period—in other words, Monday will be an opposition day. Next Tuesday and Wednesday we shall be considering the following bills, in order: the bill on occupational training, if the committee report is ready and that seems to be the case; the bill on export development, if it has been reported by the committee; and finally, the bill on national harbours. We are going to try to finish the second reading stage, and subsequently, we shall consider the bill to provide for payments to owners of dwellings insulated with urea formaldehyde foam insulation. Now it seems it may be possible to refer this bill very quickly to committee, by allowing only one speaker per party, at least as far as the Progressive Conservative Party is concerned. Thursday, as we all know, is a holiday and a very special day for French Canadians, so that Parliament will not sit on Thursday, Friday, Saturday and Sunday.

[*English*]

Mr. Nielsen: I thank the government House leader for that. I want to make it clear to him, in view of the exchange which took place yesterday between the member for Hamilton-Wentworth (Mr. Scott) and the Minister of Consumer and Corporate Affairs (Mr. Ouellet), that we are prepared to deal with Bill C-109, the bill with respect to urea formaldehyde foam

insulation assistance, with one speaker per party, and get it into committee as soon as possible.

Mr. Rose: Madam Speaker, I can confirm that that is the understanding of the agreement, with one addition. I believe it is acceptable to the government, and also to the official opposition, that in Bill C-120, to amend the Supplementary Retirement Benefits Act, a minor amendment removing retroactivity would be acceptable to all sides.

Mr. Baker (Nepean-Carleton): Madam Speaker, I have had discussions with the parliamentary secretary to the government House leader with respect to the bill mentioned by the hon. member for Mission-Port Moody, and that is agreeable.

Mr. Andre: Madam Speaker, this is not strictly on this point of order, but I would like to indicate to you, in keeping with our previous practices on the matter of the estimates, that given that the supply period will be over on Monday, and given the request by previous speakers when estimates are challenged, the Chair should give an opportunity for consideration of a day or two before the end of the supply period. I have talked to the President of the Treasury Board and indicated that it would be our desire to raise a point of order tomorrow in respect to some of the votes in the estimates which will come up for a vote on Monday evening.

Mr. Robinson (Burnaby): Madam Speaker, on House business, as the President of the Privy Council will know, the Standing Committee on Justice and Legal Affairs has completed its consideration of Bill C-43 respecting freedom of information. We on this side of the House are agreeable to this bill being debated, in fact today. I am wondering if the President of the Privy Council could indicate to the House when he intends to bring this important legislation forward. Will he give the House an assurance that this legislation will in fact be brought forward before the House rises for the summer?

Mr. Pinard: I suggest that the hon. member talk to his House leader, who will have all the answers. At the same time, he could inquire about the bill respecting Canada Day. I have been expecting an answer.

Mr. Hovdebo: Madam Speaker, I would like to ask the President of the Privy Council about the changes affecting the credit unions and caisses populaires in the bill to amend the Financial Administration Act, which was tabled about March 18. When is this legislation going to come before the House? It is Bill C-96.

Mr. Pinard: Madam Speaker, I will take the representation made by the hon. member into serious consideration and discuss the matter with his House leader.

Mr. Parker: Madam Speaker, in December, Bill C-60 was passed both here in this House and in the Senate. My constituents are patiently waiting for that bill. Their property has been trespassed and the provisions in this bill would give them the opportunity to be heard. Can the President of the Privy Council say when this bill will be proclaimed so that they will have the use of this bill?

Mr. Pinard: Madam Speaker, the hon. member asked this question last week and I told him I would report to him. I am doing so now. I am told that this bill will be proclaimed any time between now and the end of the month.

* * *

POINT OF ORDER

MR. McGRATH—CORRECTION OF QUESTION ASKED DURING QUESTION PERIOD

Hon. James A. McGrath (St. John's East): Madam Speaker, I rise on a point of order. The minister is in the House, but he is not in his seat. During my second question to the Minister of Public Works (Mr. Cosgrove) who is responsible for housing, I inadvertently used the figure "$300" for "$3,000" for first-time grants. I want to correct the record. However, Madam Speaker, there was nothing inadvertent about the sheepish way the minister used that to avoid answering my question.

Some hon. Members: Oh, oh!

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, to the many households, approximately 1,500, who would use that money, there is a great difference between $300 and $3,000.

Mr. Clark: That still does not excuse your lack of courage in answering questions.

* * *

[*Translation*]

STANDING ORDERS AND PROCEDURE

MEMBERSHIP OF SPECIAL COMMITTEE

Hon. Yvon Pinard (President of the Privy Council): On a point of order, Madam Speaker. If there are no further questions about the business of the House, I would like to raise a related matter. I have consulted with representatives of various parties on the subject of the Special Committee on Parliamentary Reform. Today, it is with great pleasure that I can inform the House that we have agreed on the membership of this committee and consequently, I would like to present the following motion, with the unanimous consent of the House:

That the members of the Special Committee on Standing Orders and Procedure be the following: Messrs. Baker (Nepean-Carleton), Blaikie, Collenette, Cousineau, Cullen, Daudlin, Deans, Dionne (Northumberland-Miramichi), Epp, Herbert, Huntington, Lachance, Lefebvre, Lewis, Mayer, McGrath, Reid (Kenora-Rainy River), Simmons, Smith and Thacker.

Madam Speaker, these are the hon. members who would sit on the Special Committee on Parliamentary Reform, and this is a formal motion.

Point of Order—Mr. Rose

Madam Speaker: Does the minister have the unanimous consent of the House to present this motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

[*English*]

POINTS OF ORDER

MR. ROSE—REQUEST FOR CLARIFICATION OF "PROTECTED PERSONS"

Mr. Mark Rose (Mission-Port Moody): I rise on a point of order, Madam Speaker. I seek to put a question for clarification. With the greatest respect, I seek Madam Speaker's ruling about the role of hon. members in the matter of "protected persons" as described in Beauchesne's fifth edition, Citation 321.

The reason I seek this clarification is that yesterday the member for Burnaby (Mr. Robinson) was named by Your Honour for using unparliamentary language and was removed from the House following his attempt to set the record straight on a matter of consequence, at least to Mr. Justice Thomas Berger. Yet on Tuesday the Minister of Justice (Mr. Chrétien) twice described the conduct of Mr. Justice Berger as reprehensible. Madam Speaker, Citation 428 of Erskine May cites the following passage; it is in the footnote on page 428:

> Mr. Speaker ruled that . . . reflections on a judge's character or motives cannot be made except on a motion, nor can any charge of a personal nature be made except on a motion.

• (1510)

Clearly, Madam Speaker, the minister's remarks were not by way of motion but in answer to an hon. member's question. Describing a judge's conduct as reprehensible is bound to be construed as a reflection on the judge's character and, according to the precedents I have cited, perhaps the judge deserved the protection of the Chair—or other hon. members—under Beauchesne Citation 321 or May at page 428.

I would be grateful if Your Honour would be so kind as to consider the points I have raised and later, perhaps, inform the House as to the duties of both hon. members and the Chair in cases such as this in order to end the confusion or any possible inference of double standards.

Madam Speaker: At all times during the course of those exchanges I was conscious that perhaps some of the things which were being said in the House might reflect on the conduct of judges. I was extremely cautious about that. It seemed to me that when the minister referred to Justice Berger in the way the hon. member has just described, he was quoting from a report.

An hon. Member: No.

Madam Speaker: At any rate, if the hon. member felt there was a point of order concerning that particular intervention it should have been dealt with at that time. Points of order have to be dealt with when they arise. They cannot be dealt with two or three days later.

It is very clear that hon. members must not reflect, except through a formal motion, on the conduct of the judiciary. That is very clear, and I can reaffirm that so that hon. members will not be confused. However, although at times that exchange came very close, it did not seem in my judgment that it reflected on the conduct of judges.

MR. DIONNE (NORTHUMBERLAND-MIRAMICHI)—WITHDRAWAL OF REMARKS DURING QUESTION PERIOD

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, during the question period today and at the end of a question I put to the Minister of Indian Affairs and Northern Development (Mr. Munro), the hon. member for Saskatoon West (Mr. Hnatyshyn) shouted something across the floor at me. I responded impulsively and in language which was not very dignified. Whether I feel justified or not, I believe we should use dignified language in this chamber. I ask to have that comment withdrawn because I do not believe it is in keeping with the spirit of Parliament. Whether I feel that way or not, I should not tell the hon. member to do something he should know enough to do by himself.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Madam Speaker: I was going to congratulate the hon. member, but I guess I will not!

* * *

PRIVILEGE

MR. CROSBY—REMARKS OF MR. CHRÉTIEN RESPECTING DONALD MARSHALL CASE

Mr. Howard Crosby (Halifax West): Madam Speaker, you will recall that I gave you notice of a question of privilege which relates to remarks made in this chamber by the Minister of Justice (Mr. Chrétien) on June 16 and previously on June 15. The minister is not now in the chamber, so I will reserve my question of privilege, if I may, for another day.

The question of privilege relates to the Donald Marshall case and the manner and circumstances under which it was referred to the Supreme Court of Nova Scotia.

Madam Speaker: Order, please. The hon. member may present his question of privilege even though the minister is not present in the House. I can entertain the question of privilege. Since it is a question of privilege, it supposedly is extremely urgent, so I urge the hon. member to present his question of privilege.

Mr. Crosby: Very well, then.

Hon. Erik Nielsen (Yukon): Madam Speaker, it is a long-standing practice in this place that, as a matter of courtesy, when an hon. member intends to raise a question of privilege reflecting upon the conduct of another hon. member, the hon. member against whom allegations are about to be made should be in his place in the House.

I strongly suggest it would be most inappropriate and certainly not in keeping with the long-standing practices of this place to raise a question of privilege reflecting on the conduct of a member who is not here to hear the allegations. I suggest there is every right and every obligation to set the question over until the Minister of Justice (Mr. Chrétien) is in his place.

Madam Speaker: In my time I have heard questions of privilege in the absence of hon. members involved in those questions of privilege. I am very careful not to give rulings in the House unless the hon. members involved are in the House.

The hon. member for Yukon (Mr. Nielsen) will know that question of privilege is a matter that is very, very urgent and that I am justified in telling the hon. member for Halifax West (Mr. Crosby) that since it is an urgent matter, he probably would want to raise it immediately. I am suggesting that he probably would want to raise it immediately, and I am ready to hear him today. If he wants to defer, that is fine with me, I will wait; but it seems to me somewhat contradictory that an urgent question of privilege can be deferred one day or even a couple of hours. However, if the hon. member wants to defer, I will be patient with him.

Mr. Nielsen: It is not that it is not a question of urgency, with the greatest of respect. The practice is that a question of privilege, particularly one of this nature which deals with personalities, should be raised at the earliest opportunity. The earliest fitting and proper opportunity is when the minister is in the House, since the question deals with reflections on his personal conduct as a minister.

I would advise my colleague, the hon. member for Halifax West (Mr. Crosby), to defer the question until such time as the minister is in the House.

Madam Speaker: That is fine, but I do not accept the idea that a question of privilege may not be discussed when the person referred to in the question of privilege is not in the House. The one whose privilege is affected, of course, is the first one who is concerned, and in his view it is supposed to be so urgent that we stop all business of the House because we must consider that question of privilege. That is the basic principle behind questions of privilege.

Does the hon. member want to defer? If he wants to defer, that is fine; I will wait.

Point of Order—Mr. Crosby

Mr. Crosby: Madam Speaker, let me make it clear to you and all members of this House that my purpose in deferring the question of privilege was respect for a colleague in this chamber and not for any reasons of my own. I would be happy to go ahead with the question of privilege.

I want also to make a second point. In addressing this question of privilege, I intend to say things about the Minister of Justice which I want him to hear and to which I want him to respond. He can deny or admit as he sees fit. I certainly am prepared to go ahead, but I think I ought to—and I will—ask permission to defer, as I said, out of respect for members of this chamber.

* * *

POINT OF ORDER

MR. CROSBY—S.O. 43 MOTION OF MR. ROSE

Mr. Howard Crosby (Halifax West): Madam Speaker, with respect to the rules and the Standing Orders of the House, I would like to draw to your attention Standing Order 35 and the remarks made by the hon. member for Mission-Port Moody (Mr. Rose) during proceedings under Standing Order 43 today when he reflected on a vote taken in this House in which I participated. I participated in that vote and in that debate. I draw Your Honour's attention to that.

Madam Speaker: Is the hon. member now raising another question?

Mr. Crosby: Yes, Madam Speaker.

Madam Speaker: He had the floor for a question of privilege, which is quite legitimate, but if he wants to speak about another matter, he would have to rise on a point of order.

Mr. Crosby: It is a point of order, Madam Speaker. I ask Your Honour to reflect on the remarks made by the hon. member for Mission-Port Moody during proceedings today under Standing Order 43. I believe he may have reflected on a vote in this House and particularly my participation in that debate and in that vote.

Madam Speaker: I will have to look at the text. I did not get that impression, but I will look at the "blues".

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, you said you would look at the "blues" to find out what the point of order is really all about. I certainly did not reflect negatively on the hon. member. As a matter of fact, I quoted from his speech and complimented the hon. member on his efforts to espouse the cause of Mr. Marshall in Nova Scotia.

Introduction of Bills

ROUTINE PROCEEDINGS

[*English*]

THE DISABLED AND THE HANDICAPPED

TABLING OF CONTINUING RESPONSE TO "OBSTACLES" REPORT

Hon. Gerald Regan (Secretary of State): Madam Speaker, as minister responsible for the co-ordination of the federal government's response to the "Obstacles" report presented to the House by the special parliamentary committee on the disabled and the handicapped, I am pleased to table today under Standing Order 41(2) the federal government's continuing response to the "Obstacles" report. This report describes actions the government has taken subsequent to the initial response which I tabled in the House on December 17, 1981.

* * *

PETITION

MR. SCOTT (HAMILTON-WENTWORTH)—PROHIBITION OF GROUP SEX

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, I rise to present a petition on behalf of many constituents in the Hamilton-Wentworth area who view with alarm activities such as group sex in their communities. This petition is especially timely since the Standing Committee on Justice and Legal Affairs at this moment is discussing amendments to the Criminal Code with respect to sexual offences. Through this petition the citizens of the township of Flamborough and elsewhere in the Hamilton area call upon the Parliament of Canada to maintain those provisions in the Criminal Code which prohibit any form of group sex.

* * *

• (1520)

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

AMENDMENT RESPECTING PAYMENTS TO SPOUSES

Mr. Gordon Taylor (Bow River) moved for leave to introduce Bill C-657, to amend the Prairie Grain Advanced Payments Act (spouses).

He said: Madam Speaker, section 7(3.2) of this act discriminates against a married couple when both are productive. A productive man and a productive woman may live common law and both will receive prairie grain advance payments; but if the same two are legally married, then the advance payment is cut in half. This bill would remove this discrimination. If our legislation is to favour anyone, it should be those who are legally married and not those who are living common law.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 3,695, 4,030, 4,159, 4,160, 4,161 and 4,228.

[*Text*]

MR. PETER JOHN NICHOLSON

Question No. 3,695—**Mr. Crosby:**

1. Does Mr. Peter John Nicholson hold a position in the public service and, if so, what is his position and remuneration?

2. What are the qualifications (a) claimed by Mr. Nicholson (b) stated for the office?

3. Was the position advertised or otherwise offered to other persons?

4. (a) Was Mr. Nicholson in the Department of Regional Economic Expansion in 1978 or thereabouts and, if so, what was his salary (b) did he resign from the office to be a candidate in the provincial general election in Nova Scotia and, if so, was he given any retirement or other payment from the government?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Prime Minister's and Privy Council Offices and the Department of Regional Economic Expansion as follows:

1. Mr. Nicholson does not hold a position in the public service. He was awarded a contract with the task force on Atlantic fisheries to act as an advisor to the chairman for a period of eight months at a rate of $6,000 per month.

2. Extensive knowledge in the field of Atlantic fisheries. Experience acquired from one of the four largest fish companies in the Atlantic. Experience in industry-government relations.

3. No. A judgment was made that Mr. Nicholson's qualifications in both the fishing industry and government meant that he would be an excellent addition to the task force staff.

4. (a) Yes, at a salary range between $34,436 and $37,909. (b) Mr. Nicholson took a leave of absence without pay from August 17 to September 20, 1978. He resigned from the public service on September 19, 1978 to become the elected representative for Victoria County in the Nova Scotia Legislature. In relation to pension entitlement accumulated during his employment in the public service, Mr. Nicholson chose a deferred annuity as provided for in Section 12(c)ii(a) of the Public Service Superannuation Act. He has not received any retirement or other payment from the government.

REFUSAL TO SURRENDER MAIL

Question No. 4,030—**Mr. Herbert:**

Are there any conditions under which the post office can refuse to surrender mail to a properly identified person, when the mail bears the full residential address of the individual requesting the mail?

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): I am informed by the Canada Post Corporation as follows:

Yes, under the following conditions: prohibitory order issued by the minister; postage due unpaid; letters in customs where the addressee refuses to open the letter when requested to do so. Items refused by the addressee because of customs charges, or items prohibited entry into Canada by law as administered by customs and excise of Revenue Canada; non-mailable matter under the prohibited mail regulations. This would contain items that are prohibited or dangerous that have found their way into the mail stream.

CANADA POST LOCK BOXES

Question No. 4,159—**Mr. Herbert:**

1. How many lock boxes are presently in service in post offices and how many are used by individuals that (a) are not entitled to residential delivery service (b) have no residential address or do not wish to disclose a residential address (c) are entitled to delivery service but choose to have a lock box?

2. How many lock boxes are used by companies and associations?

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): I am informed by the Canada Post Corporation as follows:

1. Canada Post maintains approximately 1,507,000 post office boxes, of which about 1,360,000 are rented. (a) approximately 834,000 boxes; (b) the corporation has no record of any customers in this category; (c) approximately 526,000 boxes.

2. The corporation does not compile information regarding the number of companies and associations that use post office boxes.

CANADA POST—PERSONNEL COSTS

Question No. 4,160—**Mr. Herbert:**

1. With reference to the answer to question No. 2,141 of the first session of the 30th Parliament, what percentage of the 1982-83 total budget of the Canada Post Corporation is for personnel costs and benefits, including all labour and wage related items?

2. Is it anticipated that there will be any appreciable change in this percentage in future years?

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Canada Post Corporation has informed me as follows:

1. It is 71.8 per cent.

2. The corporation cannot at this time predict the outcome of future collective bargaining; therefore this question cannot be more fully answered.

POSTAL VOLUME

Question No. 4,161—**Mr. Herbert:**

With reference to question No. 2,136 and question No. 2,703 of the first session of the 30th Parliament, what is the present percentage of postal volume that comes from individuals and what is the percentage of postal volume from individuals to individuals?

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): I am informed by the Canada Post Corporation as follows: The most recent data indicates that 20 per cent of postal volume comes from individuals. Of that, 41.1 per cent is sent from individuals to individuals.

DREE PROJECTS

Question No. 4,228—**Mr. Mazankowski:**

Since 1969 (a) in which cities and for which years has the Department of Regional Economic Expansion had offices (b) how many projects did each office fund (c) what amount did each office commit?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): The reply for the Department of Regional Economic Expansion is as follows:

(a) DREE has 33 offices across the country. A list of locations and dates of opening is listed below.

(b) and (c) Projects are not identifiable on an office by office basis. The department's annual reports provide this information by year, province and program.

List of DREE Offices across Canada

Location of DREE Offices	Date of Opening	
National Office—Ottawa (moved to Hull, Quebec July, 1978—moved back to Ottawa January, 1982)	April	1969
Quebec		
Montreal	June	1970
Quebec	March	1969
Rimouski	April	1969
Val d'Or	April	1978
Alma	January	1978
Trois-Rivières	March	1982
Sherbrooke	November	1980
Drummondville	April	1982
Ontario		
Toronto	December	1969
Thunder Bay	March	1974
Sudbury	April	1978
Atlantic		
Moncton	January	1974
St. John's	April	1970
Goose Bay	December	1975
Charlottetown	July	1969
Summerside	July	1981
Fredericton	April	1970
Bathurst	March	1973
Halifax (then moved to Darthouth in February, 1980)	November	1969
Halifax (Ocean Industries)	April	1982
Sydney	October	1981
West		
Saskatoon	January	1974
Prince Albert	February	1981
Regina	January	1975
La Ronge (closed October, 1980)	November	1978
Winnipeg	April	1973
Thompson	August	1975
Edmonton	May	1970
Victoria	December	1969
Prince George	December	1977
PFRA Headquarters (Regina)	April	1969
PFRA Manitoba Affairs (Winnipeg)	May	1979
PFRA Alberta Affairs (Calgary)	April	1980

Order Paper Questions

[*English*]

STARRED QUESTION

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, would you be so kind as to call starred question No. 4,318?

[*Text*]

*"UNDERSTANDING CANADA"

Question No. 4,318—**Mr. Dinsdale:**

Did the government pay United States academics to write the book "Understanding Canada" and, if so, what amount?

[*English*]

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): No, although the Department of External Affairs, in response to a need identified by U.S.A. academics, did contract with U.S.A. academics to prepare a manuscript which could serve as the basis of a multi-disciplinary text book about Canada conceived and written for United States undergraduates. The copyright of that manuscript was subsequently sold to the Association for Canadian Studies in the United States (ACSUS) for $1 in November, 1980. The book has recently been published in accordance with arrangements made between New York University Press and ACSUS under the title "Understanding Canada: A multidisciplinary Introduction to Canadian Studies".

The amounts of the contracts were as follows:

(a) In 1976 $17,000 (U.S.A.) with Professor Roger Swanson, then Professor of Canadian Studies at John Hopkins University's School of Advanced International Studies, to prepare an initial manuscript. The amount was designed to cover editorial expenses, author's fees, referee's costs, etc. This amount was increased by $1,000 (U.S.A.) in 1978.

(b) In 1979 $1,500 (Canadian) with Professor Peter Kresl, Director of the Canadian Studies program at Bucknell University, to write a chapter entitled "Canada: An Economic Perspective".

(c) By 1980 Professor Swanson had left the academic world and there was a contract for $11,000 (U.S.A.) with Professor William Metcalfe of the University of Vermont to: edit the manuscript; bring the material up-to-date; and introduce and delete such material as required to maintain a consistent style.

Madam Speaker, I would ask that the remaining questions be allowed to stand.

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Mr. Beatty: Madam Speaker, the parliamentary secretary will correct me if I am wrong but I do not believe question No. 3,543, which I put on the Order Paper on December 14, has been answered. It is a very simple question about the Canadian Media Corporation. I should like to know if the parliamentary secretary can tell the House when that question will be answered.

Mr. Smith: Madam Speaker, I am not in a position to advise the hon. member of the date that question will be answered, but I will look into the matter on his behalf and see what I can do to expedite it.

Madam Speaker: Shall the remaining questions stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—CANADA'S ABORIGINAL PEOPLES

Mr. Stan Schellenberger (Wetaskiwin) moved:

That this House condemns the Government, and in particular, the Minister of Indian Affairs and Northern Development, for its failure to meet any of the objectives for which the Government continues to seek authority to spend in excess of one billion dollars in this fiscal year on behalf of Canada's aboriginal peoples, for its tolerance of the miserable conditions existing in native communities throughout Canada which are of a standard vastly inferior to those found in most Third World countries, for the minister's failure to exercise his obligatory trust responsibility, and for the minister's contempt of Parliament as manifested by his deliberate refusal to comply with the statutory obligations which legally require him to report to the House on the progress of the implementation of the James Bay agreement.

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, you may well ask, and we may well be questioned by our friends opposite and by people who watch us through the window to the outside today, why we would use a whole day of precious parliamentary time, when the country is in such serious economic difficulties, to discuss matters relating to the affairs of our native people. I would rather look at it as discussing a favourite subject of our Prime Minister (Mr. Trudeau)—the North-South dialogue, except that this dialogue is more of a domestic nature.

I shall not have any difficulty explaining to you, or to anyone who is watching, why this has become such an urgent problem. It is urgent because the burden of economic difficulties that we must all suffer in times like these is unequally distributed in the country. A disproportionate load of the economic misery which this government has bestowed on the Canadian people is borne by the poor. And most native people in this country, Mr. Speaker, are among the poorest of the poor.

We talk about high unemployment, but in most native communities the unemployment rate is not 15 or 20 per cent, it is 95 per cent. Despite a whole series of royal commissions and studies over the last two or three decades into the housing conditions in the native communities, the housing situation is deplorable. It is not even comparable to conditions which exist in some Third World countries.

This debate is urgent because the conditions in which our native people live have attracted the attention of the world

outside. International tribunals such as the World Health Organization, world courts and human rights fora are dealing with the problems of the native people in Canada. Our image as a nation which espouses certain fundamental values in terms of the human condition is being blemished. It is urgent because the government is embarking on a new phase of the implementation of its Indian affairs policy which, when completed, will have the most profound effect and consequences on our native people. It is also urgent because there is a requirement under the first part of the constitutional accord to hold conferences within one year with provincial premiers and officials to determine once and for all the role and place of our native people within the framework of our new basic law and our new charter of rights.

I do not wish to overdramatize this question but some people are asking why it is that we impose economic sanctions on countries like South Africa because of the way they treat their native people when standards of health care and education for our own natives are, in the main, very much inferior to those found in South Africa.

Some people will be offended by what I have to say today. Many people find it easy to practise virtue from a distance and manage to overlook what is occurring in their own backyard. They will say that it is not fair to make the comparison with South Africa because, after all, our native people were declared persons 30 years ago. Ten years after that they were given the right to vote by the Right Hon. George Diefenbaker.

We consider it urgent, nevertheless, when one small segment of our society finds itself totally isolated from the mainstream of life. We hear reports of life-threatening situations which exist in our native communities, and our jails are overcrowded with native persons whose only relief from frustration is alcohol and crime.

• (1530)

We want to talk about all these things today, and my colleagues will place on the record in some detail statistics and facts of which we should all be ashamed. On the surface, as I have said, our Indian people have all the rights society grants its citizens, or at least so it seems when one looks back over history. There are, however, some very essential differences. For instance, when an ordinary Canadian goes to the polls he elects a government; an Indian person elects himself a trustee. The ordinary Canadian in a provincial election chooses a government or representative most able to manage such things as health care, education, and community services. But the Indian on the reserve has to rely on the federal government to provide him with these things. The provinces redistribute money they have collected in taxes to municipalities and individuals in the form of per capita grants and contributions to sustain community infrastructures. But when such payments are made by the federal government on behalf of the native people, the average Canadian usually considers that to be welfare.

There are other factors which set native people apart from us. Our registered Indians cannot buy and sell their houses without the consent of the minister. They cannot start a business without such consent. If the band to which they belong has any property or assets, then the band cannot sell or convert them without the consent of the trustee, which is the federal minister. If consent is given to, say, sell land or resources belonging to Indian people under their treaty, the money is put in a trust fund maintained and controlled by the minister. That trust fund presently contains between $500 million and $600 million, which will grow to $1 billion by 1985. Incidentally, the government, of course, uses this money and pays a rate of interest 3 per cent or 4 per cent below that which it currently pays in the marketplace. I asked the minister in the House why it is that he cheats our native people of $30 million a year. I have been fighting for a year on behalf of the Fort Nelson Indian band to get the minister either to release the funds or pay a decent rate of interest. The fight is still going on and I hope the minister takes note and will remember that I will not be giving up.

There is a special trust fund for minors which the minister administers, presumably because Indian parents are not considered trustworthy to care for their own children. We have heard evidence before the committee of children for whom such trust moneys are kept in the minister's pocket here in Ottawa while they go to school hungry every day.

Such are the rights of our native people, Mr. Speaker, and such is their equality before our law. It is that trust responsibility which the minister has under the act and the way it is being discharged which I wish to examine in greater detail a little later. First let me give you an overview of the situation to which we generally refer as Indian affairs.

Under the new Constitution Indians, Inuit and Métis, all non-status Indians, are all referred to in one general category: aboriginal people. There are about 300,000 registered Indians who are governed under a special statute known as the Indian Act. The Inuit are specifically excluded from this act, but because of a 1939 court decision the minister had to assume some jurisdiction and responsibility for the Inuit people as well. By far the largest category of aboriginal people are the so-called Métis or non-status Indians. We think, although no one knows for sure, that they number in excess of one million.

The issue of the Métis, as far as the federal government is concerned, was settled during the Riel rebellion. The non-status Indians have, through bureaucratic commission or omission, never obtained or never lost their status. They are administered by the provinces, and in most cases are even worse off than their counterparts on reserves. In some cases they live on the reserves and share the same house with brothers and sisters. Under the treaties made with the Indians they were allowed to select certain lands, in most cases up to 160 acres per person, which could not be alienated or expropriated nor made subject to taxation, although much of this land has, of course, been alienated and expropriated over the years and some bands have never selected their lands. But that which is owned by the Indians and held in trust by the minister amounts in the aggregate, south of the 60th parallel, to an area the size of Nova Scotia.

These lands, even though they lie within the provinces, are not provincial lands. The resources, both surface and subsurface, are not provincial resources and the people who live on them are not governed by a provincial government. They are citizens, some argue, of a third territory who have the distinction of not being represented in Parliament. I should perhaps qualify that by saying that they are represented by the Minister of Indian Affairs and Northern Development (Mr. Munro). We must assume the reason for this is that Indians are not capable of representing themselves. However, we look at the minister's mandate to represent our first citizens as part of his trust responsibility as well.

There is a lot of misunderstanding around, Mr. Speaker, even among our own colleagues here in the House, about the responsibilities we and the minister have for our aboriginal people. What is more, we believe that even the present trustee and his colleagues in cabinet are not certain what their responsibilities are. Let me quote from the report of the Auditor General who had difficulty determining what the minister's trust responsibilities were as well. In his last report he says:

> For example, managers posed the following questions: is the role of the department one of prescription, where resources are allocated according to priorities interpreted by the department, or is it one of support, where the allocation is based on priorities determined by native people? Is it some of each and should the mix vary from one native group to another? Is the department accountable for producing social and economic gains for the native people, or is it responsible simply for ensuring an equitable distribution of financial support as native groups pursue their own objectives? Responses to these kinds of questions would have implications for accountability and control within the department.

Further on he said:

> We therefore concluded that the direction given to the Department concerning its relationship with native people was not sufficiently clear to identify what DIAND should be accountable for in relation to its mandate. We also found little evidence to indicate that the Department had tried to clarify its accountability to Parliament by making assumptions in regard to its mandate, developing corresponding objectives and seeking approval for them.

The minister, in response to a question I asked him on May 13 concerning the Musqueam Indian situation in Vancouver, said this:

> It is the fundamental principle of whether the minister has a trust responsibility, which is a key question to the Indian community in Canada.

He says it is a question whether the minister has that responsibility; he does not even know. He goes on:

> That is what is involved in this particular case. I think some Indian leaders to whom I have talked realize that this fundamental question which has been a source of frustration to everyone concerned for so many years will have to be determined.

It is for that reason that he is putting the Musqueam people of Vancouver through the Supreme Court at a likely cost to them of $1 million. Of course, Mr. Speaker, you would not permit me the time to give a very precise historical and legal overview of the various acts, statutes and Royal proclamations which establish the special rights Inuits and Indians have, and what they are. But there is really no longer any doubt that special rights do exist, and the various instruments by which they were established have been badly bruised and injured and offended.

There is one general understanding which distorts the perception most Canadians have of the problem, and that has to do with the treaties we have made with the Indians in the past. None of them were treaties of surrender; rather, they were arrangements for co-existence and friendship. The Indians were never conquered. They never surrendered. They signed arrangements and contracts for co-existence. At no time did the Indians agree to give up land to which they always considered themselves spiritually attached. Instead the treaties were viewed as a guarantee that as long as the sun shines, the grass grows, the rivers flow and nature celebrates its cycles, they shall at all times be part of those cycles.

• (1540)

I want to quote briefly from a report of treaty commissioners who negotiated Treaty No. 8, which was made June 21, 1899. The commissioners said:

> Our chief difficulty was the apprehension that the hunting and fishing privileges were to be curtailed. The provision in the treaty under which ammunition and twine is to be furnished went far in the direction of quieting the fears of the Indians, for they admitted that it would be unreasonable to furnish the means of hunting and fishing if laws were to be enacted which would make hunting and fishing so restricted as to render it impossible to make a livelihood by such pursuit. But over and above the provision, we had to solemnly assure them that only such laws as to hunting and fishing as were in the interest of the Indians . . . would be made . . . and that they would be as free to hunt and fish after the treaty as they would be if they never entered into it.

Such is the nature of these treaties, and there cannot be any doubt about that. As you know, Mr. Speaker, the courts have come to grips with the situation and in the main agree with the native people about that.

We all know what happened to these treaties. All of us must share part of the blame. We have not had the courage to admit that what has been done in the past was wrong. Nor have we had the compassion or the will to set it right. Maybe I should qualify that by stating that we have never been stingy in providing sufficient financial resources to set this inequity right, or to solve any problems the Indian people have if money were a solution to these problems. In fact, the present Minister of Indian Affairs and Northern Development has a budget which exceeds $1 billion a year to carry out his mandate. That is $4,000 for every man, woman and child under his care. In the case of a family of five, that amounts to $20,000. That excludes the Métis and non-status Indians. While that would normally be sufficient to sustain an ordinary family above the poverty line, the paternalistic system and a ravenous bureaucratic monster administering these funds is not only gobbling up the lion's share of the money, but in the process has gobbled up any self-esteem, any self-reliance and even some of the most basic freedoms and rights that our native peoples once thought they had. It has rendered the Indians totally dependent upon the welfare system.

Let me give a few examples in terms of numbers to show the enormity of the problem. Overall, in the department of Indian Affairs—and the minister is responsible for a couple of other departments as well—there are 4,463 people. This includes Indian agents and people who help to carry out his mandate. Despite the fact that Indians have taken over or are supposed

to be taking over many of the programs which were formerly administered by the department itself, the number of people increased by 308 over the last two years. The over-all cost of the minister's administration is $1.1 billion. That is over $1,000 million to administer the affairs of 250,000 people.

The Standing Committee on Indian Affairs and Northern Development, in the course of examining this year's estimates, which, incidentally, led to the drafting of its now infamous fifth report which was tabled in the House and on which this motion is generally based, singled out one of the regions for closer scrutiny and special consideration. Because of a number of problems which are peculiar to British Columbia, some of which my colleagues will touch upon, the committee held two days of hearings in Vancouver examining the affairs of the B.C. region. This region stands out for two main reasons. First, most of the province was not covered by a treaty. Treaty commissioners did not cover the province as they did the prairie provinces. Treaty aid covers almost all of northern British Columbia.

Second, most of the bands and tribal councils in British Columbia have reached such a high degree of self-reliance that the departmental services and interventions are no longer required or wanted. In fact, there is duplication of some services, if not outright competition for some of the programs between departmental officials and some of the bands. Despite that fact, the region employs 557 people who are organized within ten major departments.

I have with me a brief overview of how the department of Indian affairs functions. First we have the department of the director general which has four staff members. The average salary amounts to $35,000 or $36,000. Incidentally, this department spent $63,223 on travel between April, 1981 and January 11, 1982.

Next is the department called director of local government which has 13 staff members who earn an average salary of $30,000. That group of 13 people spent $109,457 on travel between April, 1981 and January 11, 1982.

Next I will mention the director of the socio-economic development department. He and his 21 staff members earn an average salary of $30,000. They spent only $94,000 on travel in the same period.

The next department is that of the personnel manager who has 18 staff members. They have an average salary of $25,000 and spent $32,000 on travel in the same period.

Then we come to the engineering and architecture department which has 23 engineers and architects in the B.C. region. But the 23 engineers and architects have spent $119,674 in travel between April, 1981 and January 11, 1982. What I have mentioned comprises just the executive branch. There are in total 171 people who work in the British Columbia regional office.

We have many horror stories like this that we would like to place on the record today. The bureaucrats are in competition with the Indians for programs. They are in this bureaucratic game of "save your job and build your ivory tower". So fierce is the competition for control that it eats up most of the resources available to the region, to the point where those bands who experience 95 per cent unemployment, abject poverty and human deprivation of the worst kind are left out almost completely.

The minister might want to dispute these figures, but we have a document that comes from the minister's own regional office in Vancouver. It shows the per capita distribution of funds in the region. The document is entitled "Department of Indian Affairs Contribution to Band Councils, 1981-1982". One band in northern British Columbia has received $36 per capita; yet another band received $4,087. There is no norm. There is no rule. There is nothing. There are no guidelines. There are no standards or minimum requirements for community infrastructure. There are Indian villages everywhere in Canada in 1982 which are taking into account such factors as climate and that are infinitely worse off than some of the poorest settlements in the Third World countries. Often they have no electricity or water distribution or even the most basic sanitary facilities. I can take you, Mr. Speaker, to places in my riding where three generations of one family live in one room not bigger than a living room in the average home. They suffer temperatures of 40 degrees below zero with the only source of heat a converted oil drum as a stove. There is no television and no money to buy batteries for the transistor radio.

What does that do to our national pride? Are we the same people who parade around the world promoting North-South dialogue, the champions of the Third World? I make no apologies at all for taking the time of the House today to speak about these problems.

• (1550)

As I said earlier, there are some bands and individuals who have the ears and the attention of the bureaucrats. We heard from the Indian affairs Mafia in British Columbia. Of course, we do not call them that, but some of the Indian people with whom we have come in contact call them that. The interpretation of the word "Mafia" as it relates to the British Columbia Indian region means Members Against the Firing of Indian Agents. We heard in committee of an individual who at one time received a $300,000 loan to start a personal business. The business was not designed to create any employment or jobs. It was a trailer court, his own personal business. An official of the Department of Indian Affairs and Northern Development told the minister right from the outset that this particular loan was intended to be a personal retirement fund for the individual. The loan was made at preferred rates of interest to start the business. When he failed to meet his other obligations and failed to repay the principal and interest under the loan, he was given another $300,000, except this time it was in the form of a gift. The second $300,000 was to help him over the hurdle. My colleague, the hon. member for Okanagan-Similkameen (Mr. King), will elaborate more on this particular case because this money has not helped him over the hurdle at all. He is still in dire need of a further infusion of funds, and the regional director in British Columbia will likely give them to him.

Earlier I said in fairness that the blame must be shared more widely than just by the present Minister of Indian Affairs and Northern Development and his cabinet colleagues. No matter how hard one tried, it would be difficult to create such a disgraceful situation in only 14 years. But this minister deserves a prize, if for nothing else than the selectivity with which he discharges his trust responsibility and his mandate. He is likely to end up being the minister who will preside over the institutionalization of what I call the lesser of the two evils policy.

This policy started with the white paper in 1969, shortly after the proclamation by the Prime Minister of his just society. In terms of any policy for Indians, justice had to be tempered with equality. That meant, as was pointed out in the white paper of 1969, forced assimilation of the ways of our western civilization. Some people would not see too much wrong with that, but to the Indians and Inuit it would mean nothing less than a cultural transformation. Some use stronger words—cultural and religious genocide.

To appreciate fully what that means, one should compare it with a single language policy, for instance, where suddenly either French or English is no longer an official language and where only one language would be compulsory in school. In fact, anyone who understands anything about the culture and spiritual values of aboriginal people, regardless of where in the world they are found, or anyone who has looked at racial integration from a historical perspective, will know that assimilation or integration is not possible unless some of the most fundamental values of one or the other cultures are sacrificed.

Few of us understand much about the culture of our aboriginal people, but we know that it is inextricably tied to nature and all its creatures. Unlike our western civilization which sees as its Christian-Judeo mission to subdue—the earth and to conquer it, the Indian culture is harmonious with nature, and clearly the two cannot co-exist without very special accommodations. This is in part what I meant when I said earlier that the Indian territories and their people are not represented in the House, of course with one exception—the hon. member for Nunatsiaq (Mr. Ittinuar).

In fairness, it should be said that those of our colleagues from all sides of the House who serve on the Standing Committee on Indian Affairs and Northern Development not only have a good understanding but also a deep and genuine compassion for the native people they represent. But none of us has walked in a mocassin or can really say what it would be like to accept nature, with all its splendours, with all its generosity but as well its cruelty, as one's spiritual master.

The 1969 policy of forced assimilation, despite consistent denial by the government, is in various stages of implementation even without any constitutional accord which the federal government hopes to get from the provinces in terms of their acquiesence to the forced assimilation strategy. The official land claims policy is an example. The 1980 policy approved by cabinet indicates clearly that settlement means extinguishment of rights and title, that any special rights which may exist are to be surrendered for cash and/or other considerations such as land, and that the people involved will surrender, to become the wards of the provinces within which the settlement takes place.

The James Bay settlement is the result of this policy, and one of my colleagues will speak specifically about it. Suffice it to say that there is no evidence that any provincial government feels in any way obliged to consider or recognize any special rights our aboriginal people may have, or plans to offer any special services commensurate with such rights.

Mr. Deputy Speaker: I regret to interrupt the hon. member but his allotted time has expired. He may continue with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Oberle: Thank you, Mr. Speaker.

I have called this the lesser of the two evils policy. The other option which has been considered and tried from time to time is the isolation policy. Despite its abhorrent nature, it is preferred by some native leaders since it at least guarantees some form of cultural and spiritual integrity or sovereignty. In some other countries such an official policy is called apartheid. Although this policy for all intents and purposes existed in Canada, as far as registered Indians are concerned, right up to 1961 when the Right Hon. John George Diefenbaker gave them the right to vote in federal elections, all of us surely must agree that this option deserves no further consideration. However, I sometimes wonder whether we would be so sure about it if our country's population consisted of 85 per cent aboriginal people and 15 per cent whites.

This leaves us to consider whether or not there are any other alternatives. Our native people certainly think so, and we in our party certainly agree with them and would like to listen to them. Even though such other options should have been considered and worked out in the context of the first stages of constitutional reform, we think it is not yet too late. However, we also know that any other options which could lead to a solution will not and cannot emerge from the kinds of meetings which were planned in accordance with the constitutional arrangement.

The provincial governments will not, nor should they be expected to, listen or agree to any proposals which would interfere with their own jealously-guarded jurisdictions and ambitions, particularly if any of the proposals include a form of Indian self-government or Indian autonomy. Naturally, we would never condone the development of a governmental structure which would not conform with our federal system. In other words, we do not see a state within a state as a solution.

I am not as certain, however, as the government appears to be, that it would not be possible to grant an Indian government certain powers and jurisdictions which are similar to the powers and jurisdictions enjoyed by the provinces, particularly when it comes to education and culture. Under such an agreement lands, which I have already identified as being lands belonging to the aboriginal people and held in trust for

them, and communities on such lands, might be administered under laws similar to municipal acts of the provinces. This idea has been advanced by some native leaders. While it may need a lot of refinement, it may not be too farfetched, particularly when one considers that it was and will be necessary from time to time to give special consideration to any legitimate concerns and aspirations of other ethnocultural groups in society. It is not so farfetched when one considers that all cultures other than that of our native people, of course, and the languages through which they find expression have their origin somewhere else in the world and are from time to time enriched and replenished from their source. As you know, that is true even for the languages and cultures of the so-called two founding races.

• (1600)

The aboriginal people of Canada have no such outside source. Their home has been this continent for at least 16,000 years. The earth of this continent is their soul. To deprive them of an opportunity to protect their language and to move from a firm cultural base to evolve to meet the challenges of tomorrow is nothing less than genocide.

I personally feel that the natives are not yet ready to enter into the discussions that have been arranged to decide their future once and for all. Furthermore, I see it as an example of this government's stubborn, arrogant and inflexible attitude that the native people may be nothing more than observers at the conference.

I have heard evidence to satisfy me that, at least in British Columbia, responsible native political leaders have been starved out and the department has purchased itself the kind of help from among the Indians who may be prepared to sell out their brothers and sisters for their own selfish gain. They will no doubt be the representatives at the conference. I referred to one such person earlier. If they are the kind of people being groomed to represent the native interests at the conferences, native interests will be doomed for sure.

These are harsh words but I stand by them. Why do you think that the committee unanimously approved the report, including all the Liberal members who served? Regardless of what the minister says about using trickery to achieve a report, they were all there. We spent three weeks writing this report and the words in the report are strong. Why do hon. members think all the members on that committee unanimously approved that report—and agreed that it should be tabled in the House—expressing dismay and condemnation over the way the minister and his regional czars are discharging their trust responsibility?

My colleagues and I will insist that some specific problems which are more like Mafia-type operations—I will not withdraw that word as well—will be redressed without delay. We do not intend to let these matters rest for another year. We will insist that the fifth annual report of the Indian affairs committee be implemented. We will insist on that because the conditions which exist as a result of this government's policies toward our native people are a disgrace and a shame which all Canadians must share.

Mr. Ray Chénier (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I would like at the outset to express my disappointment and concern with the language of the notice of motion which is now before the House. I would also like to express my disappointment and concern with the language which was used by the hon. member for Prince George-Peace River (Mr. Oberle) about both the department and the Minister of Indian Affairs and Northern Development (Mr. Munro). I believe that some of the inaccuracies which he expressed in his speech today were very well explained to him, but he preferred to use the same tactics that he used in the committee to try to impress upon the Canadian people that we have problems.

The government has long recognized that there are very major outstanding questions, problems and challenges that have to be faced with respect to Canada's aboriginal people. The complexity of these matters is well known to hon. members on both sides of the House. Solutions which governments and aboriginal people seek are not easily attained. The hon. member for Provencher (Mr. Epp), when he was Minister of Indian Affairs and Northern Development, realized that. In private conversations he has admitted that it is difficult to obtain a consensus.

From the government's perspective, searching for those solutions involves a delicate balance. On the one hand, we need to respond to the need and aspirations of Canada's aboriginal people. On the other hand, we must meet our special obligations and responsibilities as a government in a manner which respects accountability to Parliament for the expenditure of public funds.

Not only are these issues complex in themselves, but the political environment in which governments and aboriginal people must search for solutions is rapidly evolving and is not without its difficulties.

As consitutional discussions have proceeded in recent years, Canada's aboriginal people have articulated more specific views on their present and future place within Canadian society. In some areas the positions presented are extremely difficult to accommodate under Canadian political sturctures and systems. In other areas, aspirations are realizable if government at all levels and Canada's aboriginal peoples can work effectively together.

It is this sense of complexity and challenge that is not reflected in the motion now before us. It is my belief that this government has demonstrated a priority commitment to improving the social and economic conditions of Canada's aboriginal people While it is not possible to move in all major new directions at once, as members on the other side of the House discovered while they were in government, I believe that not only is the commitment of this government apparent but so, too, are the results.

Over the course of the last decade major changes in developing land claims policies and attempting to resolve claims have

occurred. Major advances in key program areas such as education, housing, economic development, support of Indian culture and language have also occurred. We have increased government expenditures in all program areas and have done this at a time of fiscal restraint.

The government does recognize that major problems remain outstanding and while the ability to move quickly, particularly in a period of fiscal restraint, is not as great as one would like, the commitment to resolving these issues is demonstrated.

I would like to now focus in more detail on the accomplishments which I believe reflect our commitment on the part of our government. Consider for a moment some of the positive achievements of the last couple of years in programs which deal directly with the priority concerns of native people These achievements demonstrate that in meeting its obligation and commitment to native people the government is making considerable progress.

First, let me suggest that we are making considerable progress in moving toward better definition and protection of the aboriginal and treaty rights of Canada's aboriginal peoples. The new Constitution Act which was proclaimed last April, with great difficulty because of the opposition—

Mr. Baker (Nepean-Carleton): Order. That is not so.

Mr. Chénier: —had in its first draft protection for aboriginal people. It was the governments and the premiers of the party represented on that side which had it taken out. We finally got it back in.

Mr. Baker (Nepean-Carleton): That is dreadful.

Mr. Chénier: The government is committed to pursue the Phase II conference with determination and good faith. As a matter of fact, the first meeting between the Right Hon. Prime Minister (Mr. Trudeau) and the three national associations of Canada will take place next Tuesday. This does not mean that we will reach agreement on all issues, but it does mean that we will reach an understanding of native positions. It also means that we will have honest discussions and a clarification of the issues. It does mean that we will make a real effort to reach agreement.

At the Phase II meetings, delegates of native peoples will be seated at the table. They will sit down next to the Prime Minister and the first ministers of the provinces. The agenda will include, to quote Part IV of the Canada Act, "an item respecting constitutional matters that directly affect the aboriginal peoples of Canada, including the identification and definition of those peoples to be included in the Constitution of Canada". Let me add that the native leadership commands the respect of all of us for keeping native rights front and centre over the past months.

I would like to suggest that the Canada Act will become a powerful instrument that will help the Indian, Inuit and Métis people achieve their goals in Canadian society. On the one hand, it recognizes aboriginal and treaty rights and thus protects Indian and Inuit identity. On the other hand, it guarantees the rights and freedoms of native people as citizens of Canada.

• (1610)

Second, we are making progress in co-operation with the native people toward eliminating discrimination among men and women in native communities. More than a year ago, the Minister of Indian Affairs and Northern Development made it possible for bands to exempt themselves from certain provisions of the Indian Act, namely those which cause women to lose their status if they marry white men and those which cause children to lose their status. At last count, 48 bands had requested the exemption from the discriminatory provisions affecting women and about 270 others asked to be exempted from the double mother clause which affects children's rights. We expect that additional bands will avail themselves of this option in coming months. The government has also clearly indicated its commitment to removing the present discriminatory provisions of the Indian Act following consultations with Canada's aboriginal people.

Third, we are making progress in assisting native communities to strengthen their system of band government. In discussions with the Minister of Indian Affairs and Northern Development over the last couple of years, the Indian leadership has expressed the need for establishing self-government at the band level and taking charge of their own financial affairs. They want to transfer to their administration more of the development and delivery of programs.

The minister has supported the native peoples in this objective. In fact, we have been successful in transferring control and the delivery of various programs to Indian bands. By the end of last year, for example, 385 bands across Canada were administering social assistance programs on reserves. In British Columbia, 60 per cent of the regional budget is now administered by Indian organizations. It is the other 40 per cent which is administered by the regional office that did not appear in the figures that were cited by the hon. member for Prince George-Peace River and that made the figures appear so abominable.

We are looking at ways and means of strengthening Indian band government in order to enable us to deal more effectively with Indian demands for increased autonomy and still provide a basis for greater social and economic development. The Minister of Indian Affairs and Northern Development is examining a variety of proposals, including proposals which would enable bands to move out from under the more restrictive provisions of the Indian Act in certain circumstances. Any proposals, of course, will be the subject of consultations with Indian people, and these are going on already.

[*Translation*]

Now, a few words about education. Since 1980, native people have made tremendous progress towards achieving control of their education system. This is true of both the Inuit and the Indian people. Today, there are three Indian and Inuit schoolboards at the provincial level. Two were created following the James Bay and Northern Quebec Agreement. In nine

provinces and in the two territories, 58 cultural centres are now being managed by Indians and Inuit. School enrolment in Indian communities has made considerable progress at all levels. There are now 157 schools serving 10,000 students, and it is expected that enrolment will increase to 20,000 by 1986. The most impressive gains have been made in post-secondary education, both in the vocational sector and the post-secondary programs. In 1969, for instance, 800 Indians were enrolled in post-secondary programs, while by the end of last year, their number had increased to 6,000.

I shall now mention some of our achievements in the field of economic development. Considering our objective to have certain areas of federal jurisdiction revert to native peoples, we have stressed community-based rather than large-scale development projects, with a view to responding to the desire for increased autonomy expressed by native peoples. Among these projects, to name only a few, I would mention the wild rice project in Ontario and the caribou management program in northern Saskatchewan, northern Manitoba and the Northwest Territories which was finalized about two weeks ago.

We have started creating jobs at the community and reserve levels, but much remains to be done. For instance, the department's Ontario regional office provides counselling for Indian businessmen and local projects, a program that has helped to stimulate job creation and to safeguard existing jobs. In last November's budget, the Minister of Finance (Mr. MacEachen) mentioned additional funds totalling several million dollars which will be used for economic development in native communities. These funds are in addition to funds already allocated. Last year, for instance, we set aside $8 million to ensure that we would not have to turn down valid economic development projects because of lack of funds. Once again, these are supplementary funds. In addition, $5 million was earmarked to help Indians take advantage of the opportunities offered by large resource developments. In a period of budgetary restraint, I think the House will agree that the amounts involved are impressive. These figures and the new approaches involved clearly demonstrate that the government is prepared to meet its commitment to improve the economic and social status of native peoples.

The Norman Wells project should illustrate the truth of this statement to everyone's satisfaction. In this particular development, our concern is both with protecting the environment and protecting the future of native communities. We have insisted that the entire population, and especially native people, be able to obtain jobs and participate in the project on a partnership basis. Over $20 million have been spent on these programs which include providing technical and general training to help native people find jobs, either in the oil fields or on pipeline construction sites. As work progresses, at least 240 jobs and business opportunities estimated at more than $100 million will be made available to the local population. In addition, native people associations will be able to take part in joint ventures. With the skills and experience acquired as workers or entrepreneurs, native people will be able to start similar projects.

The two-year waiting period set for Norman Wells can and must be used to good advantage. During this period, we shall be able to establish training programs and give Indians and other people a chance to prepare for future opportunities for employment and subcontracting. Thus, the communities involved will have ample time to adjust to the situation.

The House will be pleased to know that the project has been enthusiastically received by the Indian people, the territorial government and business groups.

[*English*]

In consultation with Indian bands, we are progressing in establishing joint ventures in major capital projects such as schools, health clinics, band administration buildings and so on. Such ventures will enable band councils to be rightly involved in all aspects of a capital project on their reserve, from the design of a construction to the actual day-by-day operations. Furthermore, the joint venture guidelines that we are developing will also guarantee jobs, training opportunities and related economic developments at the band level.

• (1620)

Over the last two years the minister has met with native people and their leaders in all the regions of Canada on land claims. I believe that the actions that the minister and the department have taken reflect the concerns of native people with respect to claims. The vast majority of Canadians, I believe, would agree that the land claims have been left unresolved for too long. We are responding to that view in a positive way.

I hope that in Manitoba, for instance, where I am involved in land claims, the new provincial government will not have the attitude of the previous Progressive Conservative government that was not interested even in beginning negotiations on land claims.

Mr. Kempling: That is not true. It is typical bilge, garbage.

Mr. Chénier: We are responding to that view in a positive way. The government is committed to reaching a settlement of all legitimate claims on the basis of fairness as soon as possible.

Some hon. Members: Oh, oh!

Mr. Chénier: The members on the other side, Mr. Speaker, seem to hurt a little bit today. The moment they hear "PC government" they get sick.

Mr. Kempling: We want the truth. We do not trust the Grits.

Mr. Chénier: As proof of our resolve, we now have in place negotiators who are working to bring the major claims to a

conclusion, and we have allocated funds to support native organizations in their research, preparation and negotiations.

Recently the minister participated, along with the Hon. Allan Williams, the attorney general of British Columbia, in the signing of an accord with the Penticton band. Under this agreement, the band will receive $14 million and the return of some 12,000 acres of land that was severed from their reserve in 1916. This agreement should be regarded as a milestone—

An hon. Member: It took 70 years.

Mr. Chénier: Sure it took us 70 years, but we did it. What did the opposition do when it was in government? How many claims were resolved? None. Six months?

Mr. Taylor: You did one in 60 years, for one band.

Mr. Chénier: We settled most of the claims in Saskatchewan, Mr. Speaker. We have settled some in the maritime provinces. We have settled some in British Columbia. The hon. member should check his facts.

Mr. Taylor: What about Alberta?

Mr. Chénier: In addition, the Minister of Indian Affairs and Northern Development and the Minister of Finance (Mr. MacEachen) recently participated in the signing of an agreement with the Wagmatcook band for loss of reserve lands dating back to confederation. Once again the government is clearly demonstrating its determination to deal fairly and to settle long-standing grievances. This commitment is based on policies on specific and comprehensive claims which have been reconfirmed and inscribed in two recent DIAND publications, "In All Fairness" and "Outstanding Business".

Just two months ago the minister, together with the Minister of National Health and Welfare (Miss Bégin), jointly announced a new program for fighting native alcohol and drug abuse. It was backed by a commitment of $154 million. This will be a permanently funded program to support native peoples in their efforts to prevent and treat these problems in their own communities. The successful implementation of the program will depend on the development of community-based projects which they will initiate and administer. Nearly all reserves will be involved in the program; the number of treatment centres will increase from eight, under the present program, to 30, and the number of in-patient beds will increase from 140 to 730. It will be operated with the assistance of 800 trained native therapists and helpers.

In February I participated on behalf of the minister, along with the Minister of Employment and Immigration (Mr. Axworthy), is signing the Canada-Manitoba Indian child welfare agreement. The Indian signatory was the Four Nations Confederacy. The agreement is a major advance in devolving responsibility in the field of child welfare to the native communities. This agreement will create 53 permanent jobs at the reserve level and will cost $14 million over a five-year period. This landmark agreement, the very first in Canada, delegates powers to Indian child care authorities and band governments in Manitoba who now have the resources to deal with this new responsibility.

These are some of the achievements, Mr. Speaker, of the last year or two to which all Canadians can point with pride. They are the result of the determination on the part of the federal government to deal with Indian communities in a fair and equitable manner, and to assist Indians, individually and as communities, to achieve self-reliance. They are equally the result of the determination on the part of native people to control their own destiny.

It is with this type of progress that the government has demonstrated, and continues to demonstrate, its will and support to working co-operatively with the aboriginal peoples of Canada. Together we can and will effect major changes and resolve outstanding problems. Not only is the Minister of Indian Affairs and Northern Development specifically, and the government, doing their utmost to discharge their obligations and responsibilities, but in many areas federal programs and approaches go significantly further than those required as a matter of legal responsibility and obligation.

It is also because of this progress that I view with real disappointment the wording of the motion before the House. There is no doubt that much remains to be done. For further progress to be made, the co-operation of all members of this House—individually and through established vehicles such as the standing committee, as well as other levels of government working co-operatively with Canada's aboriginal peoples—is required. I call on all members to demonstrate their co-operation and I especially would like to see some members of the official opposition, rather than trying to obstruct, trying to offer real co-operation, so that we can resolve these problems as fast as we can.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Montréal-Mercier (Mrs. Hervieux-Payette)—Criminal Code—Request for severer provisions against prostitution; the hon. member for Vancouver South (Mr. Fraser)—Administration of Justice—(a) Role of parole board officer. (b) Nature of supervision; the hon. member for Winnipeg-Birds Hill (Mr. Blaikie)—Canadian National Railways—(a) Announcement of lay-offs. (b) Notification of unions.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—CANADA'S ABORIGINAL PEOPLES

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

That this House condemns the government, and in particular, the Minister of Indian Affairs and Northern Development, for its failure to meet any of the objectives for which the government continues to seek authority to spend in excess of one billion dollars in this fiscal year on behalf of Canada's aboriginal peoples, for its tolerance of the miserable conditions existing in native communities throughout Canada which are of a standard vastly inferior to those found in most Third World countries, for the minister's failure to exercise his obligatory trust responsibility, and for the minister's contempt of Parliament as manifested by his deliberate refusal to comply with the statutory obligations which legally require him to report to the House on the progress of the implementation of the James Bay agreement.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I appreciate the opportunity to speak on this important topic of the wellbeing of the Indian people of Canada and also to look at some of the conduct of the Department of Indian affairs.

This topic is important perhaps for two basic and fundamental reasons. First of all, our government is spending over $1 billion supposedly for the wellbeing of the Indian people of Canada. I believe that neither the Canadian people in general nor the Indian people in particular are getting their money's worth for that $1 billion. We spend $1 billion to perpetuate an inflated bureaucracy in the Department of Indian Affairs and the depressed and depressing economy of poverty and despair in most Indian communities. As the watchdog over the public treasury, this House must be concerned.

Second, this topic is important, Mr. Speaker, for perhaps a more basic and fundamental reason, but a reason which it is harder to define. It concerns who we are as a people and how we see ourselves as a people. Perhaps it would help us at this time if we contrast our vision of Canada with the way in which one writer saw Argentina over the last decade. V. S. Naipaul, in "The Return of Eva Peron", writes of "A simple history of Indian genocide and European take-over". The author says:

There is as yet in Argentina no myth of the noble Indian. The memory of the genocide is too close; it is still something to be dismissed in a line or two in the annals. In Argentina, the detestation of the vanished Pampa Indian is instinctive and total. The Argentine terror is that people in other countries might think of Argentina as an Indian country—

Land in Argentina . . . is still only a commodity. It is an investment, a hedge against inflation. It can be alienated without heartache.

I believe that Canadians want a different relationship with the Indian people and with the land from what Naipaul saw in Argentina. Perhaps some people over-romanticize it, but the fact is that Indian, Inuit and Métis people do have a close relationship with the land. It is a relationship others of us have lost but still recognize as important. On this basis we see that aboriginal people and their wellbeing are of vital importance to the Canadian psyche.

• (1630)

In Canada, from at least the time of the Royal proclamation of George III, we have always recognized that Indian people had a special and unique status. However inadequately we recognize this status both in the BNA Act and in the recently proclaimed Canada Act, it is there. Often the government of the day has been uncomfortable with special status and has sought to eliminate it by some program of assimilation. The Indian people have suffered under the treatment they have received, but they have stubbornly refused to be assimilated into a non-Indian society. They see remaining Indian as being something very basic to their lives. They have held to some vision of themselves as a separate and unique people who have a special role and a special place in our world.

We have neglected the Indian people. We have seen them die of European diseases. We have alienated their children from their parents, their communities, their language and their culture. We have tried to destroy traditional Indian religions and their political institutions. We have subjected them to alien laws in a colonial-type bureaucracy. Although some of our policies may have been genocidal in their results, we have always maintained that we have worked for the best interests of the Indian people. Perhaps we did but, strangely enough, in the process we ended up with most of the Indian land! In the process of working for what we said were the best interests of the Indian people, we destroyed the base of the Indian economy and left the Indians dependent on our generosity—our welfare payments.

The way we allow Indian people to live says a great deal about what kind of people we are. At present when our economy is in such a shambles some people might be tempted to deny or ignore the needs of Indians because we have many other problems in Canada. Nearly two million people are unemployed. There are no jobs for the young people coming out of our high schools this week and next week. The value of our dollar is sinking, interest rates are rising and there is a growing number of bankruptcies.

With these difficulties it might be easy to forget about such issues as aboriginal and treaty rights, land claims, decent housing, water and sewage on reserves, economic development for Indian people or ending discrimination against Indian women. However, there are two reasons why we cannot do that. First, we have a debt of honour to the Indian people. I do not believe we will want to say to them that we have gone morally bankrupt. We have a debt of honour, and I believe we must meet it. Second, it is important that we recognize that Indian people themselves are part of the total Canadian economy, and if we give them the means for economic development in their own communities and if we make available to them proper funds for housing and infrastructure, this money will circulate in the Canadian economy and help all of us. What we cannot afford is to perpetuate a welfare economy, so I emphasize the importance of this debate this afternoon.

In our Standing Committee on Indian Affairs and Northern Development there is usually a relatively non-partisan spirit,

and I must say I was pleased and impressed when the government members of that committee agreed to the fifth report. On the other hand, I cannot see how government members could have opposed it in good conscience, after they and the rest of us heard the testimony of Indian people from across the country about the conditions they face. In a non-partisan way the fifth report says exactly the same thing as this motion does with perhaps more loaded language. I look forward to the participation of other government members in today's debate because the fifth report of the standing committee, which was accepted by the House, has a real message for the minister and for the cabinet from all members of that committee, Liberals, Conservatives and New Democrats alike. We hope the minister will hear that message and act on it.

There are three basic issues with which we need to deal this afternoon. First, there is a need for Indian people to be involved in the budgetary process. Second, there is a need for greater funding for the Indian people. Third, there is a need for dismantling the Department of Indian Affairs and Northern Development. Let us look at these in order.

First, the Indian people must be involved in the budgetary process. It is a very frustrating experience for Indian bands to have to be accountable to the department but to have no participation in saying how funds are to be allocated. It is a very frustrating experience when a band such as the Cowichan band is not able to get any indication of what the target figures for its budget will be and then, in the middle of March, to be told that because their budget will exceed $3 million and because of changing Treasury Board requirements, they will now have to submit a Treasury Board application before their budget can be approved. They are told this about two weeks before the end of the fiscal year. It is a very frustrating experience for people such as the Oweekano band, who have expressed their concerns in a letter as follows:

> Our initial comments regarding this morning's meeting are not complimentary to say the least. We must voice our dissatisfaction with your process of negotiations where we are required to merely jot down those allocations you have decided we should get. We came away from the meeting thoroughly frustrated with the way in which small and isolated Bands are dealt with including ours.

Large bands are told two weeks before the deadline that they have to submit Treasury Board applications for their budgets. Small bands are called in, the so-called process of consultation involves having them jot down which items are approved, and that is that.

Then there is the problem that even after a budget has been approved and even when Indian bands are punctual in getting their quarterly reports in, the department is very lax in getting moneys out. Our committee heard testimony from the Neskainlith band in British Columbia that because of delays in the payment of funds which were included in the budget, that band has had to pay something like $10,000 to $12,000 a year in interest.

We are hearing some rather despairing cries from the banks these days about their profits, but I do not think it is really in the interests of the Canadian people that the department should be so slow in making payments to Indian bands that they are having to pay interest in order to maintain some line of credit at the banks. It is absolutely essential that the Indian people be involved in the budgetary process from the very beginning and not simply be called in at the end and told what there might be.

Second, I would like to speak about the lack of funds for identified needs. One of the reasons for the present crisis in funding is probably due to the success of one of the programs of the government. Over the last several years the government has adopted a policy of devolving administrative responsibility to the Indian people, and during that time the leaders of the Indian people have developed considerable expertise in identifying the needs of their people. It is no longer a matter of their simply accepting what the Indian agents give them. They have developed an expertise in identifying their needs but they find that the money to take care of those needs is not available.

• (1640)

We used to expect Indian people to get by in poverty after we had taken away the base of their economy. Today we are making promises and we expect them to get by on those, even when they are not kept. I should like to put a few examples on the record, Mr. Speaker.

A few years ago Indian students were given a spending allowance of $10 per week. In spite of the fact that inflation has cut away at the dollar and that everyone else is getting more money, Indian students are still expected to get by on that amount of spending money. Sometimes it makes the difference between whether they are able to attend school away from home or not. It we are concerned about Indian education—and we all claim to be—then we should ensure that students receive enough spending money.

I was pleased to hear the minister say in the House yesterday that he is engaged in the process of revising upwards the standards for Indian schools. Ten years ago standards were set for Indian schools but then the department decided that they were too high and reduced them. In most provinces today the federal standard for Indian schools is below that of the provinces. I was pleased to hear that the minister is going to take action on that matter and will watch closely to see what is done about it.

A program called the infant stimulation program was shared by five bands on Vancouver Island. Initially this program received funding for the training of young Indian people so that they could work with parents and pre-school children. For three years it received funds from the community development program on a declining basis and no other federal department has taken up the slack. This was a very good program and now it is threatened because of lack of funds.

The Union of New Brunswick Indians has brought to our attention many times its concern about the termination of the community development hot lunch program for children. This is not limited to Indian children. When there is a lack of money in the home children are often sent to school hungry. The hot lunch program was an attempt to provide basic nutrition for them because it is recognized that children cannot learn on an empty stomach. Money for the hot lunch program did not come through, however.

In Mission, British Columbia, the residential school of St. Mary's is facing budget cuts. This will mean a decrease of ten in the number of staff and of 35 in the number of students. Many of these students come from broken homes or isolated communities or communities where there is not adequate housing. This residence should be maintained until there is something to take its place.

Recreation budgets have not been maintained. That might seem to be a small thing to a departmental official but for the Indian people recreation and sports are one way in which they can develop a sense of confidence and pride in themselves. The budget for these items should not be cut at this time.

On many occasions the government has announced that $345 million is available for economic development over the next few years. That money has been promised but so far we have not seen any of it. No mechanism has been developed in consultation with the Indian people to allocate the money to the Indian, Métis and Inuit people.

When we visit Indian villages we see how the people suffer because their housing lacks adequate sewer and water facilities. I visited the Penelakut village in my own constituency and there I saw plastic pipes bringing the water supply up to the porch of a house. That was the extent of the running water. Side by side with the water pipes were other plastic pipes for the disposal of sewage. Both pipes were leaking, Mr. Speaker. This is the kind of situation that prevails in those communities. It is very depressing for someone from the outside but for the people of the village it is life threatening. In many Indian villages the people live on the verge of serious epidemics. We have heard testimony about this from the Cree of James Bay. We have to take action, Mr. Speaker.

I should like to make a few short comments about the work of the department. The employees are demoralized. They are not bad people, Mr. Speaker, but the system is wrong. The Indian people want the Department of Indian Affairs and Northern Development to get off their backs.

The government should immediately begin the process of involving the Indian people in the budgetary process from the beginning. An acceptable method must be found for the aboriginal peoples to have control over the $70 million economic development fund—which is eventually supposed to total $345 million.

The fifth report of the committee asked that a special capital fund be set up for the infrastructure for housing, sewage and water supplies. We ask that the report on the implementation of the James Bay and northern Quebec agreement be tabled immediately and that the Tait report on this agreement be tabled and funds provided. Finally, Mr. Speaker, I urge that supplementary estimates be provided to meet the needs of the Indian people and that action be taken to decrease the size of the Department of Indian Affairs and Northern Development.

Mr. Jack Burghardt (London West): Mr. Speaker, it gives me great pleasure to speak in this debate on an opposition motion. The hon. member for Prince George-Peace River (Mr. Oberle) who opened the debate referred to the surprise that some people might feel at having a debate on this subject today. I believe he referred to the fact that the subject is close to the heart of the Prime Minister (Mr. Trudeau), that is, involvement in the North-South dialogue. I agree with the hon. member because I too have that feeling.

One of the reasons I have enjoyed my work on the Standing Committee on Indian Affairs and Northern Development is that I happen to be one of the few members of that committee whose riding does not have an Indian band. There are several all around my riding, however. As a matter of fact, a number of Indian young people attend one of the secondary schools in London West.

I want to talk about some of the advances in education which have taken place for Indian students as a direct result of government involvement over the years. Already it has been stated that there is a non-partisan feeling on the part of the standing committee when we meet, and I would agree with that. That is why I was rather discouraged and disheartened when I heard some of the words expressed earlier by the hon. member for Prince George-Peace River. That certainly was not the feeling expressed during many of the hearings. As a matter of fact, I had the feeling when we met with many Indian bands and band councils over many weeks that while many problems do exist there is a respect held for the current Minister of Indian Affairs and Northern Development (Mr. Munro) by many of those groups and there is a definite spirit of co-operation between the native peoples and the minister. I think that has to be said and underlined because it came through very loud and clear in many of our hearings.

• (1650)

I would like to take one objection to references by the previous speaker to the fifth report of the standing committee as coinciding fully with the opposition motion. I reject that observation. While there certainly are areas of criticism in the fifth report, it does not coincide with the entire wording of the motion up for debate today. I seems clear that the motion, when it speaks of the government failing to meet any of its objectives in respect of programs designed to afford development of Indian people in this country, overlooks some very obvious steps which have been taken—and I stress this—in concert with the Indian peoples themselves. This is particularly true in the matter of Indian education. As I earlier mentioned, many of the Indian young people in southwestern Ontario come into my riding for education, and that is why I want to comment on this area this afternoon.

In addressing this topic, I believe it would be useful, Mr. Speaker, to outline the relationship of changes in specific educational programs to the fundamental changes we have seen coming to fruition in the last decade of Indian education in this country. If we go back to the early days of Indian education, we see that from about 1850 schooling for Canadian Indian children was segregated in order to be protective. This derived from the government's view of the social climates

of the growing immigrant communities as being potentially injurious to the welfare of Indian groups. The dark side of this residential schooling for Indian children has been well documented; the enforced separation of children from families and devaluing of the Indian culture and languages involved. The large majority of Indian children, in the years from confederation to about 1950, were educated in residential schools on reserve lands. During this period, however, a small but significant number of Indian people were able to achieve high academic levels.

Following World War II, raised public consciousness of human rights and race relations as well as representations from Indian people caused a change in education policy. During the 1960s, following some consideration of the condition of native minority groups and at the urging of some Indian leaders, the federal government moved towards encouraging the participation of Indian youth in provincial education systems. As part of that movement, the government introduced special programs designed to support financially the integration of Indian students in provincial schools. These included school supplies, travel, personal and other miscellaneous allowances. The government was addressing directly the priorities of Indian school development as they were perceived at that time.

As many hon. members are aware, however, Mr. Speaker, the work of the standing committee and the National Indian Brotherhood brought about a changed government posture which, in 1973, acknowledged that Indian education, like that provided for their fellow citizens, should defer to the principles of local control and parental responsibility. Indian control is not, of course, restricted to band-administered schools. Even within provincial jurisdictions where Indian control is admittedly more difficult to achieve, mechanisms for enabling greater involvement of Indian people in education are being developed.

In the last decade, reflecting the social advances of Indian people generally, we have seen some significant trends in Indian education as communities have asserted their influence on administration, curriculum content, teacher training and other critical segments of the system. The impact of both Indian and the department's initiatives has also been felt within provincial jurisdictions with provincial departments of education moving towards greater recognition of native Canadian cultural realities in schooling generally.

An important indicator of the place of Indian cultures in Canadian curricula is the fact that over 32,000 out of over 73,000 Indian students study native languages in federal, provincial and band-operated schools. Significant progress has been made in increasing Indian involvement in all aspects of eduction. In 1970, about 200 Indian school committees had some, generally minor, responsibility for education programming. However, by 1980 three Indian or Inuit school boards had been created under provincial law: the Nishgas of B.C. and the Cree and Kativik school boards of northern Quebec; 450 of the 573 bands are administering all or parts of their programs. There are also 137 band-operated on-reserve schools. There are band-administered education budgets, including post-secondary and student residences. These have grown to almost $110 million from about $7 million in the early 1970s. The percentage of Indian administrators and teachers in federal schools has grown to 30 per cent.

It is obvious, Mr. Speaker, that policy and programming changes and, most importantly, the increased decision-making role of Indian authorities have necessitated the addition or elimination of various programs as priorities change with changing circumstances. Local control has naturally resulted in greater attention being focused on the resources required to continue to improve the quality of on-reserve educational services. Inevitably, reallocation of budgets based on departmental and band education authority reviews of priorities lead to decreases in, or the discontinuation of, certain discretionary programs. I do not believe, Mr. Speaker, that it is realistic to allude to this management process of redefining priorities and reallocating available resources as "cutbacks" if at the same time we are increasing our over-all expenditures on the education operations and maintenance budget, which in 1980-81 amounted to over $278 million.

It should be noted, as well, Mr. Speaker, that the department is limited by the Indian Act in responding to requests for educational services to Indian elementary and secondary students. While the federal government affirms its special relationship with Indian people, it is clear that those residing off reserves are fully entitled to all those services available to other provincial citizens, since both groups have the same obligations to their provincial administrations in terms of contributing as taxpayers.

Let me briefly address the question of how tuition agreements relate to the principle of Indian control. This is of primary concern, especially in light of the fact that in 1980-81 about 53 per cent of Indian elementary and secondary school students resident on reserves or Crown lands attended schools under provincial jurisdiction. In the same year, band education authorities controlled 26 per cent of the tuition fees paid to provincial agencies. It has been projected that in 1981-82 over 41,000 reserve or Crown land residents attended provincial schools at a total cost, excluding capital, of $145.1 million.

• (1700)

The jurisdictional situation makes the negotiating and administration of tuition agreements quite complex. The Department of Indian Affairs and Northern Development operates within a context influenced by Indian government, the minister's responsibilities under the Indian Act and the constitutional powers assigned to the provinces. The reality of provincial jurisdiction has necessitated differing approaches to the development of tuition agreements, with the most important variable being the extent to which Indian education authorities participate in the process. This varies from Indian operation of provincial school boards to parents having only the status of visitors in schools.

Where Indian people have opted to make use of provincial educational services, the department sees a primary responsibility of the provincial authority as being the encouragement

of Indian involvement in the design, delivery, administration, control, review and evaluation of provincial education programs. In such situations the role of band education authorities is considered to include representing the interest of Indian parents and communities; negotiating federal and provincial service agreements; managing education budgets; accounting for results to parents and the community generally.

The department sees its present role in this matter as being twofold. First, there will be continuing emphasis on co-operating with regional Indian associations and bands in seeking the enactment of provincial legislation to increase Indian representation on education decision-making bodies. Second, at the local level, department staff will continue to support Indian initiatives which aim at achieving more meaningful participation of Indian parents in determining the nature of programming in provincial schools.

At the same time, as I mentioned a few moments ago, there have been significant advances in the post-secondary education program for Indians and Inuit which has been specifically developed by the department. During the 1970s, as education and particularly post-secondary education became for Indians the single most important means of improving their standard of living and providing opportunity for intellectual, social and cultural development, departmental programs were evolved and developed to give full measure to those aspirations. Greater access to post-secondary education resulted in a near 100 per cent graduate employment, a teaching staff for Indian schools which is almost 30 per cent Indian, significant increases in the numbers of Indian lawyers, social workers, nurses, administrators and managers.

The Indian graduates have assumed lead roles in the development of band government and Indian politics. It was our opportunity as members of the standing committee to meet many of these individuals as they presented themselves on behalf of the various bands and councils throughout this country. Indian graduates have become models to inspire younger generations and they symbolize the turn-around from drop-out schooling to a contemporary student retrieval thrust spearheaded by active Indian educational leadership. Indian educators in curriculum development work and through cultural education centres have revitalized Indian languages and culture so that Indian people now have the opportunity to regain the pride in their Indian identity. These factors have led to a very rapidly expanding program in terms of enrolments, graduations, and expenditures.

For example, the post-secondary education of Indians has been the prime force in the establishment of the Saskatchewan Indian Federated College of the University of Regina, the Blue Quills post-secondary centre of Alberta and the establishment of university native studies programs in every province, the beginning of an Indian business management training network, and other initiatives, all of which point to the Canadian Indian community being poised for a new and prosperous era in the twenty first century.

Almost ten years ago, Mr. Speaker, the then minister of Indian affairs, the present Minister of Justice (Mr. Chrétien), in addressing the council of ministers of education, spoke of the joint obligation of the provinces and the federal government to respond to the need to improve Indian education by ensuring parental involvement, developing appropriate curricula, expanding teacher training requirements and encouraging Indians to enter the profession as well as meeting the demand for teacher aids.

We have today good solid indicators in the federal, provincial and band-controlled education systems that these ideas have been and continue to be valued and respected. The federal government's role has changed visibly over these years as the Indian people have assumed more of their rightful role in educating their children. Recognizing the role formal education plays in cultural continuity, the federal government will continue to support the Indian people in their efforts to achieve their goals in this most fundamental aspect of human endeavour. I think it was as late as yesterday, in answer to a question from a member of the New Democratic Party, that the Minister of Indian Affairs referred to a particular situation dealing with the building of a school where he gave his support to this matter.

I want to reiterate in closing that this federal government will continue to support the Indian people in all aspects of education so that they may develop their own wherewithal in achieving their goals in this most fundamental aspect of human endeavour.

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, there is no doubt that in trying times those already in difficulty get hit the hardest. As this recession deepens it is evident that many of our native people are suffering more than usual. My colleague, the hon. member for Prince George-Peace River (Mr. Oberle), has, I think, laid out very clearly the foundation to what is happening to the Indian community or, more importantly, what is not happening to our native people.

The inaction of this government, the false promises of the minister, and the inertia and callousness of a huge and insensitive bureaucracy, are grinding many of Canada's native people into the dust. The Third World conditions endured by native people across this land are well documented by groups who come before hearings of the standing committee. Unbelievable and disgraceful stories of pain, suffering and betrayal often unfold before us. By and large, Canadians are unaware of these conditions, but any member of the standing committee who has listened day in and day out, month after month and year after year, is well aware of these terrible situations. How any government can go on year after year and not get to the root of the problems and solve them is beyond comprehension.

What is interesting to me is that we have a Prime Minister (Mr. Trudeau) who travels the world advising Third World countries on how to deal with their problems, while in our own country, and in his own province of Quebec, conditions exist that are on a par with any in the Third World.

Let me give a very recent example of some things that have just happened in Quebec. I refer to a report in the Montreal *Gazette* for June 12, 1982. The first part of the story deals

with a young Indian couple with a one-month old baby. They took the sick child to see a nurse in a nearby community. The nurse gave the baby a very cursory examination and told the couple to take the child home. That night the baby died. This young couple went to bury the baby on the reserve. As they were doing this, provincial police landed in a helicopter. They took the baby away and told this couple that they were not allowed to bury the child because there was no death certificate. A month later the police returned the child in a carnation milk carton to the parents. There was no explanation whatsoever about what had happened.

Mr. Oberle: And this is Canada in 1982.

Mr. Greenaway: I shall quote one sentence from the newspaper article in the Montreal *Gazette*. It reads:

It's commonplace, Savard says, for the bodies of Indian children to be returned to their parents in pieces, in green plastic garbage bags or in boxes.

• (1710)

That is Canada, that is Quebec, in 1982. We have 74 members sitting across from us who come from Quebec, yet some of the worst horror stories which were told before the standing committee came out of that province. I cannot understand the Prime Minister letting these kinds of things happen in his own province. I talked with the Minister of National Health and Welfare (Miss Bégin) about this particular situation, and she assured me that it was true. Also she assured me that she would investigate it and do her best to ensure that it did not happen again. These were the kinds of situations about which we heard time and time again. It is just completely unacceptable.

An important part of the motion before us today deals with the James Bay and northern Quebec agreement. The last part of the motion reads:

—and for the minister's contempt of Parliament as manifested by his deliberate refusal to comply with the statutory obligations which legally require him to report to the House on the progress of the implementation of the James Bay agreement.

Before getting into the James Bay agreement in detail and that particular problem, let me explain how the agreement came about and what it entailed. It was signed on November 11, 1975. It is a 454-page agreement full of promises to the Indian and Inuit people of northern Quebec. It is a contract signed by two governments, the Government of Quebec and the Government of Canada. Also it was signed by the Cree and Inuit people of northern Quebec. It promised that, in exchange for about half the land mass of Quebec and for $225 million over a period of 20 years, the Indians and the Inuit would give up their aboriginal title to a land mass which was their home for centuries and centuries. In return for this, aside from the cash settlement of which they only receive a bit every year, they were promised improved government services, the allotment of 5,000 square miles of land, limited autonomy for the Cree and Inuit, and many other specific things. For instance, they were promised improved health care, better housing, community infrastructures such as sewer and water, air strips, improved educational facilities, roads, fire protection and many more things. They were also promised, because they were so far behind and in such bad shape, that there would be a catch-up and a continuation of the programs received by native people across the country. For all this they gave up their aboriginal title. Five years later, by August, 1980, it was a certainty that the agreement was not working.

The Cree and Inuit people appeared before the standing committee in the spring of 1981 with a litany of financial and social complaints, such as the death of children. Situations were documented by very respected doctors from the Montreal General Hospital. One such report was given to us by Dr. Gary Pekeles, a highly respected pediatrician at the Montreal General Hospital. I should like to quote a few lines from his report on April 16, 1981:

The purpose of this report is to describe an epidemic of infantile gastroenteritis among the native population of the Hudson Bay and James Bay regions of Quebec that occurred in the spring and summer of 1980. This disease affected many children under two years in the villages in this region. In several villages a majority of such children became ill. At least 80 children were hospitalized because of it, many with long and complicated courses; almost half required transfer to children's hospitals in Montreal. At least seven children died with gastroenteritis. This occurred in a region that certainly has less than 1,000 children under two years old.

We heard testimony from one community at Rupert House where the raw sewage from the local medical clinic was being discharged upstream from the native people's water supply. This community experienced an outbreak of gastroenteritis among its population. It was just an endless cycle—the children went to hospital, sewage was discharged in the river above the water intake, and around and around it went. We were told in committee that this would be looked after by a representative of the Quebec department of health and welfare. Several months later when the minister visited the community to look at the situation, he found, much to his dismay and to our disgust, that it had not been dealt with. It has been dealt with since. That is the type of story we heard in the committee hearings.

During all these health problems which the Cree and Inuit were having, the federal Department of National Health and Welfare decided to pull out of the area, to take out all its health support services because it misread the act. What was supposed to happen is that when the Cree and Inuit were ready to take over their health services, the federal government was to withdraw. But reading between the lines of the agreement, it withdrew and left the native people high and dry.

What has this led to? Since the Indian people have not received any help in the area of health, they have been required to spend money that was to go into such things as economic development on health, welfare, sewage and water systems which were supposed to be provided by the Government of Canada and the Government of Quebec. It was well summed up in testimony before the committee by Grand Chief Billy Diamond, when he stated:

It is true that the Crees have received compensation moneys. However, these compensation moneys were in partial exchange for their aboriginal rights and were to be used as basic heritage funds for future generations of the Cree people. This was unquestionably recognized by both the governments and the Crees during the negotiations and at the time of signing of the agreement. What has

instead resulted is that the Crees, because of the critical health and sanitation problems and dramatic absence of accommodation and infrastructures in the Cree communities, have been forced to spend over one-quarter of their compensation revenues on housing and infrastructure.

The committee, on hearing this, was so outraged that it did something it had never done before. It drafted a report which was attached to the estimates report tabled in the House. It asked the minister to take immediate action. The action which the minister took was to appoint a commissioner to go up there to look over the entire situation. He was to return with a report and recommendations which would go before cabinet. Last fall he returned with an 87-page report which documented most of the situations in the area. Some time in January the report was put before cabinet, but we are still awaiting a decision.

Approximately 11,000 people in the area have been waiting since 1975 for justice. A safeguard in the act was the fact that the minister was to report to the House 60 days after January 1 of every year. The last time we had a report was March 31, 1980. These reports should emphasize the problems with the implementation of the agreement. There is probably no way the minister could submit a report, because it would document all kinds of terrible situations and it would be an embarrassment to the government.

The fact that the minister is legally supposed to table reports and has not done so for two years put him in contempt of Parliament. This was brought to the attention of the Speaker last year by the hon. member for Prince George-Peace River on a question of privilege. The Speaker ruled that there is no way she can sanction a minister's action or make him accountable. She said we would have to find other recourse. There does not seem to be any other recourse to make this minister responsible to Parliament. Maybe it will have to be public recourse.

Nothing happened after we heard this terrible story a year ago last spring. The Cree and the Inuit returned this spring with more of the same stories, most of them even worse. The Inuit told us about the great inadequacies of the education system in their area where 1,500 or 1,600 children can only go as far as grade eight. In many communities there are no opportunities to go to school at all. Sometimes school is held in small shacks.

• (1720)

Housing standards are completely unacceptable and hundreds of new houses are needed. We have heard stories of contaminated water and children who are still becoming sick. Tuberculosis is still raging in the area. A year ago I brought to the attention of the House the fact that there was T.B. in the area but virtually nothing has been done about it. Chief Diamond told us at the hearings a month ago that since we heard from him last year his wife has contracted T.B. I would like to quote a small sentence about the problem to let you know how bad it is. A Mr. Therien, a research agent from the community health department of the University of Laval, testified as follows:

Active or reactivated cases on the Hudson coast. The problem has been more or less eradicated in the Ungava Bay area, although there are, to my knowledge, one or two cases at present.

Before that he said:

There is a T.B. problem on the Hudson coast. To my knowledge, there are about 30 to 40 active or reactivated cases prevalent right now.

It is commonly known that tuberculosis is a symptom of very poor health conditions. It is a Third World disease and should not be acceptable in this day and age in Canada.

When the Inuit delegation came before us they even added a new dimension to their disturbing testimony. They told us of double standards where white people who came to work in their communities were put in good houses with running water and sewage systems while the native people had to live in shacks, many times with two to three families in small 14 by 18 rooms. Interestingly enough, just to illustrate the attitude of the department in its implementation of this act, I found out today that the Department of Indian Affairs and Northern Development has launched a legal suit in Québec City against the James Bay Cree, and the school board in particular, for failure to pay their electrical bills. The Cree have launched a counter-suit against the department for not fulfilling its obligation to pay for the board of students who go out of the area to attend school.

This is an example of what is happening. An act was passed which was intended to prevent all this from happening. It was supposed to provide schooling, health care, housing, fire protection and air strips. I suggest that it is unacceptable for all of this to occur.

Last week i received a letter from a law firm which represents the Inuit people. I quote from it:

On behalf of the northern Quebec Inuit, and, in particular, Mrs. Mary Simon, president of Makivik Corporation—

And he mentions other people.

—I wish to express our thanks for your continued interest in the implementation of the James Bay and northern Quebec agreement and for your support for federal measures which would ensure its implementation.

While disappointment was expressed concerning the small turnout of members at the appearance by the northern Quebec Inuit on May 19, the importance of the standing committee's role in the review process is readily acknowledged.

We would, therefore, again urge that the Committee make the strongest possible intervention at this time in light of the testimony by northern Quebec Inuit and the James Bay Crees concerning conditions in their communities resulting directly from the lack of implementation of the letter and spirit of Canada's obligations under the agreement.

This agreement was supposed to be a landmark agreement which would set the stage for all the land settlements across the country. It has not done that. Instead, it will make it more difficult to settle land claims.

Hon. members have heard my colleague from Prince George-Peace River refer to the standing committee hearings in Vancouver last month. As an illustration of how the department works, evidently some of the native organizations which appeared before us gave testimony about the department that was rather derogatory and have had their funding cut by as much as 30 per cent or more since those hearings. That was to keep them in line. I find that completely unacceptable.

I have spoken of the situation in Quebec but the same problems are rampant in my own province. Time and again I have drawn to the attention of the minister and the bureaucrats the problems of the Mount Currie band in my riding. This band consists of approximately 1,000 people who have not had any new homes built for about four years. The reason for that is that the village sits on a flood plain at the present time, and it would require approximately 11 feet of fill to bring it above the flood plain. Since it is on a flood plain, CMHC will not give that band any money for mortgages. Therefore, the native people decided to move up on to a bench above the village and build a new subdivision. They have been working on this plan for years and had decided not to build any more houses on the lower area until the subdivision is ready. In the meantime there have been 13 fires and a number of deaths. The school has been condemned three times. They are still waiting for this subdivision to be approved. They have been promised it time and again. These are the same people who were instrumental in starting the sit-in at the regional office last year in Vancouver because of their frustration.

I received a telex from them three days ago which I do not have time to read now. Nothing has happened despite the assurances I have had time and time again from the minister and his officials that they were going to address this serious problem.

These situations exist all across the country. I urge the minister to accept his responsibilities and do something about them. We are willing to help. He must keep his commitments to us and the native people of Canada because, if he does not, I am fearful that real trouble will erupt with the Indian people. They will no longer stand for the treatment they are receiving from this minister and this government.

Mr. Fred King (Okanagan-Similkameen): Mr. Speaker, I am speaking in today's debate in response to a moral obligation to be involved in an area of our nation's business from which it is all too easy to remain aloof. It is very easy for politicians and the public in general to dismiss responsibilities of the nation with respect to the aboriginal peoples as somehow less important when judged in the light of the total Canadian problem. I have myself had a very peripheral concern for this area of national affairs, and I say this to my shame, not my credit.

National apathy has demonstrated itself in the indifference which has permitted the unchallenged development of a self-congratulatory attitude within the Department of Indian Affairs and Northern Development, which unfortunately has resulted in neither addressing the interests of the native people nor the interests of Canadians. This is the great tragedy.

We see that the dominant interest being maintained and promoted is that of the bureaucrat to increase and expand the influence of his own empire which, in some instances, is a very large empire indeed. This is an agency of government in which the minister carries tremendous trust responsibilities for the wellbeing of a group of people who are generally threatened by a social and economic system which is opposed to their own traditional values. It is an agency of government whose failure in its purpose and its visionary but difficult opportunity is borne out by the repeated testimony of failure which came to the standing committee and was spoken about by native people across the province. This is a very sad commentary on the conduct of the minister acting as a representative of the Crown. The final responsibility does rest solely on his shoulders. This is an essential part of the portfolio. If there ever was a time when there was a requirement for parternalism for native people, that time has passed. The time now is for assisted autonomy in which an advisory, financial and management-oriented autonomy must characterize the departmental thrust.

There is no place in it by which directives are impinged upon responsible decisions of band councils and chiefs. On the other hand, there is equally no place in a departmental policy that places unrestricted and undisciplined autonomy in the hands of those local band authorities without any final degree of accountability to the minister for their actions.

• (1730)

I am not impressed by the minister who shelters himself from his responsibility by saying, "I have given that responsibility and that authority to the band council to accept in any way they see fit. I have no responsibility for their actions; I only sign their bylaws. It is really not up to me after that."

The minister just cannot wash his hands of liability for events occurring on Indian property which comes under his charge. I just cannot accept it that the minister has no accountability for the carrying out of the terms of contracts made with the Crown. It is entirely convenient for the minister to say, as he did in a letter to myself dated June 3, 1982, the following:

> It is up to the courts to determine when a band council has exceeded its authority.

The minister does not appear to understand his responsibility to individuals and enterprises which have entered into lease agreements with the Crown on the assumption that contracts made with the Crown would be managed by the Crown with an element of good faith. At the very least, the minister, through his department, must monitor the administrative faithfulness to the terms of each contract. Certainly when the minister has extended agent-of-the-Crown status to others, he must be responsive to grievances raised by either of the principal parties. Otherwise, the Crown itself will be brought into disrepute.

Mr. Munro (Hamilton East): Mr. Speaker, I wonder if the hon. member would permit a question?

Mr. King: Yes, Mr. Speaker, after I have completed my remarks.

Let me quote some excerpts from a message I received yesterday from one of the aggrieved parties who has a contract with the Crown for use of Westbank Indian property. He states in his message that the band is relatively wealthy by standards of other reserves in Canada. He asks why they are so fortunate. Then he answers that the Crown, acting as a leasing

agent for the band at their request, consented to lease parcels of these lands to other Canadians who are willing to gamble their expertise and moneys in various ventures for their own mutual benefit and that of the band.

This gentleman says that businessmen are normally wary of any lease partnership arrangement, but the head lease invariably begins with Her Majesty the Queen. They rely completely on the integrity of the Crown, and quite rightly so. Likewise they rely on the integrity of the minister of the Crown, also quite rightly so. They know full well that neither he nor the Queen can personally administer the lease. He says in his message that the administration has to be done by an agent of the minister, usually at the nearest office of the Department of Indian Affairs and Northern Development.

He said that although dealing with the somewhat distant bureaucracy is not always the best arrangement—and I would like the minister to listen to this—the lessee can draw comfort from the fact that a certain uniform policy would be applied by competent and honest civil servants who have nothing to gain financially in exercising their duty. Now comes the crux of this man's complaint.

He says that suddenly this past policy has changed. He says it was changed without a word having been said to those Canadians who have invested millions of dollars in land projects. It was changed without their opinion being asked, without their thoughts on the matter being sought and, in fact, without any reference whatsoever having been made to it.

This gentleman said that it became known in 1981 that the minister had assigned the administration of these leases to the local band. He adds that he has handed over the administration to people who have a vested interest in every dollar they can obtain from those who have invested their lives in these reserve projects. He says there is without doubt a direct conflict of interest involved in this matter.

This gentleman then states that the confidence he and other businessmen had in the integrity of the Crown and of the minister is not being experienced in the relationship with the band council which the minister has appointed as the agents of the Crown. The minister is aware that some very serious allegations were made to him in a letter from that gentleman dated February 17, 1982. It is a very lengthy letter in which he went into great detail. Unfortunately, he received no response. That letter includes the following statement:

> As long as the lease was being administered by the department, there were no problems. There was a good working relationship without conflict of any description.

All that this gentleman and others with similar perceived grievances are asking is that they be provided a forum, private and discreet, in which they can relate their experiences with confidence that their statements will be evaluated and that an appropriate response will be taken by the minister.

This is not unreasonable. It is not asking that the circumstances and the response be pre-judged and pre-arranged. It simply says to the minister that people are being hurt. They think they have a legitimate grievance. They want to tell the minister and his officials personally that they do not think it appropriate or practical to take every instance to the courts. They think that the minister, representing as he does the Crown, the very basis of democracy, has a duty to hear them and a duty to fulfil his responsibility as it relates to Indian people and to those with contracts which involve native people.

I do not know whether the allegations which have come to me from lessees of Westbank Indian band properties, allegations of grievous wrong being done to them through tactics of harassment and intimidation by the chief and council, are sustainable in law. I do not have the means and the opportunity to find out. The minister does not know, but he does have the means and opportunity to make that determination. He has had that opportunity for months and months, those months since he was first made aware of the grievance. I want to state in favour of the minister, because I have been hard on him, that he has set up a review procedure. It raises my optimism and my esteem for the minister a great deal. I believe that that review mechanism has the possibility, if allowed to proceed unimpeded, to resolve all of the difficulties to which I have pointed. It should have been done six months ago, and I want to thank him for putting it in place. People of Westbank who are affected, also want to say a word of appreciation to the minister.

• (1740)

I want to refer now, Mr. Speaker, to the committee's fifth report, which comes out over the signature of the Chairman, the hon. member for Cochrane-Superior (Mr. Penner) tabled in this House on June 1. I want to read into the record the recommendation that is made. It reads:

> (11) The members of the committee further recommend an independent inquiry, specifically with regard to all activities carried out by the regional office in conjunction with Indian band members and officials of the Westbank Indian Band in British Columbia, as well as all other governmental economic development ventures affecting Indian people in the British Columbia Region.

This is the recommendation coming from the committee. It is a committee which, as has been stated, was fully attended. It was dominated by Liberal members of this House, so it came as a totally non-partisan expression of concern. I am somewhat disappointed that the type of inquiry that is set up is internal, within the department. I would have liked to have seen the independent type of inquiry that was requested. But I am not depreciating the efforts that the minister has put in. I have great respect for the people who are going to conduct this.

I must express the great feeling of relief, Mr. Speaker, that is coming from the people in the Westbank area who are grievously affected. They want me to obtain from the minister the assurances that this review will go forward without impediment and with all of the confidentiality that is required in this situation.

Should anyone consider that I am displaying some type of anti-native bias, let me point to the petition which I have here. Here is a petition which was forwarded to me by a group of Westbank Indian Band members with whose spokesman and others of that group I have met at their invitation. This petition was forwarded to the minister many months ago. It requests an investigation of the spending of the Indian revenue

funds. A letter attached to it begins "Dear Mr. Fred King", and ends up with these words: "I would appreciate your help in this matter." I helped by forwarding the petition to the minister. It ends up with this: "I am good to my word." I say to those who signed that petition: "I will attempt to be good to my word as well."

My word has been to seek to have the minister take an interest and take action appropriate under his responsibility. I am going to be very persistent in pursuing this. So are my colleagues on this side of the House. I am confident that our colleagues on the other side of the House will be just as insistent that the minister report back to the committee on the progress made.

The parliamentary secretary is indicating that I am out of time, and I have only just got started. I have not dealt with other aspects of the Westbank Indian Band. It is a complex and alarming situation which has caught the attention of a number of unrelated persons.

Among those showing anxiety are departmental officials themselves who have undertaken certain reviews and investigations. Some of these concerns were explored and vented in the meeting of the Standing Committee on Indian Affairs and Northern Development held on May 26, 1982. I would urge all hon. members to read the proceedings of that day. They make very interesting but disquieting reading. It is important, I think, that much of the information provided at that time came from internal documents marked confidential. In one case a document was marked "Confidential" "Confidential" "Confidential" "Confidential". I do not know the implications of that.

I want to read some excerpts from these two documents, simply to substantiate to you, Mr. Speaker, and to the House that my calls for an intervention by the minister have not been irresponsible nor politically motivated. The obvious alarm felt within the department is simply a reflection of that felt by those who have asked for my intervention on their behalf to the minister. It says:

OWNER Toussowasket Enterprises Ltd.

N. C. Derriksan, President and Director.

This is an internal paper of the department and it says:

This project was developed primarily as a retirement fund for the locatee N. C. Derriksan . . . No jobs have been created by this project.

It goes on to describe him as a millionaire and says:

The only factions to benefit from the project are the subject (Derriksan) and perhaps the various management/supervision/construction parties.

On January 24, 1982, there was a document which says, in part:

I have examined the various documents you have provided to me regarding the contribution arrangement between Her Majesty the Queen and the Westbank Indian Band . . . 1. Contribution arrangement between HMQ and Westbank Indian Band dated: May 5, 1981—

The amount of the contribution is $300,000.00—

The legal documentation supporting this arrangement is skimpy, to say the least . . . I would say, from a legal point of view, that the contribution arrangement itself is hopelessly inadequate.

Mr. Deputy Speaker: I regret to interrupt the hon. member but the time allotted to him has expired.

The hon. member for Cochrane-Superior (Mr. Penner) on a point of order.

Mr. Penner: Mr. Speaker, I gather from the rearrangement of the furniture that we are about to have a visitor from the other place, summoning us there for Royal Assent. I would therefore seek unanimous consent to allow the hon. member for Okanagan-Similkameen (Mr. King) to complete his remarks in the time that is remaining.

Some hon. Members: Agreed.

Mr. Deputy Speaker: The hon. member for Okanagan-Similkameen.

Mr. King: Thank you, Mr. Speaker, I will be but a few minutes. The amount of the contribution is $300,000 and the conclusion reached after four pages is:

—from what I have seen, it appears that Indian money is being used in a most inappropriate way, to benefit one Indian, and a number of non-Indian creditors . . . Insofar as this money is Indian money the very transaction may be a breach of trust. Alternatively, we may be able to establish other "considerations" for the loan.

On March 30, 1982, the current situation is described:

• (1750)

In May, 1981, the B.C. region approved a three-year, $300,000 contribution to the Westbank Indian Band . . . for the purpose of purchasing a 50 per cent interest in the leasehold interest—

Pursuant to this contribution arrangement, the department disbursed to the Westbank Indian Band in July, 1981, the first of the three $100,000 payments. On October 1, 1981, $100,000 was received by the department from Mount Boucherie Trailer Park as payment—

As a result of the impropriety of making a contribution for the purpose (direct or indirect) of repaying an IEDF loan, the headquarters economic development branch has undertaken an investigation to determine the appropriateness and authority for the May, 1981, contribution. Pending the outcome of this review—

The director—

—has been instructed to cease all further disbursements against this contribution arrangement and to forward the necessary documentation to facilitate the above-noted review.

Suggested response:

Considering that the department is of the opinion that a contribution is not an appropriate vehicle for reducing an IEDF loan, steps have been taken to ensure that the two subsequent $100,000 payments for 1982-83 and 1983-84 to the Westbank Indian Band will not be made. An in-depth review is currently being undertaken to determine what further action, if any, is required by the department.

If we read the testimony given in that committee meeting to which I referred previously, we see that, subsequent to the recommendation that no further payment be made, both payments were made on an accelerated basis between the period March 30 when this recommendation was made and May 26 when we met in committee. The whole $200,000 has been paid despite this recommendation.

I will respond to the question of the minister now.

Mr. Munro (Hamilton East): Mr. Speaker, I just wonder if the hon. member saw any inconsistency at all in his approach

in terms of what he feels I should do as the Minister of Indian Affairs and Northern Development vis-à-vis looking behind the activities of a chief and band council when they wish to take some action with reference to the affairs on their reserve. Should I go in and second guess them, as the hon. member suggests, and examine what they are doing with reference to the decision-making exercise? Does the hon. member find any inconsistency in that approach compared with what some of his colleagues said earlier about the deplorable type of paternalism which is being exhibited by the minister in the department, which, they say, should cease? I just wonder if the hon. member sees any contradiction there?

Mr. King: Mr. Speaker, I think I pointed to a certain inconsistency in my speech. I said I did not think there was room for interference in the day to day responsible decisions made by individual band authorities, but that there had to be an overview responsibility on the part of the minister. When things get out of hand—as they are out of hand with respect to the Westbank Indian Band area—someone has to take responsibility, and I suggest it is the minister who has that responsibility. Again, I am not asking for action, and neither are the people involved. They are asking for a forum in which they can speak to departmental officials. They would like to speak to the minister, but that is not always possible, in view of the minister's busy circumstances. However, there are officials who could provide that forum. If I understand the minister's decision correctly, I am pleased to note that that forum will be provided. That is all that is being requested.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, it is just a little unsettling to begin a speech when one is aware that at any moment there will be a knock at the door, so I will avoid getting into the heart of my speech.

Let me begin by saying a word about the operation of the Standing Committee on Indian Affairs and Northern Development. It has been said by other hon. members that this is not a highly partisan committee. It is made up of Members of Parliament from the three political parties, but these members have been able to work together very effectively and concentrate on areas which concern them all very deeply. This is the tradition of the Standing Committee on Indian Affairs and Northern Development. At the moment I have the privilege to be the chairman of that committee, but the tradition of being concerned about the issues and the testimony brought before that committee was established long ago. It was carried on by my predecessor, for example, the hon. member for Châteauguay (Mr. Watson), who still serves on the committee, and also by the hon. member for Prince George-Peace River (Mr. Oberle), who ably chaired that committee during the administration of the Conservative government.

Your guest has arrived, Mr. Speaker.

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-117, to amend the Criminal Code, without amendment.

THE ROYAL ASSENT

[*Translation*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Hon. Deputy to the Governor General desires the immediate attendance of this hon. House in the Chamber of the hon. the Senate.

Accordingly, Mr. Deputy Speaker with the House went up to the Senate chamber.

[*English*]

And being returned:

Mr. Deputy Speaker: I have the honour to inform the House that when the House did attend His Honour the Deputy His Excellency the Governor General in the Senate Chamber, His Honour was pleased to give in Her Majesty's name the Royal Assent to the following bills:

Bill C-111, an act to provide supplementary borrowing authority—Chapter 98;

Bill C-117, an act to amend the Criminal Code—Chapter 99.

[*Translation*]

It being six o'clock, I do now leave the chair until eight o'clock this evening.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—CANADA'S ABORIGINAL PEOPLES

The House resumed consideration of the motin of Mr. Schellenberger:

That this House condemns the Government, and in particular, the Minister of Indian Affairs and Northern Development, for its failure to meet any of the objectives for which the Government continues to seek authority to spend in excess of one billion dollars in this fiscal year on behalf of Canada's Aboriginal

Peoples, for its tolerance of the miserable conditions existing in native communities throughout Canada which are of a standard vastly inferior to those found in most Third World Countries, for the Minister's failure to exercise his obligatory trust responsibility, and for the minister's contempt of Parliament as manifested by his deliberate refusal to comply with the statutory obligations which legally require him to report to the House on the progress of the implementation of the James Bay agreement.

Mr. Penner: Mr. Speaker, when I began my speech a few minutes before six o'clock I was expressing a word of tribute to the hard-working and dedicated Members of Parliament who serve on the Standing Committee on Indian Affairs and Northern Development. They come from all three parties, and without exception they serve on this committee with the very best of motives. They understand and care about the issues and concerns brought before us. This is not a committee which can be manipulated or used by anyone.

Some hon. Members: Hear, hear!

Mr. Penner: This committee is not a tool of the government or the opposition, nor is it a tool of any one Indian organization or group of organizations. The members of this committee are more than sympathetically disposed to the aboriginal peoples of Canada, but we make our own objective evaluation of matters we should pursue and issues into which we should inquire. Let me say parenthetically that I hope that before this Parliament has concluded its work there will be very significant reform of our committee system.

Some hon. Members: Hear, hear!

Mr. Penner: But within the limits imposed upon all committees we have shown ourselves to be determined and independently minded. There may be, Mr. Speaker, committees of this House which are as good, but I doubt there is a committee which is any better.

The Committee on Indian Affairs and Northern Development now has a national constituency of aboriginal peoples who see it as a forum in which they can receive a fair, open and sympathetic hearing, and from which positive action can result. We can and do respond. For example, consider the case of the James Bay and Northern Quebec agreement. Last year the committee heard telling testimony of the failure of two governments, Canada's and Quebec's, to implement fairly the terms of this major historic agreement. It is futile here and now to argue whether strict legal obligations were or were not met; but clearly there was a failure to implement the spirit of the agreement. The Minister of Indian Affairs and Northern Development (Mr. Munro) concurred in this conclusion. He, of course, was not the minister who either negotiated or signed the agreement, but his concern over this failure, in my view, merits full recognition. The minister agreed there were shortcomings, and he did something about them. He assigned senior officials to examine the problem in-depth and prepare a report. In addition, he went to the communities of James Bay in the company of the committee chairman and the local Member of Parliament, the hon. member for Abitibi (Mr. Gingras), who also serves as the vice-chairman of the committee. He saw for himself what the conditions were, and the disappointments in this area where the agreement was supposed to have brought a new day.

In preparing the report I mentioned there were consultations with the James Bay Cree and the Northern Quebec Inuit, and finally the so-called Tait report emerged with recommendations which are now awaiting cabinet approval. The James Bay Cree and the Northern Quebec Inuit are anxious to know what moneys will be provided to fairly, decently and fully carry out the provisions of this historic agreement. It is most important in my mind and in the minds of all members of the standing committee that this cabinet decision be announced soon.

The standing committee, in its fifth report, Item No. 12, stated:

• (2010)

Recalling your committee's earlier report to the minister respecting the implementation of the James Bay and northern Quebec agreement, your committee is dismayed by the delay of the federal cabinet in reaching a just decision based on the recommendations of the department's review, providing for adequate funding according to the terms and conditions of the agreement.

We, on the committee, are anxious to see a fair and just settlement of this agreement for its own sake, but also because we know that it will have a significant effect on other land claims negotiations. There are important lessons to be learned from the James Bay agreement. Those who settle future claims will want to be assured of an adequate and workable implementation process. They will want to know that there are sufficient moneys to carry out the commitments expressed in these agreements or settlements. The comprehensive claims under negotiation north of 60 will require substantial sums of money. One way to ensure that these moneys are available would be to set aside a share of northern resource revenues in a trust fund for the future settlement of the very large comprehensive claims. This approach, among others, requires careful examination.

The motion of my friend, the hon. member for Wetaskiwin (Mr. Schellenberger) mentions the miserable conditions that exist in native communities across Canada. The government acknowledges that these conditions do exist and they are serious. The progress made in alleviating these conditions has been dismally slow. Today in Canada there are 300,000 Indian people in 573 bands. About 65 per cent of the Indian population is located in rural or remote communities. It is true that expenditures such as this year's commitment of $1 billion have, to some extent, improved Indian living conditions in material ways.

Those of us who have Indian reserves in our constituencies know that there have been some improvements. Housing has improved somewhat. Water and other community services are better and more plentiful. Health care and social services are more accessible to those in need. But in saying that, we must also be cognizant of the fact that the standard of living of the people of Canada as a whole has improved at an accelerated rate, and the gap between national standards and those of Indian people has not narrowed. For example, the life expectancy among Indian people is ten years less than the national average. There are more violent deaths and suicides among

Indian people. The number of Indian people on social assistance has increased.

Many of these conditions are described in a 1980 Department of Indian Affairs study entitled "Indian Conditions: A survey". In the area of housing, which has been of great concern to the standing committee, the study indicated that there was a backlog of 11,000 new houses. The study also stated that an additional 9,000 houses were desperately in need of repair. Last fall in a discussion paper on Indian housing, the department expressed the need for the same number of new houses, that is 11,000, but the number of houses needing renovation has also risen to 11,000. At the present time, one in every three Indian families lives in unacceptably crowded conditions.

Why do these conditions exist? I am sure a long list of reasons could be given, but they exist partly because there is a lack of an independent economic base in many Indian communities. That is so because so many of these communities are located in isolated and remote regions of this country. What of social assistance? Much of that $1 billion is directed toward social assistance, but social assistance is both a blessing and a curse. It provides for life's necessities, that is true, but at the same time it reinforces a sense of dependency. The Indian people do not like that sense of dependency any more than any other person in this country who does not want to be dependent upon someone else, on handouts, or to be beholden to the government for his or her wellbeing and existence.

Constitutionally, it is now recognized that there are aboriginal rights. The treaties are one expression of the unique relationship Indian people have with the Government of Canada. That relationship needs to be defined, it needs to be expanded. Our new Constitution calls for this to be done on a priority basis. I hope the aboriginal people of Canada will not be disappointed in the result of that endeavour because the Government of Canada has obligations to meet and grievances to settle.

I have already referred to the comprehensive claims north of 60. There are the specific claims in the provinces which result from a long list of treaty violations. There is also the obligation to foster economic development and to restore self-reliance among Indian people. The latter calls for us to work with Indian leaders toward the establishment of effective Indian government for Indian people within the context of the Canadian confederation. I agree entirely with the hon. member for Prince George-Peace River when he said we are not talking here about a state within a state. We are talking about Indian government for Indian people within the context of the Canadian confederation. But we seem at times to be moving at a snail's pace, and the impatience with this slow progress is growing. The time is now for what the Chinese people once referred to in their development as a "great leap forward". That is what we need, a great leap forward in the area of government-Indian relations in Canada.

A few years ago I was reading an interesting book by Theodore H. White entitled "In Search of History". Incidentally Ted White is an author and a newspaperman who made his reputation by doing an in-depth analysis of U.S. presidential elections. In the final chapter of White's book "In Search of History", he dealt with the administration of John F. Kennedy. The chapter is entitled "Camelot". I was struck by White's description of the manner in which President Kennedy advanced the cause of civil rights in the United States.

In 1963, President Kennedy announced to the American people that he had drafted a new civil rights bill. His speech to the nation had a single message: the need of new laws for new times. According to White, that legislation carried the concept of civil rights light years forward. The civil rights bill which became law in 1964 was revolutionary in a legislative and social sense.

In Canada, our relationship with our aboriginal peoples needs a similar momentum, that is, a great leap forward. We need to move light years ahead, even to be revolutionary. Instead, from our observations in the standing committee where a lot of frustration and impatience is absorbed from those who appear before us, we seem to be moving with reluctance and lethargy; without courage, imagination and vision. Our approach to Indian people and our relationship with them as a government, as we all know, has evolved from one of internal colonialism to attempted, but failed, assimilation, to the now cautious uncertain recognition that some form of limited, prescribed self-government must be accepted. In the past, giving Indian people special status and having them settle on specific land areas known as reserves really derived from a perceived need to protect Indians and Indian lands from exploitation by non-Indians. That was the motivation. It had nothing whatsoever to do with an understanding of, or a respect for, the treaties. In fact, it was nothing more than a policy of internal colonialism.

• (2020)

In 1969 the policy which had been with us for so long was changed, and the much-heralded white paper on Indian policy was tabled in the House. In case hon. members do not know or do not remember, I remind them that politicians from all political parties thought that the paper represented very significant progress. The spokesmen for each political party, if hon. members check the record of *Hansard*, thought that it was a step forward.

Mr. Blaikie: We will look.

Mr. Penner: Please do.

Mr. Manly: We have learned since then.

Mr. Penner: Hon. members opposite have learned and we have learned, but let me remind my hon. friends how we have learned. We should not pat ourselves on the back. We learned because the Indian people themselves perceived that this was a policy of assimilation which meant for them cultural genocide.

Over the past several years, self-government has emerged as a pivotal concern in the quest by Canada's Indian peoples for a redefined role within confederation. For them self-government is inextricably linked to the achievement of self-determination and the preservation of their cultural heritage. Increased political activity by Indian associations has forced federal officials to move Indian policy a little more in line with actual

political, economical and social development of many Indians in Canada. But, according to a recent study, the bringing of Indian policies more in line with current development has been espoused in order to head off larger and more intense challenges in the future. There is something of a stalling tactic involved here.

These new uncharted waters to which I have referred are being avoided because it is known that additional moneys will need to be appropriated. When we have a large and growing federal deficit, that is not a very appealing idea. It may require the reallocation of funds and resources within government, and we all know the kinds of difficulties which that can create. What would happen to the present control mechanism operated by the department? How could accountability be assured? My committee believes that we should confront these issues squarely, not run away from them or hide. Therefore, we requested in our famous fifth report a special reference from Parliament to examine the total financial and other relationships of the Government of Canada with Indian and Inuit people. It is my conviction that the committee, if given this responsibility, could very greatly assist the government by indicating what the desirable goals are and what new directions we must follow in order to get there.

All the wisdom in the world does not reside with our public officials.

The Acting Speaker (Mr. Blaker): Order, please. I regret to interrupt the hon. member but I have already extended to him the grace of a couple of extra minutes. Perhaps the hon. member might seek the unanimous consent of the House to continue. Is that agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): I assume the hon. member would recognize that he has unanimous consent to continue for one or two minutes.

Mr. Penner: I appreciate the graciousness of the House in giving me a few more minutes to conclude.

As I was saying, those of us who have dialogued with Indian people for many years could, given the time and with thoughtful consultation, offer some acceptable and exciting new policy options which would be genuinely progressive.

The language of the motion before us this evening is in the traditional partisan, adversarial mould. I do not think it upsets any one of us too much. After all, this is Parliament; it is not a club for ladies and gentlemen. This is not a place for Mr. and Mrs. Milque-toast. This is Parliament, raw in tooth and claw, so no one is easily upset or disturbed. It is true that it condemns the government and the minister. It speaks of tolerating miserable conditions and of failures to meet objectives and to comply. If we put that somewhat offensive phraseology aside, it can be agreed that we must make a new beginning. We must make a fresh start and we must do so with some vigour and conviction.

Earlier I said that the constitutional conference on aboriginal rights could be such a commencement, but I say to the House that the standing committee could be of service in moving us light years ahead in the renewal of government-Indian relationships. Indian people and their leaders are ready and willing to get the process under way. Enlightened Canadians from across the country are looking to us for results. Finally, the world is watching and our credibility in the international community is at stake. We must not fail to act decisively and to do so without delay.

Some hon. Members: Hear, hear!

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I rise to speak to the motion tonight. There are many things to say when one rises to speak on a subject which is not often discussed in the House at a time when many groups and individuals from bands across the country have come to Parliament to indicate the difficulties with which they are faced. Before commencing the speech I should like to give this evening, I say to the hon. member for Cochrane-Superior (Mr. Penner) that we appreciate the way in which he conducts the committee. If we have a chairman who assists the committee in its work, it is easier for all parties to do the best job possible in helping people. That is really what this debate is all about.

The Minister of Indian Affairs and Northern Development (Mr. Munro) has a difficult job. In a sense, he is always dealing with people, and he has a restricted budget which has not grown perhaps as fast as we would like, given present difficulties. Of course, he must work within that budget. Many of us on this side honestly believe that there are ways of improving the expenditures of the minister and his department.

We have mentioned in our motion a number of things which are upsetting to us as a party. One area which is constantly a problem is the fact that the Department of Indian Affairs and Northern Development is still in place and that the minister, because of that, has a distinct trust relationship with native people. Because of that trust relationship, one would think that the Indian people themselves would have a certain trust. However, we find instead many cases of Indian band representatives across Canada coming to Ottawa day after day, week after week, coming to the House to tell us, Members of Parliament, that they do not in fact trust the manner in which expenditures are being made on their behalf. They are spending their money to travel here because promises have been made but have not been fulfilled.

• (2030)

Conditions on reserves are worse than conditions in Third World countries. Native people are coming to Ottawa in the hope that we, as Members of Parliament, the minister and his officials, will listen to their plea and act upon it. Native people who do not have much money hire consultants to help them with their pleas. They are spending millions of dollars each year. Why do native people have to hire consultants? The

department is supposed to be there, surely, to fulfil that function itself and assist the native people in expanding their livelihood. The natives do not hire consultants to advise them on how to build houses; they hire political consultants to help get the minister's attention to deal with things that they believe are essential to their reserves. Native people themselves are worried about the necessity of hiring consultants. Last year, political advisers in one province took up more than $1 million of native funds to help with such things as conducting marches and preparing briefs. They do this because when they go to the officials in the capital cities or the regional directors in other areas to ask for commitments they usually get no for an answer. However, when they deliver those requests in the form of a concise report or attractive brief they often get yes for an answer. Therefore, they spend money on obtaining the assistance of consultants. Much of this money is wasted, something which they cannot afford to do.

I would like to read a comment by a chief of an Indian band. This appeared in the *Edmonton Journal*. He was asked why they do this, and he said:

> Take a band that has lived through 50 years of frustration. If you go in there and give them hope of any kind, they'll ride that hope right down the tube.

That is why they hire consultants.

I have been speaking of a trust relationship wherein the minister has certain funds. There must be a trust that he will spend that money properly. Many native people in Canada do not believe that it is being spent properly. The department should be working itself out of a job instead of increasing the numbers of people working in the department and using funds which are desperately needed to assist native people.

Since the minister is a lawyer I realize that he wishes every word to be taken strictly in the legal sense. There is now a new funding procedure for the use of the bands own money. Instead of the traditional method of Indian bands' presenting a yearly funding proposal to the minister for the use of their own money, they now have to present that proposal every three months. The minister has said that this must be done because it is in line with his trust responsibility. No business can operate when it does not know what its funding will be three months in the future. In fact, in order to have the three-month spending requisition, they have to send in a new requisition each month. In my opinion, instead of assisting native people, we are moving back to the ancient concept where the department knows best how native people can fund themselves with their own money which is in their trust funds. There is some $500 million in those trust funds which should be used to assist native people.

Why has this funding proposal been changed? The department has said that the management system has encouraged the department to place a sharper emphasis on structured, formalized planning than ever before. Believe me, departments of this government know best how to structure and how to formalize planning. This is one of the difficulties that the native people have.

The hon. member for Cochrane-Superior defined some of the health and social problems that native people are facing as compared with those faced by the non-native society. He said that the mortality rates were significantly higher. This was mentioned as well by the hon. member for Cariboo-Chilcotin (Mr. Greenaway) with respect to the health problems experienced in northern Quebec. The death rate of infants due to infectious disease is very high. Indians use hospital facilities two to two and a half times more often than the national average. In 1977 there were 1,200 families living in condemned houses. One out of every four reserve houses are in need of repair. Incomes are half the national average, and welfare dependancy on some reserves reaches 70 per cent. Is it any wonder that we suggest that conditions on many of our reserves are worse than in many Third World countries which we are, quite properly, helping?

I reviewed the recommendations of CIDA to see if assistance could be made available by that organization. It is interesting to note that CIDA is capable of operating also in Canada under its terms of reference. It is common knowledge that CIDA carries on successful projects in other countries. Perhaps it might be incumbent upon the minister to ask CIDA for assistance in order to improve the poor conditions which we have described. Perhaps funding could be provided through their expertise to assist native people, instead of providing them with such things on new housing as the so-called J circulars.

When there is a shortage of some 11,000 homes in Canada for native people, with almost as many homes that are condemned or in desperate need of repair, we now see a new housing policy which says that the government will provide $18,000 to $22,000 on condition that a certain amount of the natives' own money is added to finish building the homes. It does not makes good sense to tell a native family who is on welfare and barely able to feed and clothe itself to add its own money. Where will they get the extra money from?

Some chiefs and councils have said it is impossible for them to build a home on that amount of money, but since they have been allocated money for the construction of ten or 12 houses they will pool the money instead and build five houses. But the government says, "No. If you do that, we will take all the money back." This is the situation which results from the new J circulars which are being handed out throughout Canada. As a result, no housing projects, or very few, are proceeding this spring.

If we look at the budget that has been spent for housing in Canada for the last ten years, we see that it adds up to some $700 million, if I read the estimates correctly. If that amount were divided among the number of native families in this country we should have been able to build one house for every family. Yet we are behind by 11,000.

There are some serious questions which must be asked about the housing policy and why house construction is so far behind. The minister has access to something called the Western Development Fund which is supposedly to be used to help in the construction of houses. Western Canada is happy to provide that money if, in fact it goes to building houses since many native people reside in the west. It is my hope that this

money will quickly be put to use and that this new circular being distributed will be amended.

The department also has something called "paper houses". Officials of the department indicate how many houses are to be built under this plan. In many cases the bank is in debt. They do not have a sufficient amount of money to fund other programs. Therefore, they pull it out of the housing project. The department tells them to pull it out of there. No one mentions that the homes are not built. Unless they are actually counted, the department assumes the homes have actually been built. As a result, we have something called "paper houses". Perhaps we are short even more than the anticipated 11,000 homes.

• (2040)

We are not being given a lot of time to speak today. That is good because it gives more members an opportunity to speak. I would like to deal with one other subject before closing. It is important to the Indian people of this country. They have their rights entrenched in the Constitution. A great deal of time was spent on this in the last year before the Constitution was brought home to this nation. Within a year of last April, a conference must be called to deal with the definition of aboriginal rights. Because there is only one year, I asked the Prime Minister (Mr. Trudeau) about this. It is a difficult question. I wanted to know what the federal government feels it ought to be doing. Have the federal government and the minister been in touch with the Indian leadership in this nation to have preliminary meetings so that there are no surprises when the conference is called? If the conference fails, does that mean the constitutional requirement has been settled? If we have no definition, do we carry on as before? When I asked the Prime Minister about this, he said no. He felt that the first step would be to consult the provinces to get their view as to a date for the meeting and as to what groups they would like to see invited.

That simply is not good enough. The minister ought to be meeting with Indian groups across this country now. He should be stating what his position is with regard to this constitutional conference. The provinces should be made aware of the direction in which the government and the native people feel we should be going. At the present time, we have not heard anything about the position of this government on the constitutional conference and the role it feels it should play in it.

Members have spoken of difficulties. They have appreciated having the opportunity to do that. I would point out that education is essential if young people are to help their bands. Many accomplishments have been made in this area. Economic development is essential to get people off welfare so that they can be productive and have pride in themselves. Economic development spending involves some $100 million. Social assistance spending is almost $300 million. The hon. member for Cochrane-Superior spoke about that. It is important that we get more money into the economic development area so that people can carry out productive work and again take pride in themselves.

It is not often that we get to speak on the issue of our Indian people. This opposition day has provided us with that opportunity. I hope the minister is now aware of some of the criticisms being laid at his feet and some of the responsibilities he must carry out in the next number of months.

[*Translation*]

Mr. René Gingras (Abitibi): Mr. Speaker, I am pleased to contribute to this debate, especially since part of the motion now under consideration deals with the James Bay and northern Quebec agreement, an area which is part of my constituency. If I may, Mr. Speaker, I would like to recall briefly the background of this question in order to better understand how the James Bay agreement came about and the problems caused by its implementation. It will then be easier to understand, Mr. Speaker, that the James Bay area, which is nearly totally included in the Abitibi riding which I represent, is different from every other region in Canada. These differences explain the philosophy under which this unique and unprecedented agreement was negotiated.

As we all know, the James Bay territory was purchased by the Government of Canada from the Hudson's Bay Company. The region was then called Rupert's Land. I have here an order in council from 1898 which gave part of this territory to the province of Quebec. In 1912, the rest of the territory was handed over to Quebec. To give you an idea of its geographic location, my native town of Amos was given to the province of Quebec in 1898. This territory extended to the middle of the Eastmain River. In 1912, the territory of the province of Quebec was extended to include the entire territory from the upper part of the Eastmain River to the northern boundary. However, at the same time, Quebec had to take responsibility for territorial matters and other issues concerning the native people, their interests and their claims, which were completely non-existent in the Abitibi territory from 1898 until quite recently, around 1960. It is only at that time that the province of Quebec decided to integrate Abitibi into its administrative map.

In the report of the Dorion commission on the integrity of the Quebec territory, Mr. Justice Dorion recommended: That the Quebec government take action immediately to honor the commitments made toward the Indians in the Quebec Boundaries Extension Act of 1912. He also recommended: That this commitment be kept by means of an agreement between the Quebec government and the duly appointed representatives of the Indian bands of Quebec, to be ratified by the government of Canada. I emphasize this point, Mr. Speaker, to show what problems we expected when this agreement was signed. Around 1970, the province of Quebec started to show some interest in northern Quebec and to build dams and roads, and it is only with the James Bay dam project that, following

representations by the Crees and the Inuits, Quebec agreed to sit down, after all the problems caused by court proceedings, land claims and work shutdowns on the James Bay project, and try to negotiate an agreement.

• (2050)

That agreement dating back to 1975, that is contained in this document, was negotiated from 1973 to 1975. Who were the parties to that agreement? We find on page VII that the agreement was between the Government of Quebec, the Société d'énergie de la Baie James, the Société de développement de la Baie James, the Commission hydroélectrique du Québec (Hydro-Québec) the Grand Council of Crees and Inuits of Quebec, and finally the Government of Canada. It will be remembered that Mr. John Ciaccia was Premier Bourassa's official representative at those negotiations. We find at the beginning of the agreement certain facts that are quite amazing in the light of today's situation. Mr. Ciaccia explained to members of the National Assembly in Quebec, on November 5, 1975, the philosophy of that agreement which clearly shows the shared responsibilities in the development of James Bay. I would like to quote excerpts from his speech that are very telling. On page XI, Mr. Ciaccia stated, and I quote:

That agreement enables us to accomplish two great tasks to which our government was committed.

"Our government" means the Quebec government.

It enables us—

—the agreement—

—to fulfil our responsibilities towards the people in our northern areas and finally to have a Quebec presence in all the territories included within our geographical boundaries.

Those geographical boundaries, Mr. Speaker, are those that were established in 1898 and 1912.

Mr. Ciaccia went on to say:

But along with that acquisition, Quebec assumed the responsibility to settle a number of land claims and other issues involving the native people, such as their interests and claims.

It was a recognition that the province of Quebec was involved in the James Bay Indians' claims. I said earlier that the province of Quebec had not included that territory in its administrative map. It should be kept in mind that the province of Quebec had nothing to do whatsoever with the James Bay and Hudson Bay territories. Schools were under federal jurisdiction, contrary to the Constitution. The federal government was responsible for health and police services and, to further quote Mr. Ciaccia:

People in northern Quebec need schools like everyone else. They must be able to rely on health services. They must be in a position to bring their differences before fair-minded judges and have the institutions needed to enforce the law. The agreement meets these various needs and provides the necessary structures. We—

—the Government of Quebec—

—will establish local school boards, social services and health boards, police and fire departments, municipal courts, and these institutions will come under the relevant departments of the Government of Quebec.

And he went on to say:

And all those services will be provided through the facilities of the Quebec government.

In other words, any services such as schools and hospitals under federal jurisdiction which the native communities may have already will become Quebec's responsibility. The Quebec government will take over some of the existing federal programs. Mr. Speaker, I think I have said enough to show that the implementation of the James Bay Agreement is not strictly a federal issue. In the last pages appear the names of the signatories, while the parties to the agreement are listed at the beginning. As I said earlier, that agreement was unique and unprecedented. It was inspired by principles which I tried to single out in the remarks of Mr. Caccia whom I quoted a moment ago, there were problems in its implementation, and a great many terms in the wording of that agreement were rather ambiguous. There were certain steps which Hydro-Quebec as well as the governments of Quebec and Ottawa were supposed to take. So after six years we ended up without any implementation mechanism.

When I was elected in 1980, I was contacted almost immediately by Mr. Billy Diamond—who was and still is Grand Chief of the Grand Council of the Crees—and Northern Quebec Inuit Association President Charlie Watt. Both had signed the James Bay Agreement and they wanted to try to set that agreement straight. In 1981, in February or March, I believe, I was a member of the Committee on Indian Affairs and Northern Development when spokesmen for the Grand Council of the Crees and the Inuit of Northern Quebec appeared before us to submit a brief in which they claimed that some things needed improvement in the implementation of the James Bay Agreement.

Mr. Speaker, we must bear in mind that the agreement had been signed in 1975 by the Bourassa government and that on November 15, 1976, a whole new team took over in Quebec City. Most of the contents of that document flowed from an agreement and discussions between the federal government, the PQ government which was then in power, the Crees and the Inuit. There is no need for me to spell it out, Mr. Speaker. Let us recall the situation in 1976 and it will be readily seen that the discussions aimed at implementing that agreement were rather strained because of the Quebec-Canada policies. The Quebec government was not paying much attention to native culture. It had no expertise in native matters. And, following these claims, I am grateful to the Minister of Indian Affairs and Northern Development (Mr. Munro) who agreed to lend one of his senior officials to look into the James Bay development problem.

• (2100)

Now, Mr. Speaker, I am happy to say, because of my privileged position both as a member of the Standing Committee on Indian Affairs and Northern Development and as member for that riding, that the government has responded favourably to the concerns of the committee as well as to those of the Crees and Inuits of the James Bay area. The enquiry, consultation and decision-making processes, which started in March, 1981, proved long and sometimes painful to all parties involved, but I feel that it was not an exercise in futility. On several occasions, the minister indicated in this House that a decision concerning the James Bay question was forthcoming. During its proceedings, the Standing Committee on Indian Affairs and Northern Affairs raised also the issue of an annual report to be tabled in Parliament on the implementation of the James Bay and northern Quebec agreement. People are aware that such a document has not yet been tabled by the minister. Surely the committee is right in stressing that that obligation has not been met. On the other hand, Mr. Speaker, people are also aware that the tabling is undoubtedly linked with the completion of that study. Why table only part of a report on the implementation of the James Bay agreement if the study of this implementation is not yet completed. I am sure that the government intends to remedy this situation and will make sure that all future annual reports are tabled on time.

Hon. members opposite should appreciate, however, that since this very meticulous study was carried out over the past 18 months, it would have been difficult, if not outright impossible, to table a report which would reflect a rapidly changing situation. I know that the minister has asked for the understanding of Indian groups and the House in this respect. Hon. members are indeed aware that the Standing Committee has been looking into this matter for quite a while and that it issued a special statement in March, 1981. I can now inform the House that the minister will contact the Cree and Inuit leaders within the next few days or very shortly to examine with them the Standing Committee's findings.

Briefly, I would like to draw the attention of the House on the process—

The Acting Speaker (Mr. Blaker): I am sorry to interrupt the hon. member, but as I have already pointed out, the time alloted to him has expired. If he gets the unanimous consent of the House, he could perhaps continue with his speech.

[*English*]

Is there unanimous consent for the hon. member to continue for a moment or two?

Some hon. Members: Agreed.

[*Translation*]

Mr. Gingras: I wish to thank my colleagues for their co-operation. I still have about a minute and a half to go. I mention the fact because I consider such an approach as a typical example of the co-operation which can exist between the government and native groups in finding common solutions. Of course, this analysis of the James Bay agreement is not and was not intended to be a magic formula. No doubt some other obstacles will crop up. However, I think that if we maintain this same attitude, this openmindedness, we will finally find a more adequate response in a more serene atmosphere. Mr. Speaker, I thank you very much for the congenial spirit of this House and I will now end my remarks.

[*English*]

Mr. Peter Ittinuar (Nunatsiaq): First of all, Mr. Speaker, I would like to express my thanks to all hon. members in the House who have spoken on behalf of natives. I too would like to give my support to this motion. The only problem I have is in knowing where to begin. I have the feeling that with a department such as the Department of Indian Affairs and Northern Development wherever one chooses to shoot, one can likely hit a target. For an opposition critic looking for ammunition against the government this department emerges as a veritable ammunition dump. Because the department is open to criticism on so many fronts, it would be impossible to touch on everything in one brief speech.

Mr. Blaikie: The barn door of Canadian politics.

Mr. Ittinuar: Or an igloo! What I will do, then, is to focus on one aspect of DIAND's mandate which is of particular interest to me and the people I represent. I will leave it to my colleagues in the House to address the many other issues which can legitimately be raised.

What I would like to focus on is this government's policy on native land claims, a matter for which DIAND is responsible. I would like to give a brief history of how and why the government's policies on claims have failed to serve the needs of northern peoples as well as other native peoples in this country.

Before dealing with the situation as it is today, let me explain briefly why the government even deals with the issue of claims and how it has handled them in the past. In the first place, the government has been obliged to deal with claims because the British legal tradition requires that native interests in any lands be recognized and dealt with before any non-natives begin to use it. The way the federal government has always done this has been to make treaties with the native peoples and extinguish their rights in exchange for some type of compensation. When we look back over the history of treaty making, it is easy to see patterns emerge. It is easy to see, for example, that the treaties were designed to serve the needs of other people more than the needs of the natives themselves. The government's primary motivation for dealing with native peoples has always been to clear the way for development, either agricultural, non-renewable or otherwise. This was the pattern which prevailed across the prairies in the years immediately after confederation, with the construction of the CPR and the opening up of the west for farming. That is not to condemn those vocations. Indian peoples were pushed aside in

the quest for land, and the treaty-making process was meant to give it a semblance of legitimacy.

The economic and renewable resource base of the native people on the prairies, the buffalo, was eliminated, and the native people were left with the option of either being assimilated into the new society or being segregated onto reserves. Either way would leave them marginalized, culturally, economically, politically, socially and otherwise.

• (2110)

Perhaps the most painful lesson that native people learned about the government during this period was the fact that it was prepared to use military force to quell any resistance to this marginalization process.

Only a few such treaties have ever been signed in what can properly be called the north and, unfortunately, the same pattern has emerged. Treaty No. 8 was signed in the Upper MacKenzie Valley in 1898 in order to accommodate the influx of non-natives attracted north by the Yukon gold rush. The government felt no need to settle any other claims in this area, until oil was discovered at Norman Wells in 1920. Within the year, Treaty No. 11 was signed. The government's interest obviously had more to do with securing legal control of the oil resources at Norman Wells than it did with protecting the interest of the local residents. By the 1920s most of the likely areas of settlement or development in Canada were covered by treaties, and so the process came to a halt for about 50 years.

By the late 1960s the tragic consequences of this type of approach were painfully obvious to most Canadians. Native people suffered from the highest rates of infant mortality, school dropouts, unemployment, alcoholism and, not surprisingly, suicide. This situation continues today.

While the strategy of pushing native people aside had served its short-term purpose in the nineteenth century, by the mid-twentieth century its social consequences were proving to be enormous. One would like to think that, when faced with the prospect of opening up yet another frontier area the government would now be willing, if not eager, to find an alternative approach to the land claims—an approach that would not have such tragic consequences for the people involved or such enormous long-term costs for the country as a whole.

One would like to think that the government would be interested in learning from its past mistakes, but as a close observer of the government's action in this field I have to report that it has not. This is what the government must be condemned for—not being willing to alter its modern-day approach to the issue from the one it pursued in the past, despite its obvious long-term consequences.

When I speak about the government's latter day approach, I am referring to the policies it has adopted in this last decade to deal with outstanding native claims, primarily in the north. The 1970s witnessed the dawn of a new era of frontier expansion and exploration in Canada. The north has become the focus, and the search for energy has become the driving force. As with the earlier frontiers, this drive to open up new regions carried with it the responsibility for dealing somehow with the northern peoples' claim in the lands in question.

At the outset of the 1970s, when development pressures were just beginning to emerge, the government actually felt that it could ignore the whole issue of native claims because it felt the concept of aboriginal title had no legal basis. It was content to operate on this assumption and to let the native people use the courts to prove otherwise, if they could. In January 1973, the Supreme Court of Canada issued a historic decision on a question of whether the native rights of the Nishga had ever been extinguished. The fact that that court split 3-3 on this vital question gave the concept of native rights much more legal validity and it also rather stunned the government of the day. The Prime Minister (Mr. Trudeau) reacted to the decision by telling the Niska, "Perhaps you have more legal rights than we thought you had".

What this decision did was cause the government to reevaluate its approach to the whole claims question. It could no longer ignore the fact that native people might actually have a legal claim to the land, and that any future court case could now just as easily favour the native people. Instead of leaving it up to the courts then, because they were proving unreliable, the government had to take control of the settlement process itself so that it could control the timing and the results more effectively. This is what the 1973 policy statement was designed to do.

The government's whole approach to the settlement of native claims was conditioned by its other main priority, which was to clear the way for development. As long as ownership of the land remained uncertain, investors would not be attracted to the north. So, if the government wanted to get a pipeline built, it had to take responsibility for clarifying who owned the land. Extinguishing aboriginal claims was a way of doing that once and for all.

Faced, then, with having to settle claims, the government simply dusted off the policy that had been used so effectively in the previous century, and set out to repeat the same process all over again, this time in its last frontier, the north.

The 1973 policy statement established the policy which remains in effect to this day. Let me point out exactly what it was designed to do from the government's point of view, and I would suggest that if it is allowed to proceed, it will lead to the eventual marginalization of native people in the north as well.

First, the 1973 policy statement said that settlements of comprehensive claims should be achieved through negotiations. As I said, this was designed to get the issue out of the courts where decisions were not proving as favourable as the government would have liked. Second, it said that the complete and final extinguishment of native title would be the only acceptable outcome of the settlement process. Third, the sole purpose of the negotiation process would be to determine the type of compensation to be paid for the loss of those rights, plus the amount.

I am taking the time to go into detail on this because this policy reflects a great deal about the government's approach to

native peoples. While it is couched in much more sophisticated language, and there are much more elaborate structures in place for negotiating settlements than in the last century, I fear that its fundamental goals have remained essentially the same—to extinguish native peoples' rights to their land. And I also fear that if the policy is allowed to be repeated, so too will the consequences.

It is interesting to note what has happened between the government and the native groups in the north since this policy was introduced. The northern peoples have been quick to reject the premises of the 1973 policy, recognizing it for what it is—merely the nineteenth century policy resurrected. They have refused to accept their intended fate passively; they have rejected the government's approach and demanded that the door be opened to alternatives.

We realized early on, for example, that some land base was essential for our continued viability as a distinct people. Instead of having our rights to the land extinguished in a settlement, why could we not have them entrenched? Instead of having to choose between a traditional economy and a modern industrial one, why could we not have enough control over the pace of development that we might enjoy the benefits of both? Instead of having political decisions made for us, why can we not make our own, and have structures which reflect our own needs and values, and work these out with other people?

Throughout the 1970s the government did not prove very receptive to these kind of questions. It consistently refused to broaden the mandate of its negotiators, for example, to include questions of political rights. It preferred to keep it at the level of a simple real estate transaction, where a certain amount of money is exchanged for a certain amount of land, with some hunting and fishing rights thrown in. It has even gone so far as to set up separate commissions such as the one headed by the Prime Minister's friend, Mr. Drury, to ensure that such matters as political development cannot be discussed in the same forum as claims.

Despite this resistance, the native groups have gone ahead and developed their own alternatives to the "land for money" approach. The Inuit Tapirisat of Canada, for example, has submitted a proposal for the creation of Nunavut, a new territory in the eastern Arctic which would evolve into full provincial status over a period of up to 15 years. Support for this proposal is running high in the region right now, as illustrated by the overwhelming vote in favour of division in the recent plebiscite held on April 14 in the Northwest Territories. It is hoped that some action will be taken shortly to implement the results of that vote.

In the western Arctic, the Dene and Metis have also developed a vision of how things should be if their culture and economy are to be allowed to thrive. Their Denendeh proposal calls for political structures which would recognize the permanence of the native community in the area in the face of a growing population of non-natives who may stay for only a short time.

• (2120)

Despite our consistent demand that new models for settlements have to be found, the federal government has still not really indicated much willingness to do so. In fact, in its first update of policy since 1973, the statement entitled "In all Fairness", the government seemed dead set on holding on to the policy objectives it outlined in 1973. Even though it now prefers to speak of an "exchange" of undefined rights for concrete rights and benefits, it still amounts to the same thing: extinguishment. Given the consistent opposition to extinguishment throughout the 1970s, one wonders where the government has been. It is this kind of stubborn insistence on the old way of doing things which is preventing speedy settlements in the north, and it is this stubborn refusal to seriously consider the alternatives which is greatly frustrating the people I represent, and which causes me to support this motion.

Evidence of the federal government's continuing bad faith I believe exists in the recent wildlife agreement, in principle initialled in Frobisher Bay on October 27, 1981, by federal government negotiators and the Inuit Tapirisat of Canada. For over seven months now the Inuit have been waiting for official endorsement of this agreement. But that is only the first stage in a comprehensive land claims agreement between the federal government and the Inuit of Canada, and we will be watching closely to determine whether the government is willing to act in honesty on our behalf. Therefore, I support this motion of the hon. member for Wataskiwin (Mr. Schellenberger).

Mr. Anguish: Mr. Speaker, I rise on a point of order. I am sorry to interrupt the proceedings of the House but I have something which is of some importance and I think the House will be interested. In the provincial byelection in Hamilton West this evening the New Democratic Party won by over 2,000 votes.

Some hon. Members: Hear, hear!

Mr. Anguish: That is the first time that the NDP has ever held that seat.

Some hon. Members: Order.

Mr. Anguish: I did want to intervene on the motion this evening, Mr. Speaker, but I will not have time to do so.

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Mr. Speaker, I think that had to be one of the most superficial and juvenile exploitations of the rules of order that I have heard for some time. I am sure the hon. member of the NDP who just spoke must have shrugged in utter embarrassment that we could be discussing the plight and poverty of the native peoples all day, and then the NDP, the sole possessor of social conscience, just dump their terrible concern and abuse the rules in order to interject something which is totally irrelevant to the discussion.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): If the NDP can contain their glee for about 20 minutes while I make my remarks, I would appreciate it. I can only assume that they, like the official opposition, wish to hear the reply to questions they themselves have raised, so here they are.

First, Mr. Speaker, I feel very strongly that the standing committee has been a good committee. It is made up of members of all political parties, and therefore political life being what it is they will of necessity politicize their feelings and get the maximum impact as a result of the political position they take in the never ending partisanship which takes place. But in my experience that committee, perhaps more than in any other, has had a common theme amongst all members, one of very deep concern indeed for the wellbeing of the native peoples. It is shown by a basic sort of bipartisan approach when it really counts as far as achieving a given objective is concerned, and I think that speaks well not only for the committee but for Parliament itself. There is a very vivid and stark example of that, which is the James Bay matter which the committee wished to have rectified. I think all members will be happy to know that matter is probably soon to be rectified.

Having said that, I do not wish to attempt to correct a whole multitude of inaccuracies, but I will deal with some. I think some of these inaccuracies probably were stated in the exuberance of the point hon. members wished to make. If I thought that every Indian leader and every Indian person in Canada and the general public were going to read today's *Hansard* and study all the figures that were quoted, I would probably go to some considerable pains to correct each and every exuberance uttered. But I do not think I will do that. Of necessity, though, I should deal with some very briefly before making my other remarks.

The hon. member for Prince George-Peace River (Mr. Oberle) talked about administration, and about how funds are allocated not only generally but in the B.C. region. The reason I want to deal with that is that some of the charges are serious. I think the figures he has quoted show a lack of ability and capacity to understand the most basic facts about the band-funding process. The hon. member is not here, so I trust some of his colleagues will make him aware of my reply to some of his serious charges.

We have tried to explain to the hon. member in committee the band-funding process for some time. Maybe he just wants to persist in the distortions despite these endless efforts to correct him. However, for the benefit of other members let me explain some of the major faults. As many members know, program services to any one band can be provided in three basic ways. First, bands can administer the entire program. This now covers about 50 per cent of the entire budget of the department. Second, some programs, and for a very few bands nearly all programs, are still delivered by the Department of Indian Affairs. This comprises about 25 per cent of the department's budget. Incidentally, that figure includes, in addition to a wide range of educational, social and other programs, all the department's administration costs. Finally, Mr. Speaker, some 25 per cent of the budget consists of funding provided to provincial governments to provide education and social services to a large number of Indian communities. If you look at the dollars administered by the band, then, anyone can see that this will be very low indeed for bands which receive services directly from the department. They are not getting all the money for all the programs because the department is directly providing the services or the provincial governments are doing it. On the other hand, the figures will be very high for those bands who administer their own school and all other costly programs. If in a certain year they are building a large capital facility such as a water system or a school building, it will be very high. So if an analysis is done in a reasonable and fair way, without a calculated effort to distort, it will show that funds are allocated on a fair and equitable basis.

• (2130)

The blatant inference of the hon. member that somehow some bands, who have more influence than others have the ear of the department, and get a very high amount while other bands get a very low amount was made without taking into account the three different possible ways of delivering funds. What hon. members think of generalized distortions of the type resorted to by my friend, the hon. member for Prince George-Peace River is for them to decide. Needless to say, I do not think very much of them.

As to the other question raised by some hon. members with respect to the principle of local government, let me just say that I think the department and I would carry out the concept of local government for Indian bands. This concept is one we heartily endorse. We endorse it in the sense that would cover a whole range of local governmental responsibilities to be taken over by a band council and not just in certain areas such as education and cultural activities with rather limited emphasis that I detected in what the hon. member for Prince George-Peace River said. We have had some considerable work done in this area. Along with the standing committee as an aid I hope to ascertain the feelings of the native people. I hope to discuss the matter at some future time with the chairman of the standing committee, and I hope to look into this whole question of consultation with respect to the ultimate devolution of far more responsibility at the option of the bands who wish to exercise this full range of government responsibility.

May I now move on to another area. Again, I think another very serious distortion was made, and it should be clarified. I believe the hon. member for Prince George-Peace River indicated that some bands had money for per capita distribution and that some evil, paternalistic minister of Indian affairs was residing some place and refusing to have per capita distribution made to minors under the age of 21. I think the hon. member used the word "starving" in that respect. That is ridiculous. What happens when a band has the money and its chief and band council, wish to make a per capita allocation under the act? There is no degree of volition on my part; it is subject to the advice of independent law officers of the Crown. Any minister would have to abide by the advice because of the

Canadian system of parliamentary government, whether he be an NDP minister of Indian affairs, a Conservative or a Liberal one. He would have to take that advice because ministers cannot give themselves legal advice. That legal advice is that the Canadian government and the minister of Indian affairs would be held accountable legally by any minor upon attaining the age of majority if the individual does not discharge his responsibility in a legal and proper way along the lines of the concept of a trustee. If a minister of Indian affairs turns over a per capita share to a minor as if he were an adult, perhaps turning it over to the parent, that child, upon attaining the age of 21, if the parent has misused the money and did not make it available to the child in the way it should have been made available, that child can sue the government for irresponsibility in turning over his per capita share to someone else when he was a minor, and recover it when he attains majority. Not only is the government held accountable for irresponsibility in the allocation of the per capita share legally, but the minor may not receive the money at all.

We have been able to find a compromise in the situation, with legal endorsement, in limited amounts of per capita share for minors, that is $250 a month or $3,000 per year per child. That can be turned over to parents and charged off against the per capita share of the minor. There is nothing paternalistic about this. There is no desire to starve some innocent Indian child, as was so exuberantly distorted by the hon. member for Prince George-Peace River. It is certainly not based on any motivation to be paternalistic; it is based on a solid legal opinion.

I must say that if there is a desire on the part of the standing committee or of members of the House to change that, they can change the Indian Act. Parliament can direct the Ministry of Justice to give legal opinions based on a legal statute. We do not have a different statute right now. We have the statute that Parliament last passed. I take it all hon. members want the statutes passed by this Parliament respected until they are changed.

I am now moving on to another area, again dealing with some of what I think are unfortunate distortions that arose relative to the British Columbia region. Again, I am referring to how serious some of the charges are. The following figures should be noted as far as the B.C. region is concerned. The region of B.C. has an on-reserve population of approximately 34,500 Indian people. In the year 1981-1982 a total of $101.2 million in grants and contributions, $4.7 million in capital facilities on reserves, $9,266,843 in child care and $21,322,615 was used for education payments under the master tuition agreement. These four items total $136,489,458, which, as anyone here would be prepared to acknowledge, represents a substantial commitment to the Indian people of British Columbia.

In order to indicate what is happening in that region with respect to the topic which the member opposite wishes to stress, that is, the level of program operation being undertaken by Indian bands themselves, let me tell you that in 1976, the department had over $20 million in British Columbia under band control and less than 100 bands were operating programs. In addition, we have reduced, not increased, the department's regional staff to 559, while the number of band employees has grown less than 300 to 970. This rapid transfer of services is clear evidence that the region is not only sensitive to the needs and wishes of native people but is providing them with the needed tools for self-overnment.

Can we not take into account some of these additional factors before making some of the wide sweeping and I think dangerous allegations, almost bordering on smear, covering a whole group of people? Many of them are civil servants, both native and non-native, who should be given the benefit of the doubt, whose good intentions should not be doubted. Many of them are well motivated, as perhaps many Members of Parliament are, and because they are public servants they cannot defend or speak for themselves.

It is getting to be rather ritualistic. If my predecessor in this portfolio were here with a Liberal opposition criticizing him, and indeed if the minister were an NDP minister of Indian affairs, he would be defending the public servants who are under attack and cannot defend themselves in the House. That is how obvious it is that this type of charge can be made for political exploitation, but it is purely ritualistic and has no substance. We all know, if the roles were changed, what they would be saying in the House if public servants were charged in this way.

• (2140)

This is why I find it so unfortunate that we, as adult politicians, resort to a rather phony process and ritual through which we go each time the estimates of the Department of Indian Affairs and Northern Development come up in the standing committee or are debated in the House.

I could go through other areas which some hon. members raised about staff, for example. I think the hon. member for Cowichan-Malahat-The Islands (Mr. Manly) asked about teachers, and so on. I will send him figures tomorrow which clearly show, without boring the House, that there has been a diminution in the staff of my department. I realize how obviously disillusioning it would be if we took a teacher from the Department of Indian Affairs and transferred him to an Indian band to take over an educational program, and then said that it was a reduction in our staff. Taking away that factor, there has been a diminution in the staff of the Department of Indian Affairs.

I opened my remarks by complimenting the committee on its work. As some hon. members have mentioned, I visited the James Bay area. When I returned I assigned one of my major advisers in the department, Mr. Tait, to follow through on the matter, to visit the communities, and to assess the James Bay areement, not in its strict legal context. I already had legal opinions. If we wanted to take it from a strictly legal point of view, it would be very difficult to establish in any court that there has been a breach with respect to federal obligations under the James Bay agreement. That was not the preoccupation of the committee, as I understood it. Certainly it was not

my preoccupation as the Minister of Indian Affairs and Northern Development. I am concerned with trying to deal, to the best of my ability, in an equitable and fair manner with the native people of the country. If they clearly perceive that an agreement is not fair or is not being implemented in a fair and equitable manner, because we are taking advantage of legal technicalities to their deprivation, it discredits governments generally and is unfortunate. Of course it is something which should be avoided.

I asked Mr. Tait to look at it from the perspective of the spirit of the agreement, whether the general intent as opposed to the legal interpretation had not been lived up to in any way. I asked him—and it was not a very hard, objective standard by which to assess an agreement—to do the best he could and to try to assess where there were shortcomings within the terms of reference. Also I asked him to try to put a dollar figure on it and to try to rectify the situation, so that basically more moneys could flow to the communities to improve the health conditions to which the hon. member for Cariboo-Chilcotin (Mr. Greenaway) referred and many other areas referred to in the agreement.

That exercise took a long time. There is no doubt about it. He had to assess the situation and to report. I directed that the report be sent in draft form to Bill Diamond, the Grand Chief of the Cree, and to Charlie Watt of the Inuit people. I wanted them to see whether they felt that the report was a reasonable one. I wanted them to suggest changes which, hopefully, we would be prepared to adopt. It was to and fro with the draft before I took it to cabinet.

I went to cabinet. I assessed the costs. I have been working it out with my colleagues as to where we could find the money. All hon. members will be glad to hear that the process is just about completed. I hope to be in a position in the forthcoming week to ten days to meet with the hon. member for Abitibi (Mr. Gingras), with Billy Diamond and with the Inuit people to resolve the matter. I should like to thank all hon. members for their help. I think it is a real achievement.

Some hon. Members: Hear, hear!

Mr. Munro (Hamilton East): On the economic development front, I can only say that there has been some very real achievement. The Indian people have said to me—and I do not know what they have been saying to a lot of opposition members—that the panacea, almost in those strong terms, for all social ills from which they suffer is economic development. The social ills from which they suffer, such as alcoholism and the spin-off deleterious effects of unemployment—demoralization, marital life problems and so on—could be corrected overnight in a preventive way rather than in a curative way after the damage is done, if emphasis were placed upon economic development so that Indians, through their own initiative, could create jobs and employment. That is the area upon which they would like emphasis placed in terms of correcting the many social problems identified by hon. members today in the House. Indeed, these problems were identified in the document dealing with Indian conditions which I published when I first became minister. I am talking about high mortality rates, high suicidal rates and so on. These are all signs of the stark and abysmal poverty of the Indian people in some parts of the country.

We have seen the commitment and will of the goverment to do something about it. Perhaps we could talk in positive terms with respect to our native people. We have indicated that we are prepared to commit moneys to native economic development. There were such moneys included in the budget of October. Over the next four years, in addition to the moneys which are already committed in the estimates of our department, $345 million is committed for the native people of Canada. This is a major commitment and it is indicative—

The Acting Speaker (Mr. Nickerson): I regret to interrupt the hon. minister but his allotted time has expired. He will need unanimous consent of the House to continue. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Munro (Hamilton East): I thank hon. members. I might indicate that that money will be added to $8 million for last year for major imperative projects and an additional $5 million this year. Also there are the ongoing programs in the department. I am talking about an approximate $8 million to $10 million in direct guaranteed loans for economic development. There is a $35 million contribution in terms of economic development moneys which we have already allotted. They are not counted in the $345 million, or in the special allocation of $8 million to $10 million, or in support services of $15 million. We are now getting some substantial money to put emphasis upon the much-needed area of economic development.

Let me touch upon another area to which hon. members referred, the area of education. Some native people would like us to touch upon some of the positive areas rather than the negative ones constantly and incessantly. There has been very impressive upgrading of standards and achievement by native peoples in the educational area. There are now more than 10,000 students and 157 band-operated schools. We expect—and the figures show that it is true—that the enrolment will reach at least 20,000 by 1986. Similar impressive improvements are being made in post-secondary enrolment. As recently as 1969 only about 800 Indians, as opposed to the present 10,000, were pursuing courses in post-secondary education. This is something from which all of us can take some satisfaction. Indeed, we congratulate native people for placing emphasis upon the educational system. It is some reflection of our desire and commitment of funds to provide the facilities for them to achieve those much needed numbers.

I can only conclude by again indicating in terms of equity and fairness the tremendous emphasis which has been put on comprehensive and specific claims in the last two years as well as much added expenditures by this government over what has ever been done in the past. I am also talking about my immediate predecessor government. Negotiators have been put in place in all the comprehensive claims north of 60 and they

have been given the research moneys. When I first became minister there were no negotiators in place. There was very little research money to allow them to even approach a state of readiness to negotiate as well as to settle any specific claims made by the provinces, such as the most recent claims by British Columbia and the maritimes.

• (2150)

I could go on with a list of accomplishments but just let me say that, with the commitment now in place in the Canada Act to the recognition of treaty and aboriginal rights plus the political will shown in the allocation of needed funds to meet the priorities of the native people, perhaps we have entered a new era. Perhaps more has been done and more emphasis has been placed on the concerns of the native people in the last year and a half to two years by this government than in any other comparable period in the history of Canada.

Mr. Manly: Mr. Speaker, I rise on a point of order. I would like to ask for the unanimous consent of the House to ask one very short and important question of the minister.

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): The hon. member has sought unanimous consent and unanimous consent has not been granted.

Mr. Burghardt: Mr. Speaker, I rise on a point of order. Due to the interest shown in the minister's presentation this evening, and being a member of the standing committee I know that committee members from all three parties always welcome the appearance of the minister before the committee, I wonder whether it would be permissible, as it is nearly ten o'clock, to ask if the minister would be prepared to continue his presentation and to give his views and explain the operations of the Department of Indian Affairs and Northern Development and his involvement. I wonder if all members would agree to that?

Some hon. Members: Order.

The Acting Speaker (Mr. Blaker): I understand the point raised by the hon. member. I hear some members saying that it is not a point of order. However, it is quite acceptable practice that if an hon. member seeks unanimous consent he is given enough time during a point of order to do so. Having said that, the issue is whether or not the hon. member has unanimous consent for his proposal that the minister continue to be available for questions. Before I recognize the hon. minister I have to seek unanimous consent. Is there unanimous consent for the Minister of Indian Affairs and Northern Development to continue his participation in the debate?

Some hon. Members: No.

The Acting Speaker (Mr. Blaker): There is not unanimous consent. The hon. member for The Battlefords-Meadow Lake (Mr. Anguish) on a point of order.

Mr. Anguish: Mr. Speaker, I am rising to speak in the debate.

The Acting Speaker (Mr. Blaker): In that case, the Chair has no difficulty. I have to recognize the hon. member for Capilano (Mr. Huntington). There was an hon. member from the New Democratic Party who just spoke and I have to move to another party.

Mr. Anguish: I believe my name was on the list.

The Acting Speaker (Mr. Blaker): In due course, perhaps I could discuss the matter privately with the hon. member and explain the procedure to him.

Hon. Ron Huntington (Capilano): Mr. Speaker, it is a little difficult to pick up the shreds of a 20 minute speech when I originally had 17 minutes and now, with points or order, I have six.

Mr. Chénier: Summarize.

Mr. Huntington: I will have to. First, I come from a riding which has a very substantive native population. Indeed, I think that in terms of the global and the native community it is a very fortunate and successful community which has good self-government. I think that some wonderful Canadian citizens are coming out of the universities and other institutions who were produced by that community.

Now that the Liberal Party is so proud of the negotiations that were started by my colleague, the hon. member for Provencher (Mr. Epp), in terms of the settlement in the Penticton cut-off case, I would hope that they could now proceed with the IR No. 5 lands cut-off problem because we could not proceed with that in the thirty-first Parliament until the Penticton matter had been settled and that process of evaluation had been established.

In his address, the minister spoke rather extensively of the legal point of view. I suppose it is because of his professional background. He talks of spirt and legal intent. It is this area of communication between the Canadian community at large and the communities of our native people, particularly with the community and the Department of Indian Affairs and Northern Development, with which I have some concern. I keep repeating that Solzhenitsyn, in addressing the western world, has warned us about what we are getting into as we increasingly drift into a legalistic type of society where everything becomes dependent upon legal interpretation. As I see it, a behavioural and attitudinal problem has developed within the department that is at odds with what I have always considered to be the Canadian sense of fair play and morals and the rough give and take of the business community.

Since I have been a member I have had to deal with the economic development that has been attempted in Bella Coola where an entrepreneur builds a marine way and the Department of Indian Affairs and Northern Development builds a

marine way beside it, and neither are economic so they collapse. Another example is a hotel being built by one entrepreneur and the Department of Indian Affairs and Northern Development building another hotel, and both collapsing because of being uneconomical.

I have had to deal with the Ehattesaht matter where the department poured $5 million into a logging operation, which was a very sound economic development project for the Indian community. However, the students were paid the full trade rates in the forest industry so that within six months $5 million went down the drain and $1.7 million of receivables were lost by the industrial community around it.

If there is to be economic development in the Indian community, which I agree with the minister is their way out of many of the social and human problems they have, surely we must apply the basic rules of the marketplace and the balance sheet to that area.

I have arrived at the minister's point on legalistic terms and sense of legal intent. The minister wrote me a letter on April 29 concerning the Toussowasket problem. In my riding there is an engineering and contracting firm which has gone into receivership as a result of the legalistic games that have been played by the Department of Indian Affairs and Northern Development and the band chief in the area. Donaldson Engineering Company is a firm in my riding which has now gone bankrupt and had received a Supreme Court judgment against Toussowasket Enterprises. The minister wrote me a letter telling me to have that firm proceed, that another $300,000 had been arranged to be paid to the band, and that the FDBD receivership claim, which was prior, had been paid off, so my constituent could proceed. I went to seek legal opinion on how accurate, on a legal basis, the minister's letter telling us to proceed was. I could not believe the game had been played. Obviously, a good part of my time here has been used up to prevent me from putting on the record the disgusting game, in terms of legal technique, that has been played to avoid the settlement of a Supreme Court judgment on behalf of a contractor who had performed legitimate and complete work in the Westbank Indian Band, Toussowasket Enterprises. The band chief, with the assistance of the legal department of this government has created the shell behind which there are no assets on which that judgment can be made. It has been done in one of the most shameful ways that I have ever witnessed in a lifetime in business. I have never in my life seen such legal trickery being used. I am sorry I have to use such extreme language, but I did not have enough time to put this properly on the record of the House. If I have been extreme, it has been because of the pressure of time. I see that it is ten o'clock and my time is up.

• (2200)

The Acting Speaker (Mr. Blaker): The Chair regrets to interrupt the hon. member for Capilano (Mr. Huntington), even though the hon. member is my twin, but it is ten o'clock.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 40 deemed to have been made.

CRIMINAL CODE—REQUEST FOR SEVERER PROVISIONS AGAINST PROSTITUTION

Mrs. Céline Hervieux-Payette (Montréal-Mercier): Mr. Speaker, this week, I put a question to the Minister of Justice (Mr. Chrétien) regarding a matter that is causing some concern to a number of mayors in Canada, namely, soliciting for the purpose of prostitution. For some weeks we have been receiving letters from the mayors of various municipalities including Vancouver, Niagara and the Quebec City area, urging us to amend the Criminal Code so as to make this a more serious offence and thus enable the police to carry out more arrests.

Mr. Speaker, it is my humble opinion that our mayors are making a serious mistake if they want to use the Criminal Code in order to correct a situation that is causing traffic problems or a disturbance on the sidewalks of their municipalities. In fact, Mr. Speaker, I think we have seen that there are a number of activities that take place on municipal sidewalks and these may include selling religious objects, selling other products that are not altogether legal, such as drugs, or soliciting with a view to prostitution, and I think that if we want to use the Criminal Code to regulate all the activities that take place on these sidewalks, the Code is, in my view, sufficiently clear in this respect. In any case, in one case in Alberta, in Calgary the Westendorp case which is now before the Supreme Court of Alberta, the municipal bylaw of the city of Calgary which prohibited activities related to prostitution on sidewalks was upheld. Mr. Speaker, that is why I am opposed at this time to any changes in the legislation and in the Criminal Code. I feel that, now we have adopted a charter of rights which guarantees equal rights for women, we cannot allow this kind of discrimination, which has already been with us for too long, to continue.

Recently in this House, we tabled a report on battered women and we know what the response of some of our colleagues was in this House. Statistics also show that two thirds of working women in Canada are paid the minimum wage. Then, I ask myself this question. Why should we victimize any further these women who, whatever we may say are practising a profession as old as the world itself and which was not of their own choosing? Reports of inquiries all indicate that these women are exploited persons, that they are victims and more cruelly beaten than the others. These women are at the mercy of people who exploit them as far as drugs and money are concerned. They are the victims and we want them today to be still more victimized.

I think, Mr. Speaker, that we are shifting the problem and when I referred to the statistics provided by Statistics Canada on offences dealing with prostitution, the legislation was amended in 1972, and since 1972, I noted that there has been no dramatic change. Indeed, from 1976 to 1980, there has been a decrease in the volume of offences and I think this is merely due to the fact that the law is not enforced. Moreover, as I mentioned it to some of the mayors in connection with other activities such as pornography in public places such as theatres and elsewhere, there are no statistics on arrests, no offences reported. The number of reported offences with respect to pornography is so low that the Canadian statistics do not even take them into account. This is why, Mr. Speaker, I wanted in the first place to point out to the Minister of Justice (Mr. Chrétien) the views of several women's organizations which appeared before the Standing Committee on Justice and Legal Affairs whose proceedings unfortunately are not televised.

I think, Mr. Speaker, that we have sections in the Criminal Code that deal with indecent acts, nudity, loitering, disturbing the peace, procuring, bawdy houses. For procuring we have penalties up to 10 years, and looking at the statistics in that area, out of 1,520 charges laid, 60 males and 18 females were arrested in 1980. Where are all the people exploiting Canadian women in such distress, what did the provincial governments do? What do municipalities intend to do? I would invite all those prudish mayors and authorities, all those police officers, all the people charged with enforcing the law, to look at the Criminal Code and find out that sections dealing with these matters are already in it. Section 195.1 already deals with soliciting and arrests can be made. But let us not prohibit women from walking the streets thus increasing discrimination. This is why, Mr. Speaker, I hope the committee on justice and legal affairs and also the Minister of Justice will at least and at best maintain the section as it is. And if we have any courage, let us recommend that this House repeal that section because I feel that those who exploit that trade should be very severely punished. Our statistics should not report for a whole year in Canada only 60 cases of people convicted of such a serious offence, as exploiting. In other countries mention is made of white slavery. These things happen to young people. Currently I am told that in Vancouver, young people are involved. The Young Offenders' Act provides for severe penalties for abduction of a minor, and I wonder what provincial attorneys general are doing, I wonder what provincial authorities are doing, what police officers and judges are doing in those cases.

• (2205)

Looking at statistics I tell myself that once again we are the most victimized members of society, and it is not by changing the law or by putting teeth into it that we will correct the problem. I see that what concerns our colleagues is a case heard in British Columbia, where a police officer used as bait could not get one of those girls convicted. The facts of the case are clear, I think that the police officer simply did not do his job properly or should have been better informed, because I think that if we want to enforce the act as it is, it is very easy to do, but let us not be hypocritical and tell people that because this is a federal act and the Criminal Code, that the federal government is doing nothing in this matter when in fact the blame should be put on local authorities.

Mrs. Thérèse Killens (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, on behalf of the Minister of Justice and Minister of State for Social Development (Mr. Chrétien), I shall reply this evening to a question asked by the hon. member for Montreal-Mercier (Mrs. Hervieux-Payette), who has just spoken on the same subject. Mr. Speaker, as the Minister of Justice told the hon. member in the House yesterday, members of the Standing Committee on Justice and Legal Affairs are now considering the issue of solicitation for the purposes of prostitution. As a member of this committee, I have myself attended all the proceedings on this matter and on Bill C-53.

As the hon. member has just stated, the mayors of Vancouver, Calgary and Niagara Falls, as well as the mayor of Etobicoke, in his capacity as Chairman of the Metropolitan Toronto Police Commission, have appeared before the committee. On the one hand, Mr. Speaker, the mayor of Vancouver asks that the Criminal Code be amended. He would like the offence of solicitation not have to be qualified as insistent or persistent. He would also like the customers who solicit prostitutes to be charged, but on the other hand, the mayors of Calgary and Niagara Falls would be happy to have the problem dealt with by municipal bylaws. The mayor of Calgary even urged the members of the committee to do whatever is necessary to guarantee that these bylaws cannot be considered ultra vires.

Finally, the Supreme Court of Canada has granted authorization to appeal the issue of the legality of the Calgary bylaw, and this appeal will be heard only in September, 1982. According to the testimony, it seems that the municipal bylaws of Calgary, Niagara Falls and Vancouver deal effectively with prostitutes and their clients, whether men or women.

To my knowledge, no change in the section of the code which deals with this matter has yet been suggested to the members of the committee, in the event it should be established that this section no longer meets present needs. To conclude, Mr. Speaker, I want to remind the hon. members that the committee is still considering ways to settle this difficult issue and that it should be able to comment on it and to bring forward suggestions by next fall.

• (2210)

[*English*]

ADMINISTRATION OF JUSTICE—ROLE OF PAROLE BOARD OFFICER. (B) NATURE OF SUPERVISION

Hon. John A. Fraser (Vancouver South): Mr. Speaker, I rise tonight to speak about a very serious matter. I know all members of the House agree it is serious. I think it is appropriate for me to point out the question I raise is within the jurisdiction of the Solicitor General (Mr. Kaplan) who, and this is quite an uncommon occurrence, but one I commend, is here tonight. I understand he will be replying to my remarks. I know the Solicitor General is here because he is deeply concerned about the matter my colleague, the hon. member for Vancouver Quadra (Mr. Clarke), and I raised on Monday. It concerns the terrible case of a man named Kocurek who was convicted recently in British Columbia of the killing of a 15-year-old girl on August 2, 1981. The tragedy, and that is all that it can be described as—a terrible tradegy—is made more terrible by the fact that Kocurek was out at the time on what is called mandatory supervision.

Kocurek had been convicted of indecent assault on a four-year-old girl, but after he had served two-thirds of his sentence, he was out on mandatory supervision. As pointed out by the Solicitor General, this is a matter of law. It is very interesting that the federal authorities are reported in the press as having said that Kocurek could not have received ordinary parole because he was considered dangerous. He was denied parole, apparently, because reports said he liked to choke women during the sex act. One psychiatrist's report warned that he would kill if he went untreated. He was released on June 22, 1981, as the Solicitor General knows, after he had served two thirds of his sentence. I agree with the Solicitor General that in law that was all that could happen. He had to be released, but justice officials then warned provincial authorities and the local mental health authorities that, and I quote from a press release:

Kocurek should be carefully monitored and reports made to his parole officer.

Unfortunately and tragically, when he missed his appointment at the mental health clinic, apparently nobody told the federal authorities. Apparently the federal parole authorities were not able to keep close enough supervision on Kocurek, so his activities were not in fact monitored.

The matter of mandatory supervision has been raised before, and I want to remind hon. members that on October 29, 1981, the Solicitor General said in answer to a question in relation to mandatory supervision put by my Conservative colleague, the hon. member for Central Nova (Mr. MacKay):

When I got the study in July—

This was in relation to a study on mandatory supervision.

—I circulated it through the criminal justice constituency across the country. I indicated that I would wait until the end of October for their comments on these recommendations.

That was October of last year.

I expect to close the book on receiving comments from these groups shortly. I hope that within a few months I will be able to go to cabinet with proposals for change and for improving the mandatory supervision system.

Later, on January 27, 1982, another colleague in my party, the hon. member for Surrey-White Rock-North Delta (Mr. Friesen), raised the matter with the Solicitor General, and the Solicitor General said, as recorded in *Hansard:*

• (2215)

—and I am planning to go to cabinet shortly with proposals for change.

On June 14 the hon. member for Vancouver Quadra and I raised this matter in the House. The hon. member for Vancouver Quadra asked:

Why was Kocurek allowed to be lawfully at large, carrying a pistol and handcuffs, after failing to show up for his first scheduled visit to the mental health unit?

Then I asked:

Was there in fact a parole board officer to whom Kocurek was supposed to report? If there was, why was that parole board officer not keeping track of what Kocurek was supposed to be doing? I refer especially to his refusal to turn up at the mental health clinic? Why did no one know about this?

The Solicitor General replied:

—I would like to have the opportunity to look into that further before answering the question.

It is interesting that a paper was delivered on November 13, 1981, by Graham Stewart, the executive director of the John Howard Society of Kingston. With respect to mandatory supervision he said:

I would like to add here that in addition to mandatory supervision not being able to either offer control or substantial assistance, the report acknowledges that staff involved in the mandatory supervision are not able to identify those who are likely to be dangerous even if they could assert this control.

It may or may not be appropriate to maintain mandatory supervision—I am inclined to think that it is not—but what is certainly of importance is that as long as it is maintained in the law, and I understand the difficulties the Solicitor General has with this because it is mandatory, then surely he can do something to tighten up the so-called supervision that goes with it.

I know the Solicitor General is deeply concerned about this case and others, as are the people in the part of British Columbia in which this happened, and as are all hon. members. I would ask the Solicitor General to give us some assurance tonight that the report to which he referred many months ago will be dealt with. I know it takes time to get cabinet decisions but I hope that even before that is forthcoming the Solicitor General can give us some assurance that supervision is taking place and will continue to take place. I hope he will do more than tighten up the system, but will improve it considerably.

Hon. Bob Kaplan (Solicitor General): Mr. Speaker, I appreciate very much the kind words said about me by my hon. friend. In three short minutes I should like to talk about this case and, what is more important, about the system of mandatory supervision.

As I said I would, I have inquired into the matter and have learned that Kocurek was reporting to a parole officer. He was supposed to report every two weeks and he did. Between his reports there were telephone calls. I can assure the hon. member that if there had been any knowledge at all of the alleged facts—that he was carrying handcuffs and a fire arm with him—he would have been in violation of his mandatory supervision and it would have been suspended.

In addition, he was to report for psychiatric attention regularly. He missed one of those appearances and phoned the mental health unit to inform them that he had the flu. That may well have been true—he may well have had the flu. No further check was made into the claim that he had the flu and before any further visits were to take place, the tragic murder occurred.

A terrible dilemma is presented by dangerous offenders who are reaching the end of their sentence. The simple fact is that as they reach the end of their sentence it becomes inevitable, because the sentence is limited, that they will be on the street. The question which is presented to society and the question upon which I ask my hon. friend to reflect and upon which he will be called to vote when, shortly, I hope, tougher legislation will be introduced in connection with mandatory supervision, is do we as a society get a better handle on these dangerous offenders by having a period of time when they are on the street but still under warrant? In these circumstances they could be watched and be subject to conditions and be guided by psychiatrists, social workers and parole officers.

On the other hand, is it better to keep them in until the very end of their sentence? I wonder if the extra eight or nine months of incarceration, which is about the average, would make them less dangerous or less of a threat? Is it better to keep them in until society has no more right to claim their attention or give them direction, and then let them out cold turkey into society?

• (2220)

We have always had the theory in our country, because we have had early release for decades, that it is better to get the individual into the street for some period of time, recognizing the risks but having the benefit of being able to control and direct them. That is one of the arguments for mandatory supervision and I ask my hon. friend to reflect on that when my proposals are brought forward, which proposals preserve mandatory supervision but considerably toughen it up.

CANADIAN NATIONAL RAILWAYS—ANNOUNCEMENT OF LAY-OFFS. (B) NOTIFICATION OF UNIONS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, on May 20 I asked the Minister of Transport (Mr. Pepin) a question about the CN announcement of lay-offs in Transcona, Point St. Charles and Moncton. At that time CN announced a six to eight-week shutdown in addition to the usual summer shutdown; six on the "motive" power side and eight on the car side. Since then the lay-offs have been extended to ten weeks past the summer shutdown, thus adding to the problems of many of my constituents who work in those shops, and further compromising the role of the CN as a service and not just any other out-for-a-quick-buck business enterprise.

In answer, the minister said that it was not his policy to interfere in the day to day affairs of CN. I reminded him that he did not have any qualms about interfering in the activities of VIA Rail when he saw fit, and surely the lay-off of thousands of people could not be rightfully regarded as simply a day to day activity. Now, when he has the opportunity to do something intelligent with regard to the railways, he sits on his hands and says it is none of his business.

The fact of the matter, Mr. Speaker, is that it is his business. The CN acts upon the instructions of the government, and since 1975 has been instructed by the Liberals to make a profit at all costs. Indeed, up until 1982, it was doing just that. Then, because of traffic reduction and subsequent revenue loss—thanks in part to the economic mismanagement of the Liberals themselves—it has not made a profit and this has led to the lay-offs; not because there was no work or no future for the railway, not because there will be no need for the equipment which will go unrepaired during the lay-off, but only because they did not make a profit. In my view, this is the ultimate in shortsightedness and social irresponsibility; the kind of thing only Conservatives could be happy with. By that I mean the Tories have always wanted Crown corporations like CN to operate only according to profit and to hell with the lives of the workers.

I have nothing against an efficiently run railroad, Mr. Speaker. All railroaders want to feel they are part of an efficient and admirable enterprise. To this extent they also have been glad that the CN has redeemed itself in the public eye, even though most of its historic debt was due to inheritance rather than operating deficit. But no one is in favour of the short-term profit motive when it comes to transportation. Transportation is not a need which is going to go away; it will always be with us. The railway will always be an important part of that transportation system, especially as we move into the energy-scarce future.

The CN must be given the money it needs for capital expansion and expansion in general, but this money must not come from Canadian farmers through changes in the Crow rate, or from railway workers themselves in the form of lay-offs. It should come from general revenues as an investment by the Government of Canada in the future of this country, a future in which the Canadian National and other Crown corporations will be used as instruments of the public interest and not as isolated meaningless profit centres.

• (2225)

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am sure hon. members are aware of the facts. Faced with a first quarter loss—not a profit as the hon. member for Winnipeg-Birds Hill (Mr. Blaikie) would lead the public to believe—of $34.7 million and no immediate improvement in the economic outlook, CN Rail announced an extended close down of its three main shops, in Moncton,

Montreal and Winnipeg. The close down will be in addition to the normal four week summer break, July 12 to August 6, 1982, and will affect locomotive and freight car repair operations. Both operations will re-open October 15.

Lay-offs in the railway industry as a result of a decline in traffic have taken place before and are not considered an unusual response in times of slow economic activity. For example, in 1975, CP temporarily laid off 3,000 workers for seven weeks in the post-holiday period. In 1977, CN instituted a four-week extension to the normal holiday period for some workers.

The hon. member said that workers could be working and repairing existing equipment. At the moment, CN has 240 locomotives and 8,000 freight cars sitting idle. I am confident that CN is maintaining its fleet adequately. It is simply a case of there being fewer cars and locomotives to maintain.

Mr. Blaikie: Not all those cars are repaired. Eight thousand are waiting for repair.

Mr. Flis: I am surprised that the hon. member encouraged the minister to interfere in CN operations by directing it to cancel the lay-offs. As the minister explained to the hon. member, the role of a minister with respect to Crown corporations is to indicate general policy guidelines. It is not to dictate how many people should be laid off over what period of time. He did not say, as the hon. member mentioned tonight, that it was none of his business. That is not what he said at all. He said his role is to set policy. Why have Crown corporations if the minister is going to be involved in the day-to-day operations of these Crown corporations?

Mr. Blaikie: I am complaining about policy.

Mr. Flis: Decisions regarding lay-offs are not easy ones to take and are not taken lightly by railway management. I share the hon. member's concern for the employees affected in this difficult period. However, it should be remembered that employees with at least two years' service enjoy 80 per cent of their normal take home pay as a result of UIC payments and the provisions of their collective agreement. Employees with less than two years of service are entitled to normal UIC benefits.

The Acting Speaker (Mr. Blaker): The motion to adjourn the House is now deemed to have been adopted. This House is now adjourned until 11 a.m. tomorrow morning.

At 10.28 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, June 18, 1982

The House met at 11 a.m.

• (1105)

ROUTINE PROCEEDINGS

[*English*]

POLITICAL PARTIES

POLICY RESOLUTION PASSED BY WATERLOO LIBERAL ASSOCIATION—MOTION UNDER S.O. 43

Mr. Walter McLean (Waterloo): Madam Speaker, on Monday night at the annual meeting of the Waterloo Riding Federal Liberal Association a resolution was adopted calling on the Liberal government to abandon its high interest rate policy. Instructions were given to represent such a position at the fall policy convention of the national Liberal Party. I move, therefore, seconded by the hon. member for Provencher (Mr. Epp):

That this House urges the Liberal government to heed the words of the Waterloo Liberal policy chairman, Victor Coté, that "I don't think you have to be an economist to know there is something wrong with the current policy", and speedily introduce a new economic policy.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PARLIAMENT

CONGRATULATIONS TO PARLIAMENTARIANS CELEBRATING TWENTIETH ANNIVERSARY—MOTION UNDER S.O. 43

Mr. Charles Turner (London East): Madam Speaker, I wish to move a motion under the provisions of Standing Order 43. On June 18, 1962, the people of Canada elected four Liberal members under the leadership of the Right Hon. Lester B. Pearson, and one NDP member. These five members continue to serve the House of Commons on behalf of the people of Canada. They are the hon. member for Windsor West (Mr. Gray), the hon. member for Beauharnois-Salaberry (Mr. Laniel), the hon. member for Hamilton East (Mr. Munro), the hon. member for Essex-Windsor (Mr. Whelan), and the hon. member for Winnipeg North (Mr. Orlikow). Therefore I move, seconded by the hon. member for Mission-Port Moody (Mr. Rose):

That this House sends its congratulations to these Members of Parliament, wishes them good health and happiness, and prays that they may continue to serve the people of Canada and the House of Commons for many years to come.

Some hon. Members: Hear, hear!

Madam Speaker: The hon. member for Calgary West (Mr. Hawkes).

* * *

THE DISABLED AND THE HANDICAPPED

EQUALITY IN WORK PLACE—MOTION UNDER S.O. 43

Mr. Jim Hawkes (Calgary West): Madam Speaker, last evening, because of the leadership and dedication of the hon. member for Brandon-Souris (Mr. Dinsdale), the proposed new National Training Act was amended in committee to provide equality of opportunity for handicapped people in federal training programs. Therefore I move, seconded by the hon. member for Hamilton-Wentworth (Mr. Scott):

That this House instructs the government to bring forward new initiatives that will ensure equality of opportunity for handicapped people in the work place.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PARLIAMENT

ANNIVERSARIES OF TWO NEW DEMOCRATIC PARTY MEMBERS—MOTION UNDER S.O. 43

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I do not think my motion will have any trouble receiving unanimous consent. This is an important day for two distinguished members from the city of Winnipeg in addition to those mentioned by the hon. member for London East (Mr. Turner). The hon. member for Winnipeg North Centre (Mr. Knowles) is 74 today, and his outstanding record of service is widely known and admired. The hon. member for Winnipeg North (Mr. Orlikow) today celebrates his twentieth year, as noted earlier, as a Member of Parliament, crowning a career which includes being a member of a school board, being on a city council, and being an MLA. I therefore move, seconded by the hon. member for Brant (Mr. Blackburn):

That this House offers both these gentlemen congratulations and best wishes on this important day in their lives.

S.O. 43

Some hon. Members: Hear, hear!

Madam Speaker: The hon. member for Cowichan-Malahat-The Islands (Mr. Manly).

* * *

INDIAN AFFAIRS

STATEMENT MADE BY MEMBER FOR PEACE RIVER—MOTION UNDER S.O. 43

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, yesterday in his speech the hon. member for Prince George-Peace River (Mr. Oberle) said, and I quote from page 18561 of *Hansard:*

—in British Columbia responsible native political leaders have been starved out and the department has purchased itself the kind of help from among the Indians who may be prepared to sell out their brothers and sisters for their own selfish gain. They will no doubt be the representatives at the conference.

This is a slur on many responsible Indian leaders in British Columbia, and particularly on Chief James Gosnell, who was elected by the Aboriginal Peoples Constitutional Conference in British Columbia to be the spokesman for British Columbia Indians at the constitutional conference. Chief Gosnell is a fighter for his people and is not the kind of person—

• (1110)

Some hon. Members: Order.

Madam Speaker: Order, please. Is the hon. member making a speech or presenting a motion?

Mr. Manly: Madam Speaker, I move:

That the House give the hon. member for Prince George-Peace River unanimous consent to rise in his place at the earliest opportunity and withdraw the remarks and apologize to the Indian people of British Columbia and to their leaders.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE MINISTRY

THE MINISTER OF FINANCE—MOTION UNDER S.O. 43

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, under the provisions of Standing Order 43, and seconded by the hon. member for Calgary West (Mr. Hawkes), I move:

Given the fact that the salary of the Minister of Finance now stands at $102,100, which means that at 25 cents a throw he can play 408,400 video games of Pac-Man, and since this could take several years of the minister's time, that we all send the man packing.

[*Translation*]

THE ECONOMY

REQUEST THAT MINISTER OF FINANCE EXPLAIN CURRENT SLUMP—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, whereas the dollar has reached its lowest level since Confederation, and interest rates have reached their highest level in many months, I move, seconded by the hon. member for Waterloo (Mr. McLean):

That the Minister of Finance (Mr. MacEachen) explain to the House how he has managed to have a dollar that is so devalued, interest rates and unemployment that are so high, and galloping inflation, all at the same time, something economists have never seen before.

Madam Speaker: Is there unanimous consent for presentation of this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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[*English*]

ENVIRONMENTAL AFFAIRS

SUGGESTED REACTIVATION OF SUBCOMMITTEE ON ACID RAIN—MOTION UNDER S.O. 43

Mr. Derek Blackburn (Brant): Madam Speaker, I too rise under the provisions of Standing Order 43 to present a motion on a matter of urgent and pressing necessity. In view of the fact that negotiations with the United States with respect to acid rain have collapsed almost totally, and whereas the lacklustre and ineffectual performance of the Minister of the Environment has contributed to a considerable degree to this failure, I move, seconded by the hon. member for Mission-Port Moody (Mr. Rose):

That the minister immediately reactivate the subcommittee on acid rain, a request the committee members themselves made many months ago, so that the committee can continue its discussions on acid rain with its United States political counterpart where progress was being made last year before its work was abruptly terminated by the government.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE MINISTRY

THE MINISTER OF FINANCE—MOTION UNDER S.O. 43

Mr. Albert Cooper (Peace River): Madam Speaker, whereas all things that come from on high are not necessarily good for one's health, I move, seconded by the hon. member for Okanagan North (Mr. Dantzer):

That if the Minister of Finance is out walking on Parliament Hill today, he keep his head up so that he does not get run over by a falling truck.

Some hon. Members: Oh, oh!

Madam Speaker: Oral Questions.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

PRIME INTEREST RATE

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is for the Minister of Finance. Would he explain to the House why Canada has to live with a 18.25 per cent prime rate, a rate higher than such countries as Japan, Switzerland, Holland, the United Kingdom, West Germany, France, the United States and Belgium—indeed it is twice the rate of places such as Singapore or Spain—bearing in mind the havoc it is wreaking on millions of Canadians from coast to coast?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think the hon. member is quite aware of the trends of the last short period which have resulted not only in pressure on the Canadian currency but also in a very regrettable rise in the prime bank rate yesterday. Short-term interest rates have been strengthening in the United States. That has an impact on Canada. The United States currency has strengthened against the Canadian dollar and against all currencies. That is the explanation why, at the present time, the Canadian currency and the Canadian prime rate have been affected.

EXCHANGE VALUE OF DOLLAR—LEVEL OF RESERVES

Hon. Sinclair Stevens (York-Peel): Madam Speaker, I have a supplementary question for the Minister of Finance. The minister must be aware of the fact that today our dollar touched the low of 77 cents in relation to the United States dollar. That is 7 cents below where it was when the minister introduced his budget last November. The minister has lost $1.4 billion in our foreign exchange fund so far during the month of June defending the dollar. This is at the rate of $100 million for every business day. Would the minister indicate to the House what exactly his strategy is with respect to the Canadian dollar? How does he intend to recover those lost reserves? Is the minister going to back into the lines of credit that were established, or sell off gold that we now hold?

• (1115)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think the expression used by the hon. member when he described the use of reserves was that they were being lost. The expression has also been used in the House that these reserves have been spent.

Mr. Lawrence: It is a hemorrhage.

Mr. MacEachen: The hon. member knows that what happens is that American dollars are transferred and converted into Canadian dollars. These are added to the cash balances of the Government of Canada. There are no funds lost. There are no funds spent. American dollars are converted into Canadian dollars. I believe that is a very important point for the hon. member to understand.

GOLD RESERVES

Hon. Sinclair Stevens (York-Peel): Madam Speaker, I have another question for the Minister of Finance who must be aware of the fact that he began this month with reserves of approximately $2.8 billion. He is now left with approximately $1.3 billion in reserves. How does the minister intend to replenish that loss of funds? Does he intend, as is rumoured, to continue selling off gold, or does he intend to back into lines of credit? Would the minister inform the House whether he is going to try to clear the picture by finally bringing in a new budget at the earliest opportunity so as to get some certainty back into the Canadian business community?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, it is not the intention of the Government of Canada to sell off its gold reserves. As I believe the hon. member knows, my predecessor had established a practice of selling off, as appropriate, certain amounts of gold reserves.

Mr. Gamble: That is good advice.

Mr. MacEachen: But that has not been the practice in an effort to iron out fluctuations in the Canadian dollar. We do have standby lines of credit with the banks and we draw on these as required. I believe the hon. member will agree with me that the use of these reserves for the purposes indicated does not represent a loss. It does not represent an expenditure. It represents a transfer of American currency into Canadian dollars which are added to the cash balance.

Mr. Stevens: Is it a good thing?

Mr. MacEachen: The hon. member is attempting to create the impression that these funds are in some way lost and have vanished into thin air, but that is not the case.

LEVEL OF INTEREST RATES—GOVERNMENT POSITION

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is also for the Minister of Finance. The average Canadian is so angry at the minister's economic policies that one of them has come to Parliament Hill and placed a truck on a crane outside this chamber right now. The reason, of course, is the increase in interest rates, which means that Canadians

renewing their mortgages may be paying between 19.25 per cent to 20.25 per cent, and owners of small businesses, like the man outside with the crane, will be paying between 19.75 per cent and 22.25 per cent on loans just to stay in business. A major retailer in Vancouver, Margetson-Lee, is going under. What answer does the minister have to give to these businessmen and Canadians? How can he reconcile these latest increases in rates with his promise made to the House on June 1 that he proposed to do everything possible to bring interest rates down?

• (1120)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, it is the intention of the government to do everything possible to bring down interest rates. There are various proposals which are being made to bring down interest rates that, in my view, would be more damaging to the Canadian economy than the present situation. I have noted that the Right Hon. Leader of the Opposition on one or two occasions was asked with respect to the inter-relationship between the Canadian and the American dollar and between Canadian and American interest rates, and that he himself acknowledged that he had not found a different way of handling the problem.

Mr. Clark: That is a falsehood.

Mr. MacEachen: I hope, if hon. members have a different way, or have an alternative, that they will bring it forward.

REQUEST THAT BUDGET PROVISIONS BE WITHDRAWN

Miss Pat Carney (Vancouver Centre): Madam Speaker, my supplementary question is directed to the Minister of Finance. While he tells Canadians to abandon hope, our alternative, as he requested, is for him to abandon his budget.

A special government survey of business investment intentions for 1982 indicates that for the first time in 14 years there may be no real increase in business investment and that investment plans for the year are down 5 per cent in the last six months. The minister knows that the reason for this drop in investment is because of the hostile environment created by his budget provisions. How can he justify his delay in withdrawing those measures in the budget which are creating the depressed economy?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I once again disagree totally with the hon. member's premise. The hon. member has the very false idea that the recession through which Canada is going at the present time is somehow related to the tax measures of the last budget.

Some hon. Members: It sure is.

Mr. MacEachen: If she pursues that line of logic, she might explain how these tax measures could affect the United States, how they could affect West Germany, or how they could affect every European country. Could she explain how the tax measures in the Canadian budget have brought about 30 million unemployed in the OECD area? Her questions and her analyses are so amateurish that they hardly deserve a reply in the House of Commons.

REQUEST THAT INCREASE IN PRIME RATE BE HALTED

Hon. Edward Broadbent (Oshawa): Madam Speaker, when it comes to running the financial affairs of the country, the Minister of Finance is the last person in Canada who should call anyone else an amateur.

The Government of Canada has had the brilliant policy of favouring a perpetual rise in interest rates as a means of artificially propping up the dollar. As every Canadian knows, that has not worked to keep the dollar up, but it has worked in the destruction of businesses and jobs. Considering that since the Versailles meeting alone the prime rate has gone up a full 1.25 per cent and that, as a result, with understated figures, 1,000 businesses are likely to go right out of business and 25,000 more men and women will likely lose their jobs when those businesses disappear, will the Minister of Finance take immediate steps to ensure that there will not be another rise in the prime rate in Canada?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member asks that the government take immediate steps to prevent a further rise in the prime rate. I assure him that no one regrets more the increase in the prime rate at the present time.

• (1125)

I want to assure the hon. member that, rather than favouring an increase in the prime rate, and rather than favouring an increase in the bank rate, the government and the Governor of the Bank of Canada have done everything possible under the circumstances to prevent a further rise in the Canadian bank rate, and subsequently in the Canadian prime rate. The hon. member can be assured that we are doing everything possible to prevent these increases. But I do not believe that there is an alternative policy to be employed in the present circumstances that would not have the effect, in a very short time, of putting additional pressure on current interest rates in Canada. I wonder if the hon. member believes that it is possible for this country to insulate and isolate itself, in a sense, from all the market forces in other countries. That is the alternative policy that he must have deep in his mind when he asks a question like the one he just asked a moment ago.

Mr. Broadbent: I have no such empty-headed isolation policy in mind. The minister has already heard in the House today that there are least a half dozen countries, and many more industrial countries, that have interest rates which are substantially lower than our interest rates that are due to the interest rate policy pursued by the Government of Canada.

REQUEST FOR CHANGE IN GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Madam Speaker, considering that other countries are able to have lower interest rates, not simply because they do not have the same proximity to the United States as we do, but because they primarily have sound economic policies provided by their governments for their people to create business confidence, why does the Minister of Finance not duplicate that? In short, why does he not announce that there will be a major new direction in government policy in Canada by the end of next week at the latest, and restore some international confidence in the Canadian economy?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member is correct in saying that there are some countries that have lower prime rates than Canada. The two notable cases which he could bring to mind, of course, are Japan and the Federal Republic of Germany.

The reason in both cases is that they have been able to establish inflation rates much lower than Canada's. The hon. member knows that, and must understand that it is a basic fact of life. Further to that, he understands as well that there is quite a difference in the relationship between Canada and the United States. The size of our trade account and the size of our capital flows with the United States are very large indeed in comparison to any of these other countries.

We have benefited in the past from our economic relations with the United States. We have benefited from that very large market, and in these circumstances we are being harmed by that very same source because of the extraordinarily high real interest rates in that country and the impact that this has on our capital markets and on our currency. That is the point that has to be understood. These rates in the United States, as Mr. Brock said this past week, are tragically high. They are holding back recovery in the United States and in Canada. That is the difference between our situation and that of the other countries to which the hon. member makes reference.

ROLE OF RESEARCH AND DEVELOPMENT

Hon. Edward Broadbent (Oshawa): Madam Speaker, since the two points that the minister has just made are indeed inextricably related and should show the Government of Canada the reason for change, I would ask him to consider that it is true that West Germany and Japan have had lower inflation rates but the reason for this is that they have had an industrial manufacturing strategy policy for years which has emphasized research and development. They have put emphasis on creating a first rate manufacturing sector. Why does the Government of Canada not duplicate that instead of selling off resources, getting us into more debt in the short run in that line?

Second, considering the minister's reference to the United States, I, too, agree with what he said. We have carried on major trading with the United States, but considering that that trade has resulted in massive, billion dollar deficits with the United States in manufacturing goods, which has caused the drain on the dollar, why does the Government of Canada not move to redress that imbalance which would produce a better value for the Canadian dollar and more jobs for Canadians?

• (1130)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker—

Mr. Nielsen: Do you understand the question?

Mr. MacEachen: Madam Speaker, the hon. member has raised a number of points—

Mr. Broadbent: Yes, in reply to yours!

Mr. MacEachen: —and I have no complaint about that. I believe the hon. member has accepted a good part of my analysis of the situation.

Mr. Broadbent: But want some action to get out of it.

Mr. MacEachen: Madam Speaker, yes, he has related a better performance in the Federal Republic of Germany, for example, to its insistence or emphasis on research and development, as I understood the question. I have no intention of dismissing that as an important factor, because the Government of Canada is also placing a very strong priority on research and development.

Some hon. Members: Oh, oh!

Mr. Broadbent: Who are you kidding?

Mr. MacEachen: But when I listened to the Chancellor of the Federal Republic of Germany at the Summit, a friend of the hon. member for Oshawa—

Mr. Lawrence: And of your own Prime Minister.

Mr. MacEachen: —his explanation, as I understood it, for the strong performance in the Federal Republic of Germany at the present time was the restraint demonstrated by the trade unions in their wage settlements.

Some hon. Members: Hear, hear!

Mr. MacEachen: I think it is worth telling the hon. member, in the interest of dialogue, that the Chancellor pointed out to us that the largest industrial union in the world, the German Metalworkers, recently made a settlement lower than the rate of inflation in an effort to bring the rate of inflation down further, in that country. But I believe that is a very important element in any economic policy. I ask the hon. member, does he subscribe to the belief that in the present circumstances wage settlements and income demands, not just those of workers but of those in all sections of society, including managers, executives and businessmen, in order to get us out of this difficulty, ought to be restrained and that those people

should reduce their income demands upon the economy? Does he agree with that?

Some hon. Members: Hear, hear!

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

Mr. Clark: Madam Speaker, I will wait until the Minister of Public Works has finshed having his nervous breakdown before I put my question.

Some hon. Members: Oh, oh!

Mr. Cousineau: How low can you get, Joe?

* * *

NATIONAL ENERGY PROGRAM

REQUEST FOR WITHDRAWAL

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, we have just heard the Minister of Finance referring once again to policies in countries other than Canada and refusing to address the urgent need for his government to act in a way which will solve problems which his government has created here in Canada. A moment ago he said that his government wants to do and is doing everything possible to prevent increases in interest rates in this country. He knows that the National Energy Program is driving investment out of this country which could create jobs, investment which must earn high interest rates in order to be kept here or be brought back. Why, then, if he is doing everything possible, will he not withdraw or change the National Energy Program?

Some hon. Members: Hear, hear!

Mr. Lalonde: It is supported by all the provinces.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has raised the question of the National Energy Program and has asked us to withdraw the program as a way of helping the current situation. The National Energy Program is an essential part of the policy of this government—

Some hon. Members: Hear, hear!

Mr. MacEachen: —because we believe that it is essential that Canadians get greater ownership and control of this strategic sector of our economy. That is our belief, and the right hon. gentleman—

Mr. Andre: Why are you putting the boots to the Canadian-owned companies then?

Mr. MacEachen: —is entitled to have a different view, but that is the view of the Government of Canada.

Recently the Minister of Energy, Mines and Resources did make—

Mr. Lawrence: You want government control, not Canadian control.

Mr. MacEachen: —some very important adjustments in order to assist this industry and in order to provide a greater cash flow for the various firms in the industry. That is our attitude. We are prepared to make adjustments as a result of changing circumstances, but we are not prepared to withdraw the National Energy Program.

Some hon. Members: Hear, hear!

Mr. Lawrence: And you are wrong!

* * *

FINANCE

REQUEST FOR WITHDRAWAL OF BUDGET MEASURES

Right Hon. Joe Clark (Leader of the Opposition): The Acting Prime Minister, the Minister of Finance, knows that his program has bankrupted Canadian energy industries and has aided only the Arabs. But the point we are making here is that he has just solemnly said that he is prepared to do everything possible to prevent high interest rates. It is absolutely 100 per cent clear that the National Energy Program is driving away investment and that we must use high interest rates to bring investment back here. If he were telling the truth about wanting to bring interest rates down, he would get rid of the National Energy Program because it is driving interest rates up. That is absolutely clear.

Some hon. Members: Hear, hear!

Mr. Clark: He says that he wants to do everything possible to bring interest rates down. He has brought in a budget, the effect of which has been to drive investment out of this country and to undermine investor confidence which must be restored by high interest rates. If he wants to do everything possible to decrease interest rates in this country, why will he not withdraw those provisions of his budget which are causing increases to interest rates in this country? If he wants to be believed and wants us to think that he is telling the truth—

Some hon. Members: Question.

Mr. Clark: —why will he not withdraw those measures of his government which are causing interest rates in Canada to go way up?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I want to tell the Right Hon. Leader of the Opposition that there are no such measures in the budget which are causing—

Some hon. Members: Oh, oh!

Mr. Andre: Read it, for goodness' sake!

Mr. MacEachen: —interest rates to be sent way up, as the Leader of the Opposition puts it. There are no such measures. The Leader of the Opposition knows that, because he cannot specify such measures.

IMPACT ON INTEREST RATES

Right Hon. Joe Clark (Leader of the Opposition): Just so that I can be clear and the people of Canada can be clear—

Some hon. Members: Oh, oh!

Mr. Clark: —I would like to ask the minister another question. We know that it is not the position of at least 27 members in the Liberal Party who have attacked the budget and the national energy policy because of their effects on creating unemployment in Canada and driving interest rates up, but just so that we have some understanding of the extent of the ignorance and naivete of the Minister of Finance—

Some hon. Members: Oh, oh!

Mr. Clark: —is he telling the House of Commons that the National Energy Program has no effect on Canadian interest rates and that the budget he brought in has no effect on Canadian interest rates? Is that what he is telling us?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): What I am telling the Leader of the Opposition is that the specific measures in the budget have not had and do not have the effect of sending interest way up in Canada.

Some hon. Members: Oh, oh!

Mr. MacEachen: When the Leader of the Opposition wants to mention specific measures that he has in mind which are having the effect of sending interest rates up, then I will consider them. He is unable to do it, and if he refers to naivete and ignorance of economic policy, I do not think that there is a better demonstration than that given by him every time he rises to ask a question on the economy.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

MEASUREMENT OF IMPACT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I am prepared to take such glimmers of progress as we can find. The Minister of Finance has changed his position again. He said that the government is not pushing interest rates way up. Is he prepared to concede that this budget policy and his energy programs are pushing interest rates a little bit up in Canada?

Some hon. Members: Oh, oh!

Mr. Clark: If he is prepared to accept the reality that they are, and if he wants to be believed when he says that he is doing everything possible to bring interest rates down, will he change those provisions of his policy which he indicates are pushing interest rates a little way up in Canada?

Some hon. Members: Hear, hear!

• (1140)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have not made any such indication. I have asked the Leader of the Opposition for the third time to specify the specific items in the budget that he believes are sending interest rates way up. For the third time he has failed to do so, and he has failed to do so because he does not know.

Some hon. Members: Hear, hear!

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THE ECONOMY

GOVERNMENT POLICIES

Hon. Don Mazankowski (Vegreville): Madam Speaker, surely the Minister of Finance should recognize by now that his economic policies have produced the worst of all possible worlds. Through his economic policies he has created crippling interest rates, destructive inflation, higher unemployment, no growth, no confidence in the economy, and a disaster for the Canadian dollar. Furthermore, he has caused farm bankruptcies and business bankruptcies to reach an all time high. How long does the minister intend, as Minister of Finance, to pursue these destructive policies which are destroying the economic fabric of Canada?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, when the hon. member wants to ask a question rather than make a series of rhetorical statements, I will be pleased to answer his question. I do not intend to get on to this kind of rhetorical trend that the opposition is using when its members really cannot put together concrete specific questions.

DOME PETROLEUM—GOVERNMENT POSITION

Hon. Don Mazankowski (Vegreville): Madam Speaker, in addition to the record number of business failures, small business failures, and farm bankruptcies, we now know that on the horizon there is a number of big name bankruptcies looming, and specifically Dome Petroleum. May I ask the Minister of Finance if the government is considering any kind of a bail-out provision for Dome Petroleum and, if so, what is it? Has he had any discussions with the Minister of Energy, Mines and Resources, or are we simply going to ignore the small business enterprises and bail out some of the pets of the Government of Canada?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): I thank the hon. member for ending his statement with a question. The answer to that question is no.

* * *

SMALL BUSINESS

GOVERNMENT PURCHASING POLICIES

Mr. David Orlikow (Winnipeg North): Madam Speaker, I wish to direct a question to the Minister of Finance. Governments, both federal and provincial, have been urging Canadian business to concentrate more on new fields such as microelectronics and high technology. Given the fact that the Canadian government and provincial governments are amongst the highest purchasers of these kinds of products, given the fact that small business in Canada is almost 100 per cent Canadian owned and provides 60 per cent of all the jobs in Canada, and given the fact that in the United States 30 per cent of all government purchases are specifically directed to small business, would the government give consideration to adopting that kind of policy, so that small business which is facing increasing difficulties and thousands of bankruptcies—would be able to survive in the difficult period we are experiencing?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the question is directed to me. It seems to be a question more clearly directed to the Minister of Industry, Trade and Commerce, but I will take notice of the question on his behalf because it has to do with policy.

REQUEST FOR ASSISTANCE MEASURES

Mr. David Orlikow (Winnipeg North): This is a supplementary, Madam Speaker, to a question asked a few moments ago by one of the Conservative Party members. In testimony before the Finance, Trade and Economic Affairs committee which has been looking into bank profits, it has become apparent that our Canadian banks have been very ready to make very large loans to large Canadian corporations for takeover purposes, loans which these companies have not been able to repay, and on which very frequently they have not even been able to meet the interest payments. At the same time Canadian banks have been calling in loans of small businesses, increasing the demand for collateral, and have been forcing, as the minister knows, close to 5,000 small businesses this year into bankruptcy. Can the minister say what specific steps, if any, he is going to propose to alleviate the difficulties of the small business community; or are we to except, not 10,000 bankruptcies, which we will have at the present rate, but possibly 15,000 bankruptcies by the end of 1982.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member had based his question on evidence which he alleges was presented before the Standing Committee on Finance, Trade and Economic Affairs. I am pleased that the committee is studying all these questions. When the committee reports, which I hope will be very soon, I will be pleased to consider any specific recommendations which its members propose with respect to the operation of the banks and the practices which they follow in making loans. If the committee recommends legislative changes to the Bank Act, based upon the evidence, then of course that would also be considered by the government.

* * *

THE ECONOMY

STATEMENT MADE BY SENATE GOVERNMENT LEADER

Mr. Vince Dantzer (Okanagan North): Madam Speaker, my question is also directed to the Minister of Finance. The minister may know that in the last week of May, Liberals in the province of British Columbia held a convention. He may know also that several of his colleagues in the cabinet, also attended that meeting and that among them was the government leader in the Senate. The *Vancouver Sun* dated May 29 quotes that person as saying the following:

> The federal government has major initiatives up its sleeve designed to revive the economy and create jobs—

Did the Government—and you will remember that this was before the congress at Versailles—on May 28 have major initiatives up its sleeve, to revive the economy and create jobs, while still controlling inflation?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, there are lots of things up one's sleeve. The important thing is when they are taken out.

QUERY RESPECTING CABINET POLICY

Mr. Vince Dantzer (Okanagan North): Madam Speaker, I would hope that the Minister of Finance would shake his sleeve and tell the 1.2 million unemployed what major initiatives he has, and this government had on May 28 of this year. Otherwise, can he explain to this House if it is a policy of this cabinet, in which he is the Acting Prime Minister, to allow ministers to flim-flam the people of western Canada and mislead them by double-talk and double-think?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have not seen the statement to which the hon. member refers. I have not discussed the matter. I will be pleased to look into the source of the hon. member's information. I would tell him in reply to his interest that, as I indicated earlier in the week, I intend to be making a statement to the House. Whatever is up the sleeve or out of the sleeve will be disclosed at that time.

Some hon. Members: Hear, hear!

AUTOMOTIVE INDUSTRY

EFFECT OF CAPITAL COST ALLOWANCE ON CAR RENTAL FIRMS

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, my question is directed also to the Minister of Finance. In the minister's budget of November 12 he reduced the capital cost allowance on automobile rentals from 30 to 15 per cent. Since that time he has rescinded part of that directive and has actually increased the capital cost allowance on daily rentals. I suppose that would include people such as Hertz and Avis. He has increased it to 40 per cent. At the same time he left the automobile dealers of this country, who lease cars, at the original 15 per cent rate. Will the minister, in order to correct this obvious imbalance which he has created, make an announcement in his economic statement to correct this double standard and give the automobile dealers of Canada who lease cars the same advantages as are given to the daily renters?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, if the hon. member can convince me that I have created a serious imbalance, or that I have applied a double standard, then of course I would be pleased to consider his representations. I do not believe that either has happened, that there is an imbalance or that there is a double standard in application.

REQUEST THAT MINISTER TAKE ACTION

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, I do not know what we have to do to convince the minister that there are problems facing small business in this country. One of the problems is that of the small businesses and the car dealers who lease cars. If a car dealer in Canada leases 400 cars at 15 per cent capital cost allowance, he stands to lose $67,000 in the first year. Now Statistics Canada tells us that car sales in Canada are at a ten-year low. The car dealers of Canada, Madam Speaker, do not need this Minister of Finance. They wrote to him on March 6, they have telephoned him numerous times since then, and they have yet to get an answer from the Minister of Finance. My supplementary to the minister is very simple: just what does he propose to do to correct this screw-up he has created?

• (1150)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, as I said to the hon. member, if he has a serious proposal to make and if he wants to demonstrate that there is an imbalance or a double standard, I would be pleased to listen to him, but in his question he has cited some statistics which I do not believe are correct or will stand up under examination.

Mr. Bradley: Read your mail, Allan.

Mr. MacEachen: If the hon. member wants to demonstrate that he has a case, I wish he would do so and not rely, as is the custom every day in the House of Commons, on rhetorical and abusive language in order to make a point.

FINANCE

AUTHORITY TO DISPOSE OF TAXPAYERS' PROPERTIES

Mr. Bill Kempling (Burlington): Madam Speaker, I have a question for the Minister of National Revenue. In the budget papers of November 12 last, it is stated that the minister may acquire and dispose of any interest in a taxpayer's property that the minister is given the right to acquire in legal proceedings or under a court order. What is the dollar amount which would trigger the Department of National Revenue's seizing a taxpayer's home and selling it from under him, and what is the status of such a seizure if an objection or an appeal has been registered and has not been heard?

Hon. William Rompkey (Minister of National Revenue): Madam Speaker, as far as I know the department does not actually get involved in seizing homes. There have been more instances in which, if all efforts to come to an agreement with the taxpayer have been exhausted, we obviously apply to the courts for the moneys that are owing to us. The sheriff in such a case would take whatever course of action is open to him under provincial law. However, to my knowledge there are no cases in which the Department of National Revenue has seized and sold homes. If indeed the member has a specific case he wants me to look into, I would be glad to do that.

Mr. Kempling: Madam Speaker, I am trying to prevent specific cases. I am wondering why this is in the act.

Mr. Lalonde: Hypothetical.

Mr. Kempling: No, it is not hypothetical. The government has the power under the Income Tax Act to seize and sell chattels. It has the power to garnishee wages. It has the power to seize and sell assets, and the power to seize a taxpayer's bank account.

REASONS FOR DEPARTMENTAL POWERS

Mr. Bill Kempling (Burlington): Madam Speaker, I want to ask the minister why he is seeking the power to seize and dispose of a taxpayer's home. How much power does he want?

Hon. William Rompkey (Minister of National Revenue): Madam Speaker, we do not want, need or request any more power than we have at the present time, I know of no instances in which homes have been seized or sold by the Department of National Revenue.

Mr. Kempling: Why is it in the budget?

Mr. Rompkey: I do know that in some cases it is proper for the department to put liens on bank accounts and to extract moneys from bank accounts; that is, proper under the law.

Mr. Clark: Why are you seeking new power?

Mr. Rompkey: I know of no cases in which homes have been seized and sold. If the hon. member has evidence of that, I would like to hear from him.

Mr. Clark: Read your budget. Maybe you missed the last two pages of the budget.

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WORLD ASSEMBLY OF FIRST NATIONS

QUERY RESPECTING GOVERNMENT SUPPORT

Mr. Simon de Jong (Regina East): Madam Speaker, I wanted to address my question to the Secretary of State, but he is not here. The Minister of Indian Affairs and Northern Development and his parliamentary secretary are not here. I would like to address my question to anybody in the government who might be able to answer it. It is an important question, and time is running out.

My question concerns the type of government support that will be made available to the World Assembly of First Nations which will be held in Regina next month. This Assembly will attract indigenous people from all over the world. Thousands of people are expected to attend this event. Entertainers, and the international press will be there. On March 9, I wrote to the Prime Minister asking what type of support the assembly will be receiving from the federal government, but as yet I have not received a response. It is important that we are informed, because many people will be coming to Regina. There is a shortage of facilities in Regina. The organizers need some assistance from the government. Is the government prepared to say at this time whether it will be supporting the assembly?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, the decision taken on that matter by the government is that the Assembly should be supported out of the regular budgets and existing programs of the various ministries. I can inform the hon. member, for example, that the RCMP has been invited to play a support role at that Assembly and that the force is delighted to do so.

REQUEST FOR ASSISTANCE

Mr. Simon de Jong (Regina East): Madam Speaker, it is good to know that the government is willing to provide assistance in the form of RCMP officers, but is the government also willing to make assistance available in the form of providing accommodation, food, and health services to the 25,000 or 30,000 people who are expected to descend upon Regina next month? It is good to have police there if problems do arise, but what about some assistance to prevent problems from occurring?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, the police role to which I refer is not one of crowd control. It is participation in the event. The RCMP will be doing that because it was requested to do so.

With respect to the larger question, the support that will be forthcoming from the government will be limited to that which can be provided by departments out of existing budgets and existing programs.

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HOUSING

MINISTER'S POSITION

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, I have a question for the Minister of Finance. What words of encouragement and what hope can the minster give young people in Canada who wish to own their own homes?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, when young people in Canada address inquiries to me directly, I will be pleased to respond, but I will not attempt to provide advice and responses through the hon. member. He has a responsibility also to provide whatever advice he is asked for.

Mr. Lawrence: Our advice is for you to get out.

PROPERTY TAX DEDUCTIBILITY PROGRAM—GOVERNMENT POSITION

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, the minister knows very well downpayments are not the problem. The problem is carrying charges. The minister will be making a financial statement. Is he considering a mortgage interest and property tax deductibility program to get the construction industry out of the doldrums it is in today?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, if the hon. member is referring to the mortgage and tax deductibility program introduced in this House by my predecessor, I think the answer quite clearly is no.

Mr. Hnatyshyn: Only in Saskatchewan you say.

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AIRPORTS

USE OF MIRABEL FOR ATLANTIC CANADA ROUTES—GOVERNMENT POSITION

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, my question is directed to the Minister of Transport. I would like to know if he is still planning to divert flights which might affect Atlantic Canada or travellers to and from Atlantic Canada to Mirabel and, if so, has he consulted the various ministers of transport, the Atlantic Provinces Transportation Commission, the chambers of commerce of Atlantic Canada, or any others who might give advice on this matter respecting the cost and difficulty involved in any such transfers of flights?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I know my hon. friends opposite try these days to

invent all kinds of questions having to do with Mirabel, but we have never had such intentions, so consequently I cannot comment further.

Mr. McCain: Madam Speaker, I hope that means the minister has abandoned the idea of transferring any flights within Canada to Mirabel.

COST OF GROUND TRAVEL BETWEEN DORVAL AND MIRABEL

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, if the minister is still considering this, which apparently he is, has he given any consideration to the cost which will be imposed upon the traveller who arrives in Montreal on a flight diverted to Mirabel and who may connect with Atlantic Canada? Conversely, has he given any consideration to the additional cost in terms both of time and money which will be involved for flights connecting from Dorval to Mirabel to other points of destination?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, this question is very elementary. We investigated all possibilities, as I said, and at all times we had the interests of the carriers, the interests of travellers, and the interests of governments in mind. We were looking at all costs that any of the scenarios previously described would incur. The question is really a basic one. We looked at all possibilities. We looked at all factors.

* * *

THE ECONOMY

DEFINITION OF DEPRESSION

Mr. Arnold Malone (Crowfoot): Madam Speaker, my question is directed to the Minister of Finance. Bearing in mind that the inflation rate is unacceptably high, that bankruptcies in the country are running rampant, that our dollar is at a record low level, and that the number of unemployed is the highest ever, would the Minister of Finance, who has used—today and frequently—the words "recession", tell us what is his definition of a depression? Most Canadians losing their businesses and homes consider this to be a depression.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do not have a definition of a depression because I do not think we are in a depression.

• (1200)

Mr. Malone: Madam Speaker, perhaps I can help the minister by telling him that psychological depression is listening to an answer given by the Minister of Finance. An economic depression is receiving the results of actions taken by the Minister of Finance.

HIGH INTEREST RATES

Mr. Arnold Malone (Crowfoot): May I ask the Minister of Finance more specifically what is the reason that we have a program of high interest rates if the result of such a program is for farmers, fishermen, businessmen and investors in the country to lose their businesses? What advantage is that to the country?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have explained, and the Prime Minister has explained, that we do not have a program of high interest rates. High interest rates exist, but they are certainly not sought or promoted by the Government of Canada.

* * *

PETITION

MR. SCOTT (HAMILTON-WENTWORTH)—PROHIBITION OF GROUP SEX

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the two hundred and seventy-first report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Hamilton-Wentworth (Mr. Scott) on Thursday, June 17, 1982, and finds that the petition meets the requirements of the Standing Orders as to form.

* * *

POINT OF ORDER

MR. ANDRE—PROVISIONS IN MAIN ESTIMATES, 1982-83

Mr. Harvie Andre (Calgary Centre): Madam Speaker, the point of order I raise at this time is basically the same as the point of order I raised last year on June 1, March 31 and March 24, and which has been raised several times in the past by myself and others, going back to 1969 when the rules were changed in regard to the handling of the estimates and appropriation bills.

About this time last year, Madam Speaker, you summarized and clarified the position of the Chair in regard to this matter. If I might quote briefly from your remarks which appear in *Hansard* for June 12, 1981, on page 10456 you stated:

> In 1971 the Chair ruled that items in the Estimates that attempt to amend existing statutes are of order. This was confirmed by most subsequent rulings.
>
> In 1974 and 1976 the Chair went further and dealt with the question of matters of substance being put in the Estimates. The Speaker, in effect, ruled that the Appropriation Act is not the place to seek authority to do something such as to establish a program. Rather, the Appropriation Act should only seek authority to spend the money for a program that has been previously authorized by a statute.
>
> In 1977 the Chair continued to lay down these principles that should be followed in the use of the Estimates and added that it makes no difference whether the item attempted to spend a large sum or simply one dollar. The distinction is unimportant. The test is whether or not the government is putting forward a spending estimate under authority it already possesses, or whether it is really seeking new legislative authority to do something.

You then quoted a previous Speaker and added in your own words:

> In other words, the government may not by the use of an Appropriation Act obtain authority that it does not have under existing legislation.

In summary, Madam Speaker, you indicated first that estimates that amend legislation are out of order, saying that: "the Appropriation Act is not the place to seek authority" for a new program, and that the test bust be whether the government already has the authority to spend or the estimates seek that authority. You said that the government may not use the Appropriation Act to seek authority that it does not already have.

Based on that test, Madam Speaker, and based on those clear rulings made by yourself and your predecessors, I believe that there are a number of votes in the Main Estimates, 1982-83 which violate those principles laid down by yourself and your predecessor.

I should like to deal first with a number of votes which basically try to do the same thing, that is, they seek authority which does not appear in existing legislation. I should like to read from one of those votes, Madam Speaker. Communications Vote 1, which appears on page 3-6 of the Main Estimates, reads as follows:

> Communications—Operating expenditures, the grant listed in the Estimates, contributions and authority to spend revenue received during the year ... 97,961,000.

The offending words are "and authority to spend revenue received during the year". What the vote says is that $97,961,000 is requested for operating expenditures for the grant listed in the estimates—although no grant is listed in the estimates—for contributions and the authority to spend additional money which will come into the Department of Communications by way of revenue. That is what that spending authority seeks to do, Madam Speaker.

I refer Your Honour to the definitions in the Financial Administration Act. Section 2(*d*) reads in part as follows:

> "public money" means all money belonging to Canada received or collected by the Receiver General or any other public officer—

It goes on to define that as "money received or collected for or on behalf of Canada". Therefore, all money received by the government, whether the Department of Communications, the Receiver General or anybody else, through licences, fees or anything else, is public money according to the definition in the Financial Administration Act.

Section 11 provides that "all public money shall be deposited to the credit of the Receiver General". That is to say, all receipts in whatever form, licences, fees or what have you, are by definition public moneys and, by definition, are to go to the Receiver General and therefore, by definition, are to go into the Consolidated Revenue Fund.

Section 19 of the Financial Administration Act provides:

> —no payments shall be made out of the Consolidated Revenue Fund without the authority of Parliament.

Section 20 states:

> All estimates of expenditures submitted to Parliament shall be for the services coming in course of payment during the fiscal year.

That is to say, the estimates for the following year must clearly define the amount of money to be spent for that particular service. An estimate cannot just say that a department has additional authority to spend whatever receipts may come in by virtue of fees or licences or whatever.

Section 21 provides that where an appropriation is made for any purpose in any act of Parliament, there must be a warrant from the governor in council and that must be appropriated from the Consolidated Revenue Fund.

As proof of the legal interpretation of the intent of this act, I bring to Your Honour's attention Bill C-96, to amend the Financial Administration Act, which has been introduced for first reading. Clause 7 of that bill states as follows:

> The said Act is further amended by adding thereto, immediately after section 20 thereof, the following section:
>
> "20.1 (1) A vote in an Appropriation Act may provide that receipts and revenues may be spent for the purposes specified in that vote."

What this attempts to do is to make legal and proper what is attempted in Vote 1 of the Department of Communications estimate by use of the phrase "and authority to spend revenue received during the year".

Clearly the legal officers in Treasury Board have recognized that they do not have the authority in that provision to spend revenue, and by the vote seek to get that authority by putting in the words "authority to spend revenue received". Through changes to the Financial Administration Act in Bill C-96, they are seeking to make it legal, so that they will not to have to acquire the authority through an Appropriation Act.

Citation 486 of Beauchesne's fifth edition provides:

> If a Vote in the Estimates relates to a bill not yet passed by Parliament, then the authorizing bill must become law before the authorization of the relevant Vote in the Estimates by an Appropriation Act.

● (1210)

So it is quite clear that if Bill C-96 was passed, there would be authority to spend those receipts. If it is not passed, there is no authority. They are seeking through the estimates to achieve that authority, and that is inappropriate according to Citation 486 of Beauchesne.

In addition, Madam Speaker, I would like to bring to your attention several other votes which concern us in the same way. Communications, Vote 70, dealing with the National Museum, reads:

> —authority to spend revenue received during the year from the sale to the public of books—

And so on. Those are public funds to go into the Consolidated Revenue Fund according to the Financial Administration Act and the spending thereof must be authorized by a specific vote. That portion of the vote is out of order; that is, the authority to spend receipts. Communications, Vote 80 is the same, dealing with the Public Archives.

Energy, Mines and Resources, Vote 1; Environment, Vote 5; Finance, Vote 1; Public Works, Vote 10; Supply and Services, Vote 1; Transport, Vote 1, Vote 10, all end with the phrase:

Program expenditures and authority to spend revenues received during the year.

Transport, Vote 45 reads:

—and authority to spend revenue received during the year including the spending of an amount equal to, in the opinion of the Minister of National Revenue, the amount received—

And it goes on. Clearly, Madam Speaker, those votes seek authority which does not exist under current legislation. The government is in fact attempting, through Bill C-96, to gain that authority. If it succeeds, then presumably it would not need that language to seek that authority; but at this point in time it does not have that authority.

In spite of the Chair's very clear rulings there is one vote—perhaps two others, but I am not certain so I will not raise them now—which seeks to amend legislation. I am referring to Privy Council, vote 1 which states:

Program expenditures, including the operation of the Prime Minister's residence; the payment to each member of the Queen's Privy Council for Canada who is a minister without portfolio or a Minister of State who does not preside over a Ministry of State of a salary equal to the salary paid to Ministers of State who preside over Ministries of State under the Salaries Act, as adjusted pursuant to the Senate and House of Commons Act—

The Salaries Act, as amended last July, states the remuneration to be paid to each minister. Section 5 states:

The salary of each Minister of State, being a member of the Queen's Privy Council for Canada, who presides over a Ministry of State is $30,800 per annum.

What Vote 1 of the Privy Council seeks to do is amend that act, because it says that ministers of state who do not preside over a ministry of state will have a salary equal to that paid to a minister of state who does preside over a ministry of state. That is exactly parallel, Madam Speaker, to a vote which you ruled out of order, appropriately so, last year, being vote 30 of Agriculture in the 1981-82 Main Estimates. That vote stated, and I quote:

Agri-Food Regulation and Inspection—Contributions including compensation at rates determined in the manner provided by Section 12 of the Animal Disease and Protection Act to owners of animals affected with diseases coming under that Act that have died or have been slaughtered in circumstances not covered by the Act.

So that vote attempted to extend the act to situations not covered by it. Quite properly, Madam Speaker, you ruled that was an amendment to the legislation. Privy Council, vote 1 does exactly the same thing, and is clearly out of order based on your ruling of last year.

Another series of votes which I believe to be out of order is Public Works, Votes 15, 25 and 35, which seek authority for expenditures not authorized under existing legislation. Vote 15 reads:

Capital expenditures including expenditures on works on other than Federal property and authority to reimburse—

And so on. The key words are "expenditures . . . on other than federal property". Madam Speaker, the Public Works Act in Section 9 provides:

The Minister has the management, charge and direction of the following properties belonging to Canada, and of the services in this section enumerated, namely:

And then subparagraph (h):

—all other property that now belongs to Canada and the works and properties acquired, constructed, extended, enlarged, repaired or improved at the expense of Canada, or for the acquisition, construction, repairing, extending, enlarging or improving of which any public money is voted and appropriated by Parliament—

So what this act says is that when the minister spends any money extending, improving, etc., any property, it belongs to Canada. That property belongs to Canada. There is no authority granted to spend money on non-government-owned property. If the minister improves the buildings, puts in leasehold improvements, they become the property of the minister. The only exception is when there is a distinct subsidy involved.

I would also point out that the recognition of that fact is obvious from Bill C-91, which has been given first reading only, which states in Clause 1:

• (1220)

The Minister may, with the approval of the Governor in Council, incur expenditures or perform, or have performed, services or work in relation to

(*b*) properties not belonging to Canada.

What Bill C-91 would do if it were passed is give the minister legal authority to do what he is attempting to do through Votes 15, 25 and 35 in the estimates. No authority exists for the minister to spend public moneys on non-public property based on Section 9 of the Public Works Act. Bill C-91, which has not been passed by this House, seeks to give the minister that authority, but until it is passed it is now law.

Again, I refer to Citation 486, I believe it is, of Beauchesne which says that you cannot anticipate legislation in the estimates. A vote is out of order until the legislation is passed.

The other class of votes which are out of order are those perhaps best demonstrated by IT and C votes 25 and L35 on page 14-6. It is my submission that these votes attempt to create a new program which is clearly contrary to the decision you made last year at this time, Madam Speaker, when you said:

—the Appropriation Act is not the place to seek authority to do something, such as to establish a program.

I might refer in particular to Grants Vote 25, which reads:

Payments in accordance with terms and conditions approved by the Governor in Council to companies engaged in ship repair on the Canadian east and west coasts for the construction and extension of dry docks and for the purchase and construction of supporting facilities.

There is no program of that sort, Madam Speaker. Perhaps there should be. We are not speaking against the program. The telltale language there is the terms and conditions approved by the governor in council. In essence, we are being asked to delegate to the governor in council authority to set up this program under the terms and conditions the government decides. That is not in keeping with your ruling, Madam Speaker.

Vote L35 is perhaps a more obvious example of attempting to set up a new program. This vote reads:

Loans in accordance with terms and conditions prescribed by regulations of the Governor in Council,

(*a*) for the purpose of promoting the establishment, growth, efficiency or international competitiveness of Canadian industry and to foster the expansion of Canadian trade to a person engaged or about to engage in a manufacturing, processing or other commercial activity; or

(*b*) to a person who has previously obtained assistance under a program of assistance to industry or any trustee or receiver authorized by law to carry on the business of such person for the purpose of protecting the Crown's interest resulting therefrom.

Very clearly, vote L35 would give the governor in council regulation-making authority. We are being asked through Vote L35 to give the governor in council the right to make law, the right to make regulations, to set up a whole new program to promote the establishment, growth, efficiency or international competitiveness of Canadian industry. No one is arguing about the merits of the program. Clearly it is a whole new program complete with its own set of laws and regulations which Parliament is being asked to authorize through an appropriations bill. That is clearly contrary to the conditions of your ruling of last year.

Vote 40 of Public Works, which is found on page 23-54, reads:

Land Management and Development—Program expenditures, contributions and authority for Toronto Harbourfront Corporation to spend revenues received during the year in respect of Toronto harbourfront properties owned by Her Majesty and payments to a corporation to be established for the purposes of developing the port properties of Chicoutimi owned by Her Majesty.

That is out of order for two reasons. First, the authority to spend revenues. These are Her Majesty's revenues which are public moneys and which should go into the Consolidated Revenue Fund according to the Financial Administration Act. But we are being asked to delegate the authority to spend those revenues to the Toronto Harbourfront Corporation, which is a Crown corporation of some sort, I guess. It is one of the mysterious 400 Crown corporations that are making life so wonderful for Canadians. In any event, it is clearly contrary to the Financial Administration Act.

Second, it is for the purpose of payments to a corporation to be established. The government is asking us for authority through this vote to establish a new Crown corporation. That clearly goes way beyond what is the proper role for a vote as articulated by yourself and your predecessors, the Hon. Mr. Jerome and the Hon. Mr. Lamoureux. Those votes are clearly out of order.

One last vote which is clearly out of order is Secretary of State, Vote 40. This one is almost an affront to the House. It is out of order because the government relies on an authority that exists but is not valid. At page 26-42 we find Vote 40, which reads:

Contributions, and authority to make payments out of the Consolidated Revenue Fund and to charge said payments to the National Lottery Account, for the purpose of physical fitness, amateur sport and recreation programs in accordance with terms and conditions prescribed by order of the Governor in Council, the aggregate of said payments and payments made pursuant to paragraph (*d*) of Treasury Board Vote L27a, Appropriation Act No. 4, 1976, not to exceed at any time 5 per cent of the aggregate of the amounts credited to the National Lottery Account.

It relies on its authority for paragraph (*d*) in the Appropriation Act No. 4, 1976, Vote L27a. However, if you look at Vote L27a of the Appropriation act No. 4, 1976, it states: "To provide, in respect of Loto Canada". I shall put on the record paragraph (*d*) of Vote L27a. It reads:

(*d*) in the current fiscal year, for the purpose of physical fitness, amateur sport and recreation programs in accordance with terms and conditions prescribed by order of the Governor in Council, of an amount not to exceed 5 per cent of the amount credited to the said Account in the current fiscal year; and—

In other words, this authority, the Appropriation Act No. 4, 1976, which is used in Vote 40 of the Secretary of State's estimates for 1982-1983, has essentially been dead for six years. The government is using authority which ended at the end of that fiscal year. "In the current fiscal year" is the operative language.

Mr. Beatty: It is like the Minister of Finance (Mr. MacEachen), who has been dead since last November.

Mr. Nielsen: But he will not lie down.

Mr. Andre: I will point out that the rest of the vote looks like it is setting up a program as well, and probably should have been ruled out of order on its merits.

You may notice that throughout the estimates there is the wording in brackets at the end of votes "As previously provided in Appropriation Act No. 2, 1981-82". That language is there, I am sure, as a result of your ruling last year when a great number of votes were examined and ruled out of order, most appropriately. The Treasury Board when drafting these estimates put in this language, as previously provided in Appropriation Act No. 2, as somehow sanctifying these votes.

• (1230)

I merely want to point out, Madam Speaker, that you and your predecessors by your decisions, by example, and I believe by statements, have clearly indicated that the fact that an improperly constituted vote might have passed in the past is not justification for saying that therefore it is okay in perpetuity and one can do that.

May I also point out that you and your predecessors have quite properly ruled that it is not the role of the Chair to go through every vote to see if it is in order, but that the Chair will rule on points of order raised by hon. members. Last year I pointed out, as I have done in previous years, that even though I had a very extensive list of votes which I felt were out of order, I did not in any way, shape or form claim that it was a definitive list. Indeed, I made the observation last year that quite likely there were numerous other votes which were out of order. I simply lacked the resources, the staff and so on to go through and check every one of these votes in terms of their legality or non-legality.

I understand what the Treasury Board officials were doing when they included the language, "As previously provided in Appropriation Act No. 2, 1981-82". The mere fact that that kind of language might not have been raised by myself last year, when I had an extensive list of votes which I felt were out

of order, was in no way, shape or form an indication that I or other members of the House felt that it was appropriate. It was only because within any one estimate period there is only so much one can do. I just did not have the time to check the whole thing. It is pretty hard for my research assistant and I to match the thousands of people in Treasury Board, and of course I have had one or two other things on my mind.

If Madam Speaker examines the votes raised and the indications which I have presented here in particular as against the very clear, precise and concise ruling of Your Honour last year and the rulings of your predecessors, it becomes pretty clear that these votes are out of order.

I repeat to the President of the Treasury Board (Mr. Johnston) that our object is not to confuse unduly or to cause problems for the minister. Our object is simply to get him to treat the House with respect and to obey the law and the rulings of the Chair. In drafting this document again this year, I think they have taken liberties which are inappropriate. I feel Your Honour should rule these votes out of order.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I welcome the opportunity of responding to the point of order. I congratulate the hon. member for Calgary Centre (Mr. Andre) for his tenacity in this matter. I only wish it were matched by legal talent.

The first point I should like to make in responding to the arguments of the hon. member for Calgary Centre is that timing in raising points of order of this kind is of the essence. I refer to Citation 235 of Beauchesne, wherein it is indicated that an hon. member raising a point of order "should do so as soon as he perceives an irregularity in the proceedings which are engaging the attention of the House". It continues:

> The Speaker's attention must be directed to a breach of order at the proper moment, namely the moment it occurred.

Last year the hon. member for Calgary Centre had the courtesy to raise his point of order on June 1. He raised his point of order today before the last allotted day, Monday. I suggest that on that ground alone the point of order should not be entertained. However, it is not at all necessary for me to rely on that point, but I suggest that it is relevant and applicable.

The arguments put forward by the hon. member for Calgary Centre suffer from a number of fatal flaws. We paid great attention to Madam Speaker's ruling of last year when we prepared the Main Estimates in order to ensure, beyond any doubt, that there were no new legislative provisions provided for in the Main Estimates which I tabled. I should like to refer you, Madam Speaker, to your ruling of June 12, 1981 wherein you said:

> The test is whether or not the government is putting forward a spending estimate under authority it already possesses, or whether it is really seeking new legislative authority to do something.

Then Madam Speaker went on with two comments which perhaps the hon. member for Calgary Centre has not noted. As reported on page 10547 of *Hansard* of June 12, Madam Speaker stated:

> However, two of the items, External Affairs Votes L50 and L55, have previous statutory authority, albeit previous Appropriation Acts, and thus are in order.

Further you went on to say:

> As I said earlier, the programs described by External Affairs Votes L50 and L55 are authorized by previous Appropriation Acts, and therefore the moneys sought for the instalment to be paid are in order.

There is no magic in what the Treasury Board has done this year in terms of the language which has been added to the Main Estimates. It is there for convenient reference by readers of the estimates, because of Your Honour's ruling last year. In each of the cases cited by the hon. member for Calgary Centre, it is to be noted that there is previous authorization through an Appropriation Act.

Everything to which the hon. member referred has received prior parliamentary approval through Appropriation Acts. Let me deal just very briefly with a few examples of that, just to make the record absolutely clear. The hon. member referred to Communications, Vote No. 1. This is when he was dealing with the issue of authority to pay. Madam Speaker will recall that he categorized a number of votes as providing authority to a department to expend funds received within the operation of a program. On page 3-6, Communications, Vote 1 reads as follows:

> —Operating expenditures, the grant listed in the Estimates, contributions and authority to spend revenue received during the year (As previously provided in Appropriation Act No. 2, 1981-82).

I do not want to take the time of the House by going through each one of the sections which the hon. member raised, but if Madam Speaker refers to the Main Estimates, I can assure her that she will find in each single case the same authority and reference provided. The authorization is clearly given.

Then the hon. member for Calgary Centre made reference to the provisions of proposed legislation, Bill C-96, Section 20.1(1), where he said that we are attempting to provide for this kind of authority. Indeed, we are in strict compliance with Madam Speaker's ruling last year. We recognize the validity of the ruling which was rendered, and hence in future it will require the sanction of the provisions of the proposed law to provide for similar programs, but not for programs which have already received parliamentary approval within the scope of the ruling which Your Honour delivered and in accordance with the specific passages which I read.

Of course, the same is true with all other votes, more particularly with respect to the provisions of Bill C-91 which authorizes the Department of Public Works to expend funds on other than public property. That will provide authorization for such expenditures in the future. If Madam Speaker refers to the Main Estimates, she will note that we have been very careful to ensure that no such new authorities are provided for. Of course, as I pointed out, what is provided for are those which are there. I understand that a number of these votes which the hon. member for Calgary Centre has challenged today have in fact been in the estimates for many years, if not decades.

• (1240)

I suggest that the hon. member has improperly—I do not mean that in any propriety sense, or simply has not applied your ruling to an analysis of the Main Estimates as he should have done. That being said, I would also point out, as I did at the outset, that your ruling has changed the position which we have taken with respect to the preparation of these Main Estimates and we have been most careful to comply strictly with the rules which you laid down in your decision of June 12 last year.

I think I have covered the points I wish to raise. I do not want to take up a great deal of time of the House on this because the ruling is so straightforward and clear, but I think it is important that the hon. member for Calgary Centre understand exactly how the Main Estimates were prepared this year. I would like to give my assurance to him and to you, Madam Speaker, that no matter how much research he conducts he will not find in these Main Estimates any provision which is in conflict with your ruling.

Madam Speaker: I thank both hon. members for their submissions. Of course, I want to look into the different arguments that have been brought forward and I will take that point of order under advisement.

ROUTINE PROCEEDINGS

[*Translation*]

LABOUR, MANPOWER AND IMMIGRATION

PRESENTATION OF SIXTH REPORT

Mr. Arthur Portelance (Gamelin): Madam Speaker, I have the honour of tabling the Sixth Report of the Standing Committee on Labour, Manpower and Immigration.

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. Yvon Pinard (President of the Privy Council): I ask, Madam Speaker, that all questions be allowed to stand, and Monday we shall try to answer as many questions as possible.

Madam Speaker: Shall the questions on the Order Paper be allowed to stand?

[*English*]

Mr. Nielsen: Madam Speaker, if I can get the attention of the government House leader, I have the list of the questions being answered, if the government House leader would like to read them into the record today.

Mr. Pinard: Madam Speaker, my colleague is fortunate to have the list. That shows how courteous we are. I do not have a list myself. That is why I have asked permission to give those answers on Monday.

[*Translation*]

Madam Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CO-OPERATIVE ENERGY ACT

MEASURE TO ESTABLISH THE CO-OPERATIVE ENERGY CORPORATION AND THE CO-OPERATIVE ENERGY DEVELOPMENT CORPORATION

Hon. Marc Lalonde (Minister of Energy, Mines and Resources) moved that Bill C-116, to establish the Co-operative Energy Corporation and the Co-operative Energy Development Corporation, be read the second time and referred to the Standing Committee on National Resources and Public Works.

He said: Madam Speaker, Bill C-116, an act to establish the Co-operative Energy Corporation and the Co-operative Energy Development Corporation, is another step toward the achievement of the goals of the National Energy Program. It will enable the Government of Canada to participate in a joint venture with an association of co-operative marketing and financial institutions. It will provide a new source of funds to the petroleum industry, new investment opportunities to individual Canadians and an increase in the share of the oil and gas industry that is owned by Canadians. The joint venture will be called Co-Enerco.

As all members of this House are aware, the capital requirements of the petroleum industry in Canada over the next decade will reach unprecedented levels. The Government of Canada is committed in the National Energy Program, to increasing the share of the industry that is Canadian-owned.

Co-operative organizations, with nine million members and an estimated $45 billion in assets, represent a significant new source of capital. In the past, co-ops have had little participation in oil and gas investments, although there has been some involvement in refining and sales. With the new financial and fiscal regime introduced in legislation, particularly the petroleum incentives program now before the Senate, and

through agreements with the producing provinces, investments in oil and gas will become extremely attractive for Canadian-owned firms.

Discussions took place between representatives of co-operative organizations—and we are happy to have some of their representatives in the gallery today—and representatives of the Government of Canada over a period of months. The result of those discussions was an agreement in principle signed on December 17, 1981, and tabled in the House on May 17. Bill C-116 is the legislative expression of that agreement.

The credit for this achievement is shared among the members of the co-operative movement who participated in the discussions and supported the idea, and a number of people in the Government of Canada, most notably Senator Hazen Argue, Minister of State responsible for the Wheat Board, as well as the Minister of Employment and Immigration (Mr. Axworthy) whose tireless efforts turned an idea into an agreement.

Twenty co-operative organizations from across the country have so far agreed to participate, including wheat pools, retail co-ops, credit unions, caisse populaires and co-operative insurance and trust companies. They are the Alberta Wheat Pool, British Columbia Central Credit Union, Canadian Co-operative Credit Society Limited, Co-op Atlantic/Co-op Atlantique, Coopérative fédérée du Québec, Co-operative Fire & Casualty Company, Co-operators Insurance Association, Co-operators Life Insurance Company, Credit Union Central of Alberta Limited, Cumis Insurance Society, Cumis Life Insurance Company, Federated Co-operatives Limited, Fédération des caisses populaires acadienne, Manitoba Pool Elevators, Newfoundland and Labrador Credit Union Limited, Nova Scotia Credit Union League, P.E.I. Credit Union League Limited, Saskatchewan Co-operative Credit Society Limited, Saskatchewan Wheat Pool and United Co-operatives of Ontario.

While co-op participation has been nationwide, it should be noted that the western co-operative movement has taken the lead role. For example, Federated Co-operatives Ltd. of Saskatoon and the Saskatchewan Wheat Pool will be the largest shareholders. It should also be noted that the registered offices of the Cooperative Energy Corporation will be in Calgary. The government is therefore particularly pleased to join in a predominently western enterprise.

Three new organizations will be created. The Co-operative Energy Corporation, to be called Co-Enerco, will be a holding company whose only shareholders will be the Government of Canada and the participating co-operative organizations. There is the cooperative energy investment fund, designated as CEIF. The third one is the Co-operative Exploration and Development Corporation, CEDC.

• (1250)

The co-operative energy investment fund will sell units to the public through the credit union system. The fund will invest in energy companies and plan a valuable role in increasing Canadian ownership of this sector.

The Co-operative Exploration and Development Corporation will be an operating oil and gas company which, through this legislation, will always be completely owned and controlled by Canadians. Among the options open to the CEDC will be joint ventures with established oil companies or the purchase of an oil and gas company. The government does not wish to limit the range of options. The involvement of the co-operative movement in production and exploration will be part of a general increase in Canadian ownership and control of the upstream side of the petroleum industry, which is one of the major objectives of the National Energy Program.

The federal government will subscribe start-up capital to Co-enerco in an amount that matches the capital committed by the co-operative organizations up to a ceiling of $100 million. This figure makes it clear that although there is a limit to our participation, it is a generous limit. The potential contribution to energy investments by the co-operative organizations and their members is very large indeed. The substantial federal participation is designed to put Co-Enerco on its feet and to make available to the petroleum industry this new source of capital as quickly as possible.

Our half of the start-up funds will be turned over to Co-Enerco immediately. The co-ops have four years in which to supply their initial commitments. So far, the co-ops have committed $57.8 million, giving the corporation an initial capital of over $115 million. Further commitments from the co-ops will be matched, dollar for dollar, by the federal government until its contribution has reached $100 million.

The bill provides that the government share in this joint venture can be bought out by the co-ops in the future. From this and other provisions, it will be obvious that the role of the federal government is limited to assisting the start-up of Co-Enerco. This joint venture does not represent an attempt significantly to increase the share of the petroleum industry that is owned by the Government of Canada.

Although three members of Co-Enerco's board of directors will be appointed by the government, control of the corporation will be in the hands of the co-ops, who will appoint nine members to the board. The government does not intend to involve itself in the day-to-day operations of Co-Enerco. This function will be carried out by the co-ops. It is our view, and I am sure it is shared by hon. members, that they have a solid record of sound and responsible financial management.

For as long as the government is involved financially, major transactions of the corporation will be carefully scrutinized by the government representatives on the board to ensure that the public investment in Co-Enerco is safeguarded. This scrutiny will not be motivated by a lack of confidence in the management team assembly by the co-ops. Far from it. It will be simply a matter of normal prudence in the management of public funds, and it will have the effect of providing a double assurance to individual investors.

Nine million Canadians belong to co-operatives or credit unions. That number is a measure of the confidence that Canadians have in the management of these organizations. For the small investor who is accustomed to thinking that energy

investments are particularly risky, the proven record of the co-operative organizations will be reassuring. A second level of reassurance will be provided by the participation of the federal government.

How much money will be attracted to Co-Enerco? Some representatives of the co-ops have estimated that $1 billion will be available in the next five years. That amount will make this joint venture a significant new player in the petroleum industry and it will provide an important increase in Canadian participation in the industry.

Mr. Speaker, the Government of Canada welcomes the interest of co-operative organizations in petroleum investment. It is pleased to join in a partnership with a national network of organizations that have a long and proud record of service to Canadians in the fields of marketing and finance. We are certain that this joint venture will provide new sources of capital for the exploration and production of oil and gas, that it will provide new and accessible opportunities for Canadians to invest in our energy future, and that it will increase the share of Canadian ownership in the petroleum industry. I am confident that all hon. members of this House will support this bill.

[*Translation*]

Mr. Speaker, once again, I would like to point out that Bill C-116 will establish a joint venture called the Cooperative Energy Corporation, in which an association of co-operative marketing and financial institutions will participate with the other major partner in this undertaking, the Government of Canada. In establishing this venture, the government has three basic goals in mind: to promote the Canadianization objectives of the National Energy Program, to involve the co-operative movement in oil and natural gas production and to provide a new source of funds to the petroleum and gas industry. On December 17, 1981, the Government of Canada signed an agreement in principle with representatives of seventeen co-operative organizations with a view to promoting investment in the energy sector. Bill C-116 will give this agreement force of law.

The Cooperative Energy Corporation will be a holding company whose only shareholders will be the participating co-operative organizations and the Government of Canada. The Corporation's board of directors will have nine members appointed by the participating co-operative organizations and three members appointed by the government. The Corporation will in turn act as director of two offshoot corporations. First, the Cooperative Exploration and Development Corporation which will be an operating oil and gas company with restricted partnership. It will be completely Canadian owned and controlled. Eventually, the public may own a controlling interest in the Corporation. Among the options open to the CEDC will be joint ventures with established oil companies or the purchase of an oil and gas company. As for the other corporation, the co-operative energy investment fund, it will sell units to the public through the credit union system. It is expected that the majority of unit holders will be credit union members.

The co-operative organizations that have agreed to participate in this joint venture cover a wide range of institutions including wheat pools, retail co-ops, credit unions and caisse populaires, and co-operative insurance and trust companies. Federated Cooperatives Limited of Saskatoon played a decisive role in this project. French Canadian co-operatives include the Coopérative fédérée de Québec and La Fédération des caisses populaires acadiennes. The total assets of these co-operative organizations add up to $45 billion. So far, the co-ops have committed over $56 million over a period of four years. Some co-op representatives estimate they will be able to invest $1 billion in the venture. Furthermore, the Canadian government has promised to match the contribution of its partner up to $100 million. Obviously, the government does not intend to involve itself in the day-to-day operations of Co-Enerco. It will, however, have to approve any major transaction through its representatives on the board of directors.

In concluding, Mr. Speaker, I would like to stress the fact that the new investment opportunities created by this legislation will make it possible for many Canadians to take part, with very little risk, in the development of our energy sector. The co-operative organizations have an excellent reputation among their nine million members, and they have a solid record of sound management. These organizations have shown a lively interest in Canadian energy investments, and I am confident that all hon. members of this House will support this bill.

Mr. Deputy Speaker: Order, please! It being one o'clock, I do now leave the chair until two o'clock.

At 1.02 p.m. the House took recess.

[*English*]

AFTER RECESS

The House resumed at 2 p.m.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, our party will certainly support Bill C-116, to establish the Co-operative Energy Corporation and the Co-operative Energy Development Corporation. We always welcome a new oil company, whether it be in Alberta or elsewhere in Canada. We are certainly in favour of that.

In his opening remarks, the minister indicated that this was one more example of fulfilment of the National Energy Program. He almost lost me there. I do not know why he would stigmatize this new Co-operative Energy Corporation by any association with the National Energy Program. Much as the new company is welcome, it unfortunately will not be capable of replacing those dozens and dozens of companies that have been devastated and driven out by the National Energy Program. The National Energy Program is known to

the country, especially to everyone associated with the oil and gas industries, as that program which put the boots to the industry. So I would not think he would be doing it a great favour by associating this company with that program.

The minister indicated there would also be established under this cooperative effort between the federal government and the co-operatives a cooperative energy investment fund, a drilling fund, in essence, for investment in projects of the Co-operative Energy Development Corporation and of other oil companies.

May I take this opportunity also to indicate that the problem with drilling funds is in the November 12 budget. We cannot put the boots to the investors, so if we want to get drilling funds going, not just in terms of cooperative energy but drilling funds that were such an important part of our Canadianization of the oil industry from 1976 on, up to the time of the National Energy Program, he should sit down with his colleague, the Minister of Finance (Mr. MacEachen). He should see if he cannot remove some of the more severe disincentives that were part of the November 12 budget. The general taxation levels have also served to discourage drilling funds.

In particular, I wonder if the minister might re-examine what he considers the grandson of the National Energy Program, which undoubtedly will be produced one day soon. He might examine extending to individuals the provisions of the petroleum and gas royalty tax rebate that was part of the son of NEP, whereby corporations did not pay the first $250,000 af PGRT. Some sort of extension to individuals would be called for, to re-encourage investment by Canadians into drilling funds. As things stand now, in order to participate and get the benefit of that, individuals will have to incorporate. Incorporation will mean great work for lawyers and accountants but it will not find any more oil or gas. If finding oil and gas and encouraging Canadian investors is what we are all about, then that is a change he should look at.

The minister informed the House that it is the intention of the federal government to participate in Co-Enerco to the extent of perhaps $100 million. He said that was generous. I ask, "Compared to what?" Compared to the $1.5 billion spent on Petrofina, that sum is very modest. One hundred million dollars is certainly a reasonable contribution, but compare it to the billions that have been blown particularly on PetroCan's purchase of Petrofina. This $100 million investment that the federal government is making here is very likely to return much more by way of value to the federal government than an equivalent $100 million given to Petro-Canada for such useless purchases as Petrofina.

• (1410)

I want to put on the record some of the experiences we have had with this legislation as it is before us today. It is a bad-news-good-news story. The bad news part of it is that earlier on I was presented with draft proposed legislation by the minister's parliamentary secretary. We were asked for our reactions as a political party. My colleagues and I agreed that the principle was fine. We could accept the principle and felt we could go along with it, but the legislation was atrocious. Indeed, it was extremely poorly drafted. It had in it many things to which we had been objecting strenuously—not just members on this side but members on all sides of the House—in the Standing Committee on Regulations and Other Statutory Instruments. It seems there is continual pressure to put into legislation delegation of law-making authority to the governor in council, but the original draft of this bill contained the delegation of law-making authority to civil servants in the Department of Consumer and Corporate Affairs. There was delegation of law-making authority, not just administrative authority. It was a terribly poorly drafted bill. That is the bad news.

The good news is that the government brought the bill to us before it was presented to the House, and we were able to overcome those problems. To me that was an example of how this place can work and should work. There were a few meetings between officials, myself and others, and I discussed the matter with members of our party. It probably took more time than it should but, nonetheless, in the course of time we were able to come up with improvements and produce legislation which addresses some of the very serious concerns we have.

I suggest to the minister and other government members that in the future they ought to examine that method of proceeding more often. They might find that this place will function much more efficiently and effectively. Their legislative programs might get through more quickly and be more effective if there were that kind of consultation. Changing legislation which has on it the stamp of approval of the governor in council is a kind of backtracking on the part of the minister or the cabinet. Backtracking is a very difficult thing for politicians to do. It should not be as difficult as it is but, nonetheless, it is difficult. There should be that kind of prior consultation and working together. Members of the House should be able to act as legislators in a real sense. They should be able to participate. I think the experience we have had commends itself, and I recommend to the minister and his colleagues that in the future they consider doing more of what has been done in this case. They might find that the harmony in this place would increase considerably, and productivity would increase considerably as well.

That having been said, I repeat that the proposed Co-operative Energy Corporation and the Co-operative Energy Development Corporation will certainly be approved by us. We trust and hope that the government will receive a good return on its investment of $100 million. We are convinced that the country will receive a good return from more activity in the oil and gas industry, and for that reason we gladly participate in this debate and co-operate in getting all three stages of this bill completed this afternoon.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, this week members of the Canadian co-operatives movement met in Ottawa to discuss the future of their movement locally, provincially, nationally and internationally. One of the matters

at which members of the movement looked closely was the investment by the co-operatives movement in energy development.

Bill C-116, to establish the Co-operative Energy Corporation, is a much bigger step for the co-operative movement than people realize. On many occasions I have been told that co-operatives are into everything, and "why not energy?" Co-operatives have actually been into energy. In many ways they certainly are into everything from cradle to the grave. As a matter of fact, they are involved in maternity and daycare centres right through to funeral homes. Why, then, is this venture into energy different? To understand the differences it is necessary to look at the origins of the co-operative movement.

How and why were co-operatives formed? Those of us who grew up on the prairies are vividly aware of co-operatives and credit unions. Co-operatives were spawned during hard times. They are the result of the need of producers for fair prices for their products. The pools on the prairies grew out of the need for protection from the gouging of line elevator companies that were handling producers' grain. The credit union movement started in Lévis, Quebec, in 1900 and grew, because previously people were unable to obtain money from banks even at high interest rates.

As democratic socialists in Canada, we face many of the same problems the co-operative movement faces. How can we develop our basic belief that we are our brothers' keepers and that through co-operation and sharing we can make a better life for everyone?

The co-operator, like the democratic socialist, has some difficulty translating his belief into an organization which will survive in the capitalist system. That system is based on materialistic gain and greed at the expense of others and is diametrically opposed to the principles of co-operatives. Back in the early days people found they had to protect themselves from that greed in order to survive with some security for their families. On the economic level people formed co-ops and credit unions. On the political level people formed political parties. The Co-operative Commonwealth Federation, the old CCF, grew out of the despair of the depression and, in many ways, out of the co-operative movement on the prairies. I recommend to all hon. members the play "Paper Wheat" which is the story of co-ops and the development of the wheat pools on the prairies.

The New Democratic Party has always recognized that its aims were common to those of the co-operative movement. We share many of its ideals and we share the same struggle to survive in a dog-eat-dog environment. Consequently, the New Democratic Party has done what it could to support the co-operative movement.

Only in provinces where there have been New Democratic governments are there departments of co-operatives. In the House yesterday I asked the Prime Minister (Mr. Trudeau) a question—which he refused to answer—about whether his government would establish a co-operative department. His refusal to answer perhaps shows the limited interest the government has in this particular area. Nonetheless, I repeat my question: Will this government form a department which will provide a place to which co-operatives can go?

I am speaking today in the House of Commons about this bill to establish Co-Enerco because my leader, the leader of the New Democratic Party (Mr. Broadbent), has recognized the tremendous contribution and importance of co-ops and has appointed me as spokesman for co-operatives. This is the first co-operatives critic post in the federal Parliament.

• (1420)

Today we are debating the Co-Enerco bill which is another attempt by the co-operative movement to protect people from an uncaring economic environment. It is attempting to deal with the capitalist system by modifying it rather than by replacing it. As a socialist, I cannot entirely agree with this support of the system but I have nothing but admiration for the groups of people in the co-operative movement who are trying to cope with the system. They are trying to adapt to the present economic order and they are trying to make changes to the system to match their principles.

What is a co-operative? Co-operatives provide an organizational framework of structures and processes that enable people to co-operate with one another. Co-operatives are both associations of people and economic organizations, with social and economic goals. They attempt to merge political democracy with economic activity to create economic democracy. Co-operatives are distinctive because, first, they are owned and controlled by their primary users, consumers, producers and workers, rather than by investors. Second, control is based on democratic values and various structures are used to enable member participation and representation. Third, the benefits from the operations and resources flow to members as users of services, not as investors. That is why I said at the beginning that this is a greater step for the co-ops than many people realize. The benefits flow to the members as users of the service, not as investors. In the case of Co-Enerco, the co-ops are indeed in a new area because they are becoming investors.

Anyone trying to deal with the economic problems we face today should be supported, and the co-operative movement in this venture is setting a positive example for Canada. A New Democratic Party economic task force travelled across the country last year. The only consistent notes of optimism we heard on that tour came from co-op groups—from Federated Co-operatives, the wheat pools, even small co-op farms and co-op housing groups.

In these troubled economic times, however, we must ask why it became necessary for the co-ops to enter the energy field to this extent. The government assured Canadians that we could be self-sufficient in energy in a very short time, but the government has abdicated its responsibility and cannot achieve that objective in the manner it planned.

Co-operatives cannot live without planning. They face many difficulties if their future is not planned. It is by planning and sharing that co-operatives can protect their members from the

worst effects of our economic system. They can inject a note of optimism into our economy even in times of depression.

This is not the first co-op adventure into the energy field. The Consumers Co-operative Refineries Limited was established in the 1930s. In the early part of the century co-operative retail and bulk outlets bought much of their stock from small independent refiners. By the 1930s, many of the independents were being bought out by the major companies. The majors had considerable influence over wholesale prices and the co-operatives therefore considered backward integration.

In the winter of 1934-1935, ten co-operatives in the Regina area decided to build a cooperatively-owned refinery. They raised $32,000 as share capital and the plant came onstream on May 27, 1935. It had a capacity of 500 barrels per day, which grew to 28,000 barrels per day in the 1970s. Expansion at the end of the decade to 40,000 barrels with the potential of 50,000 barrels cost $30 million, almost a thousand times the sum gathered for the original refinery. Federated Co-operatives now operates the refinery and supplies about 850,000 members, but only 3 per cent of its refinery feedstock is owned by the co-op.

Federated realizes that it needs an assured source of supply for its members and customers. That 3 per cent is dangerously low. It could not depend entirely on government promises, so it began looking at the possibility of expanding its control of some of the sources of oil and gas. As Vern Leland, president of Federated, explains the process, Federated soon realized that getting into the oil business took more money than one co-op could possibly raise.

The co-operative movement is not small—it is widespread, diverse and powerful. From the co-operative movement comes the impetus for this energy corporation. Co-operatives in Canada are involved in almost every sector of the economy—agriculture, supply and manufacturing, feed mills, plywood mills, farm machinery, fertilizers, finance, fisheries, housing, health services and childcare.

The Canadian Union of Co-operatives works with the Canadian Co-operative Credit Society through the Co-operative Development Foundation of Canada to promote social and economic development through co-operatives in the Third World. The co-op movement has also established the Co-op College of Canada in Saskatoon, the Coady Institute at St. Francis Xavier University, and a program in co-ops is offered at the University of Sherbrooke. It is this strength that is going into this Co-Enerco project.

I want to stress that the material and human strength is made a thousand times more potent because it is formed around co-operative ideals—the idea that people are important; the idea that by working together we can have economic democracy and can thus ensure our survival in this world.

The co-operative movement has entered the energy field on a fairly large scale. Co-Enerco is a strong statement of faith in the ability of people to shape their own future and develop economic democracy. Co-Enerco is being developed with four basic objectives: first, to explore for and produce petroleum products and other energy sources to provide long-term security of supply for the co-operative system and Canadians at large. I think all Canadians have accepted the need for Canadian ownership of the resource industry. Second, to provide an investment opportunity for long-term capital appreciation for co-operatives, credit unions, caisses-populaires and their members, a new field of investment for co-operatives. Third, to assist in efforts to Canadianize the oil and gas industry in accordance with the co-operative principles of Canadian ownership and control, referred to by the minister as part of the NEP. Fourth, to assist in the research and development of alternate sources of energy and to encourage conservation. The organizations involved are very broad and I am not going to go into the numbers to any extent.

• (1430)

This bill will set up the Co-operative Energy Corporation and two companion organizations, the Co-operative Energy Development Corporation and the cooperative energy investment fund. Bill C-116 is based on an agreement reached last December between the participating co-operatives and the federal government. The co-operative participants are a formidable group and represent an incredibly large membership. There are almost nine million members with assets valued at about $50 billion. The agreement is the result of exhaustive research and study and we hope and believe that it deals with all possible contingencies.

All co-op members will recognize that this is a new adventure for them. Joint ventures with the government have not always been good. This one is something new because of its scale and the fact it is an area where co-ops have only limited experience. But they are strong business organizations which have proven themselves over the years and consequently know where they are going. I should point out that this whole idea arose with the co-ops, not with the government.

The New Democratic Party supports this bill, Mr. Speaker, because we believe Canadians generally have accepted the need to Canadianize the energy industry. The co-op movement is truly Canadian, and these corporations being formed will also be truly Canadian and operate for and on behalf of Canadians.

I know the government will say that we have had Canadian corporations before, such as Dome and PetroCan. One of those companies is a private firm and the other is a Crown corporation. I challenge anyone here today to try to change a director of Dome or, as far as that goes, of PetroCan, but the Co-operative Energy Development Corporation will have some say in who is a director. I said earlier that I have some concerns about co-operatives getting into this kind of corporation and investment, but they are democratic institutions and the participating members will have some effect on what goes on in this organization.

The co-operative movement is based on some very specific principles which must be protected. The subversion or compromise of these principles should be of concern to the membership of every co-op taking part in this adventure. During the last months and years co-operatives have been looking at their future direction. This is a new direction for them and therefore it is our duty to watch where it takes them. In a recent meeting the co-operatives started out with a vision which they discussed for several days. There were several key words, such as "without exploiting people", and I think the members must make sure that they do not enter into the investment field on the basis of exploitation. They also suggest that they "must not degrade nature". Where does this corporation stand on offshore drilling, and in particular on nuclear development. By becoming a corporation they must also now recognize the responsibilities of corporate citizenship. Their powers must be rooted in communities and local organization. Does this structure maintain that democracy?

I look forward, Mr. Speaker, to the day when the federal government truly recognizes the importance and potential of the co-operative movement. I look forward to the day when co-operative enterprise will play a central role in an economy which puts the needs of people first rather than the selfish interests of corporate enterprise. I look forward to the day when the people of Canada will have effective control over their political and economic institutions, and will be able to use their co-operative movement to stride forward rather than to guard against greed and rapaciousness.

We hope that these co-operative enterprises work well. We wish them well and feel assured that the democracy of the co-operative movement will do the best for its members and all Canadians.

Mr. Bill Yurko (Edmonton East): Mr. Speaker, I will be brief because I do not want to hold up this bill. It is a very good bill and I just wanted to indicate that the independent party in this House fully supports it.

Some hon. Members: Hear, hear!

Mr. Yurko: Mr. Speaker, I think it is appropriate that all members congratulate the co-operative movement of Canada for taking the initiative to evolve this legislation and bring it before the House. It is certainly appropriate for me to recognize and thank some of those co-operative organizations who came forward with their views, particularly the Alberta Wheat Pool, the Credit Union Federation of Alberta, the Federated Co-ops of Saskatchewan, the Saskatchewan Wheat Pool and others. They are to be congratulated, all of them. I am particularly pleased that the head office is to be located in Calgary, the heart of the oil and gas industry in Canada. The co-operative movement, and particularly the federal government, might learn something from the industry being located in Calgary.

• (1440)

This is indeed a western corporation and a western enterprise. We all expect great things from this partnership of the co-operative movement in Canada and the federal government. The minister stated that the joint venture will probably grow to a capitalization of $1 billion in five years, well beyond the limit of $100 million of injected capital by the federal government. I wish the group well. I hope that it grows to $2 billion in five years.

This brings me to my main point today. I believe that this voluntary direction of Canadianization of the oil and gas industry is a marvellous direction. The industry needed good direction. This is a voluntary direction. It is not forced but voluntary.

This is a somewhat similar direction to what happened in Alberta some years ago when the Alberta Energy Company was formed. I would hope that this joint venture will approach the Alberta Energy Company at the earliest opportunity for a possible joint venture with it. Since this new venture will primarily be related to development and exploration on provincial lands rather than federal lands, I must ask some questions of the minister. Why is the PIP program discriminatory for ventures like this on provincial lands?

Mr. Deputy Speaker: Order, please. The House is discussing second reading in which the principle of the bill is discussed. It is my understanding that it is the intention of the House to go into Committee of the Whole, at which point if the hon. member wants to ask questions, the opportunity will be afforded to him. May I suggest to the hon. member that that would be a more appropriate forum.

Mr. Yurko: Mr. Speaker, I beg to differ. I want to raise two very important matters of policy in this House because we are discussing the principle, the policy, of this piece of legislation. If you wish, I will not put it in the form of a question, I will put it in the form of a policy. It will not take me long; I do not intend to hold up the bill.

The policy question is very simple. Why should a joint venture like this be subjected under the PIP program to 35 per cent in grants, while on the other hand if it was doing its work on federal lands it would get 80 per cent in grants with respect to expenditure on exploration? That is a very important policy question with respect to this legislation. I hope that in the legislation the minister might find some way of providing this joint venture with greater PIP grants than 35 per cent listed for joint ventures and companies exploring on provincial lands.

The second very important matter with respect to this joint venture, from a policy point of view, is that the federal government has established a policy of assigning 25 per cent ownership to the Crown or to a Crown corporation of development on all federal lands. I suggest that this joint venture will be involved on federal lands at some point in the future. I would think that the federal government would look seriously at whether or not it will continue its 25 per cent allocation with regard to this joint enterprise that is being formed under this legislation.

I put those two policy positions forward because I think they are important as this joint enterprise grows in future years.

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: The House has a problem at this point. The motion before us would refer the bill to the Standing Committee on National Resources and Public Works. From the remarks of the government House leader yesterday and the remarks of the hon. member for Calgary Centre (Mr. Andre) earlier today, the Chair assumes there is unanimous consent for the motion to be amended to go to Committee of the Whole.

Mr. Pinard: You are absolutely right, Mr. Speaker. This procedure will also apply to the next bill to be studied later on this afternoon.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and, by unanimous consent, the House went into committee thereon—Mr. Francis in the chair.

Clauses 2 to 27 inclusive agreed to.

Schedule agreed to.

Clause 1 agreed to.

Title agreed to.

The Chairman: Shall the bill carry?

Mr. Yurko: Mr. Chairman, I would like to have some short comments from the minister on the two policy positions I raised with respect to the PIP grants for an enterprise like this on provincial lands which are limited to 35 per cent as opposed to 80 per cent on Crown lands. Second, would it be the intent of the federal government to take its 25 per cent ownership share in all projects by this joint enterprise on Canada lands?

Mr. Lalonde: Mr. Chairman, first on the question of the PIP grants, they are of a universal nature. They apply equally to all companies, government-owned companies, provincial government-owned companies, federal-owned companies, strictly private companies and co-operatives. We do not believe that those grants, any more than the taxation system, should be of a discriminatory nature. All companies operating in the oil and gas fields should be put on the same basis in terms of taxation and grants. It is not the intent to provide for a special category of grants for this particular company compared to other companies.

• (1450)

On the second point, the same applies in the Canada lands. The 25 per cent share is in compensation for the contribution provided by the taxpayers of Canada for exploration in the Canada lands. As the hon. member indicated, the contributions may go up as high as 80 per cent of the cost of exploration. In return, the people of Canada get a 25 per cent share of any development which will take place. The same rule will apply. There will be no discrimination.

The Chairman: Shall the bill carry?

Some hon. Members: Agreed.

The Chairman: Shall I rise and report the bill?

Some hon. Members: Agreed.

Bill reported, read the third time and passed.

* * *

GARNISHMENT, ATTACHMENT AND PENSION DIVERSION ACT

MEASURE TO ESTABLISH

Hon. Jean-Luc Pepin (for the Minister of Justice) moved that Bill C-38, to provide for the garnishment or attachment of Her Majesty in right of Canada and for the diversion of pension benefits payable by Her Majesty in right of Canada under certain enactments, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Hon. Judy Erola (Minister of State for Mines): Mr. Speaker, I am very pleased to rise in the House this afternoon to introduce for second reading Bill C-38, the Garnishment, Attachment and Pension Diversion Act. Hon. members of the House and perhaps the people of the country will question why I, the Minister responsible for the Status of Women, would be standing to present a bill which appears to be a rather dry bill with no particular human reference. I should like to reassure hon. members of the House that indeed it has a very human effect upon a great many people in our country, particularly women. I urge its swift passage.

I remind hon. members that I feel this bill has been somewhat bogged down for the past two years. Due to the efforts of a number of very active women, including the wives of parliamentarians, we have been able to bring it to the House and I hope to swift passage.

Agents of the Crown, who include in their numbers hon. members of the House, have long enjoyed protection from garnishment and attachment of their salaries. Creditors are barred from pursuing all the normal avenues open to them to collect what is legally due to them, only by virtue of the fact that their debtor works as an agent of the Crown. The effect of the legislation before us today will be to remove this age-old security blanket of Crown immunity for garnishment actions. The rationale for Crown immunity crumbles in such cases, for the action is against Her Majesty in name only. We all know that the real culprit is the malingering debtor.

Just to give an idea of how far-reaching the exemption is, let me list those who are protected by the security blanket in the federal jurisdiction. They include all federal public servants, appointees to boards and tribunals, employees of Crown corporations, Canadian Armed Forces personnel, federally-appointed judges, parliamentary staff, and last but certainly not least, hon. members of the House and of the other place. Again I might add that we owe a great deal to the wives of

parliamentarians who have taken such active interest in the passage of this bill.

As a result of this immunity to garnishment, many spouses are otherwise unable to enforce their family support orders against their former partners who are employed by or who receive superannuation benefits from the federal government. In addition, creditors are unable to collect on judgments obtained against a small number of federal employees who are not reliable in paying their debts. Bill C-38 will make it possible for support orders and other debts to be honoured out of the Crown's purse for those who receive their salary from the federal Crown.

While both Bill C-49, which was introduced in May, 1978, and Bill C-52, introduced in March, 1979, would have permitted the garnishment of salaries by amending the Financial Administration Act, Bill C-38 creates a new act—the Garnishment, Attachment and Pension Diversion Act. In addition to permitting garnishment of salaries, it expands the source of moneys available to satisfy family financial support orders, and I will explain why.

The procedures to be used in enforcing garnishment orders against the federal Crown will, for the most part, be pursuant to provincial laws. Of course, this is essential if we are to have a smooth transition. However, I wish to emphasize the areas where the procedures will differ slightly. The first of these is the notice provision. Service of a notice that the creditor intends to garnishee wages payable by the Crown will benefit the creditor and the Crown. Service of a notice will enable the government, as the employer, to locate from employment records the proper employee within the large and decentralized federal public service. The resources of creditors will not be wasted by directing a garnishment summons to the wrong employer or by attempting to garnishee wages of persons who have ceased to be employees of the Crown. I would point out that the notice is only needed in order to initiate the first garnishment proceeding. Thereafter, the notice will be required if there has been a break in service of the employee or where there has been a lengthy time lag between garnishments by the creditor.

The other changes involved pertain to the application of provincial laws relating to garnishment. Under most provincial laws, where a garnishment order has been served on the employer after the employee's regular payday, the creditor must absorb the costs of the unsuccessful garnishment and proceed anew; that is, he has to start all over again. Bill C-38 will allow the garnishment order to apply to the next closest pay day of the employee, regardless of when the order is served in relation to a regular payday. It is common sense; sometimes common sense must be applied, and we are ensuring that it is applied in this case.

In addition, there will be no need to calculate how much was owing to the employee on the day the garnishment order was served, as the order will apply for the whole of the regular pay period. Again, this is common sense. This will resolve the difficulty and reduce the labour involved in calculating what is due or owing to an employee on the day the garnishment order is served. This provision will allow the attachment of the full salary for every regular pay period, except that which is exempt by provincial law.

• (1500)

Part I of the bill also clarifies the position of Crown corporations. At present, some Crown corporations have their own bank accounts and are not in receipt of payroll funding from the Consolidated Revenue Fund. Others do receive their payroll money out of the Consolidated Revenue Fund. What happens is that under Bill C-38 those Crown corporations which do not receive their payroll funding from the Consolidated Revenue Fund will be subject to provincial garnishment laws. However, those Crown corporations which do receive their payroll funding from the Consolidated Revenue Fund will be subject to the garnishment provisions of Bill C-38 and these Crown corporations will be identified in the regulations.

Due to the mobility of the Canadian Armed Forces and the fact that there are already requirements for compulsory pay allotments for family support orders, the rules governing garnishment of members of the Canadian forces will be set out in regulations pursuant to the National Defence Act. These regulations will follow the principles set out in Bill C-38.

In these difficult economic times I am sure that creditors will welcome these important provisions which make it more difficult for those on the federal payroll to avoid their legitimate debts.

There is a very special group of creditors who will benefit more than most from the provisions of this legislation. That group is the women of this country who are dependent upon support payments from a spouse or an ex-spouse.

Women are disproportionately represented among the poor in this country. This is even more true of families headed by women. An astonishing 41.5 per cent of all families headed by women in this country live below the poverty line. The risk of poverty for families headed by women is six times that for men. These figures are from the National Council Welfare's 1980 preliminary statistics on poverty in Canada.

Many of the women who head families are separated or divorced from their husbands. Many have signed separation agreements or have a court order entitling them to maintenance for themselves and their children. However, and this is a figure that I find equally shocking, 70 per cent of all maintenance orders are in arrears within five years of the court order. Trying to collect the arrears is a time and cost-consuming ideal and one that families dependent on the support payments can ill-afford. I doubt very much if there is a Member in the House who has not received an appeal from a constituent who is facing just such a problem.

As you know, most aspects of family law, with the exception of divorce, fall within the jurisdiction of the provincial government under Section 92 of the constitution act of 1867. This government is committed to doing everything within its jurisdiction to ease the burden of these women, and this bill is one such measure.

Of course, spouses who obtain a court order for maintenance against anyone on the federal payroll, which includes all the people I have listed at the beginning of my speech, will now be able to enforce it through garnishment or attachment like all other creditors. In addition, we have included provisions applicable only for financial support orders. This act will allow the government, upon application by a person with a support order, to divert pension benefits for the payment of the support order. This is a very important and significant change because we know that older women are the poorest of the poor. Few elderly women receive benefits under private pension plans. This is because they are more likely to work for small employers who do not have private plans, and few can look to their spouse's pension plans for survivor benefits. As I have said time and time again, those woman discover that the old adage is simply not true. They do take it with them when they go.

The second part of the bill deals with the diversion of pension benefits to satisfy family financial support orders. The existing scheme of diverting pension benefits has been expanded and refined with respect to enforcement of family financial support orders. I want to make it perfectly clear that it does not allow the garnishment of pensions. Only a few provinces at present permit the enforcement of family financial support orders against pensions by means of garnishment. I want to emphasize today that we are talking about pension benefits payable to former public servants, Members of Parliament, judges and others.

What this bill does not do, and I want to be very specific, is provide for diversions of pensions such as veterans pensions and old-age security pensions. They are not touched by this bill. The bill is applicable only to superannuation or employee-employer financed benefit plans, and is restricted to benefits only when they become payable. In no way will it interfere with the contributions being made to those plans. The few Crown corporations who do not use the Consolidated Revenue Fund for their payroll but do participate in pension plans paid out of the Consolidated Revenue Fund, are also subject to this part of the bill.

Currently, under the Public Service Superannuation Act, the Candian Forces Superannuation Act and the Royal Canadian Mounted Police Superannuation Act, pension benefits may be diverted to a person seeking to enforce a family support order. However, whether or not a diversion takes place is at the discretion of the minister responsible for that plan. This is also a very important point. While this discretion has always been exercised in favour of a diversion, such diversions rarely exceed 50 per cent of the pension benefit. Provisions of the bill remove the ministerial discretion and make a diversion compulsory if there is a valid court order and the basic requirements, such as Canadian residency, are met.

Where there is no provision under provincial law for the diversion, attachment or garnishment of pensions for family financial support orders, the amount to be diverted will not exceed 50 per cent of the net pension benefit. Where provincial law does permit garnishment, attachment or diversion or such pensions for family financial support orders, the amount to be diverted will be determined in accordance with provincial laws.

I urge the Members of the House to pass this very important piece of legislation. A law of this sort is absolutely necessary if spouses and ex-spouses of federal employees are realistically to exercise their full legal rights under maintenance orders. I suggest to Members of the House that it will make life in their constituencies a great deal easier, and I would also like to make it clear that there will be no more special treatment for parliamentarians.

Since I am concerned that there will not be enough people aware of these changes, especially those women who have been suffering for a long time under previous circumstances, we intend to prepare pamphlets outlining these amendments after the bill is proclaimed. We will see that they are placed in public areas so that women with support orders will be able to pick them up. Of course, we will make sure that these pamphlets will be placed in family courts where they are likely to be picked up by those most interested.

What is equally important is the fact that these measures have the support of the provincial governments. I understand that hon. members of the House are anxious to see the bill passed and implemented as soon as possible. Once the bill is enacted it will take a few months to promulgate the required regulations and to ensure that all the necessary mechanisms are in place. I hope that this can be accomplished quickly and that the bill will come into force as soon as possible.

• (1510)

Mr. Joe Reid (St. Catharines): Mr. Speaker, today, as the Minister of State for Mines (Mrs. Erola) has pointed out, will mark the end of one more ancient and Royal prerogative. Many years ago, the image of a creditor was one which could be conjured up while reading one of Charles Dickens' novels. But who is the creditor today? Today he is the corner grocer, the mechanic or the dentist. He could even be one of us, just as we, as hon. members of the House, could be losing the protection which was ours heretofore. It is the easy credit life which most of us live in a credit card society. But anyone in the practice of law has known the difficulties and the frustrations that existed when he attempted to recover a debt from a Crown employee. The storekeeper yesterday, as today, could not afford to write it off because of the cash flow restrictions, yet he was faced with a kind of difficulty as outlined by the government spokesperson. No attachment or garnishment could be levied against a person who owed money and was an employee of the Crown. If one were an Armed Forces representative, one would have to rely upon the commander, the department head or even the minister. Unless one had that person's support and authority, recovery was indeed difficult. The exemptions from execution still remain as against the Crown, but the execution, attachment and garnishment went back many years, as we all pointed out, and made it then impossible to effect the recovery which this bill will now enable with the passage of time.

I was rather surprised to hear the minister make several comments with respect to the urgency of this legislation and the great help it will be to women. With the passage of time, at least six provinces and the two territories have already eliminated the protection which people within their jurisdictions had with respect to the provisions now coming forward in this federal bill. We come on the scene rather late. We ask why government employees should be given that preferential treatment. Obviously, the answer is that they should not be so privileged because we have seen the public service grow until today there are over 500,000 federal civil service employees. Whatever justification there was at an earlier time to give them the shelter which was theirs at that time no longer exists now. It has not existed for a good number of years.

Bill C-38 is a bill which is not before us for the first time. It has been before us since 1978. I would like to pay tribute to the late Tom Cossitt, the former Member of Parliament for Leeds-Grenville, who sought to make this legislation reality at least two years ago. It was his persistence which is now paying off in the form of this very long overdue bill.

I realize that the Minister of State for Mines has given a very detailed and precise outline of what the bill contains and to whom it applies, but I note again that the Minister of Justice (Mr. Chrétien) is not in his place. The bill was presented to this House in the name of the Minister of Justice. His parliamentary secretary is not here to present the bill in his place. The Minister of Justice does not have that many bills before the House. I wonder if he is not here because of his anxiety to move over one seat to his right, or because he is critically tied up or otherwise engaged, but he should be in the House to address the House on his bill and make certain there is more justice for Canadians.

An hon. Member: Surely you could be a more passionate speaker than the minister.

Mr. Reid (St. Catharines): The hon. member will have his turn to speak if he wishes to take his time and delay the bill that much longer.

The comments of the Minister of State for Mines were very helpful. They were so helpful that I will reduce my comments somewhat substantially with respect to the specific terms. But I would like to emphasize once again the two areas which are covered by the provisions in the bill. The first concerns salaries, remunerations, honoraria, and fees which any one of us might receive, or any other person in the employ of the Crown. That debtor must now be a judgment debtor in the usual provisions of the province before attachment proceedings might be initiated. As the minister has already pointed out, those attachment or garnishee proceedings are not the same as they would be in the province. They could come under the usual debtor arrangements, which would have simplified matters that much more; but no, the Crown, in this instance, had to introduce some new variations or procedures. But one finds, on reading the bill, that these do not prove fatal, and so we are prepared to accept them.

The second area of concern relates to the diversion of pension funds. I suppose this gives justification for the minister who is responsible for the status of women to make some comments which do not particularly relate to the bill, but certainly this bill does relate in a good, substantial measure, to support clauses. The second area covered, then, is the area of pensions which government employees might enjoy, and these are subject to what the bill refers to as a diversion. They do include a diversion of contributory superannuation plans and funds, as the minister pointed out, not including the Canada Pension Plan or pensions payable to veterans.

The party on this side wants to applaud these two exemptions. That is one of the reasons we have been emphasizing for so long the necessity for introducing the bill. Pensions may only be attached or diverted as they are referred to in the act, and only when there is a support order by a court of competent jurisdiction in the province of residence. While collection companies may not be able to get at those premiums or pensions, spouses, former spouses and dependants might now make application to divert up to 50 per cent of the pension payable.

I do not think I heard the minister say this, but it should be noted and emphasized that many of our public servants are facing the same difficulties as are Canadians all across the land. They might have as much difficulty as other Canadians in paying the bills chargeable to them. The bill has an express provision so that they will not be allowed to discharge the employee by reason of having come under the provisions of this bill if that is the only reason upon which such application for discharge is based. It is then reasonable to assume that they should be placed under the same provisions as any other Canadian in the collection or recovery of debts. However, I hope they will continue to remember that they are federal public servants.

There is no need for us to prolong this debate. The argument have been presented in a very detailed form. I want to say that it has been a privilege to speak to this bill, even at this late date, and to say on behalf of Her Majesty's Loyal Opposition that we urge its early passage through all stages.

Some hon. Members: Hear, hear!

• (1520)

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, I wondered a little while ago whether or not we were going to talk out this very important bill this afternoon. The minister spoke at length and in great detail, and eloquently, of course. There are two other bills we have agreed to let go through. I thank the other two members for their detailed explanation of the bill and their words certainly do not to be repeated by me, therefor I have no intention of doing that. I see a nod of agreement over there. It seems to me, Mr. Speaker, that the way a person judges a bill is to see who is for it and who is against it.

I thank my party's justice critic, the hon. member from Burnaby (Mr. Robinson), for the work he has done on it. He has been anxious to see this bill go through, and has been pressing this matter vigorously, along with a number of other people. Let me give a brief list of those who favoured this bill. They are the Law Reform Commission, the chairman, Mr. Frank Muldoon, and his commission, and the Public Service Alliance of Canada who might not necessarily be expected not to be as anxious perhaps to have this bill passed because at the moment their members are protected from garnishments and pension attachments. Then there is also the Ontario Society of Collection Agencies; this group is naturally jubilant. We can easily understand their impatience, as they wait for the passage of this bill. Finally, there are the women of Canada who, as everyone knows, probably earn little more than half the average wage of the male. Many have been abandoned or retired or are widows, and older women at the lowest end of our economic totem pole. They also would be anxious to have this additional protection.

The matter of maintenance payments needs to be straightened out. That was recognized a long time ago by the Law Reform Commission. It is a form of privilege really, that members of Crown agencies or civil servants or public servants historically could hide behind the fact that they are employed by the Crown, to evade maintenance. These are the skippers, the people who run out on their responsibilities. They will not be very happy with this as they try to evade responsibilities. It is important that we pass this bill and pass it with all due alacrity.

It is important to pay tribute to the Public Service Alliance of Canada here. Their spokesperson, Mr. Del Hewitt-White, says that he sees no reason why public employees should continue to enjoy this benefit unavailable to other citizens. The Public Service Alliance has looked into this matter, it has sought legal advice and has voiced no objection to this bill. As a matter of fact, the Alliance is encouraging its passage, as long as the scope of the bill does not go beyond that which is operated and prevails in the private sector in garnishees or pension attachments.

I understand that many of the provinces are in favour of this bill. I will not go further than that, Mr. Speaker, because I know that there are two other bills which we are anxious to consider this afternoon. I would congratulate the government for bringing the bill in. It is long overdue. The malingering debtor is someone who should not be able to hide behind his position and escape his obligations merely because he happens to be a member of a Crown agency, or a Member of the House of Commons or of the Senate, or happens to work as a civil servant.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): The understanding of the Chair is that hon. members may wish to put this motion and bill through all stages today.

The present motion contains a reference to the Standing Committee on Justice and Legal Affairs. I would need a motion, plus the unanimous consent of the House, to amend this reference.

Shall I put it then, in the name of Mr. Kelly, seconded by Mrs. Killens, that the motion be amended to refer the bill to Committee of the Whole?

Mr. Nielsen: Mr. Speaker, we would consent to that, of course, but it would have to be moved by a minister of the Crown.

The Acting Speaker (Mr. Blaker): I am informed that that is not necessary, because we have some spending—

Rather than dispute the issue, I will certainly put it in the name of a minister.

Hon. Jean-Luc Pepin (for Mr. Chrétien) moved that the bill be now referred to the Committee of the Whole.

Mr. Nickerson: On a point of order, Mr. Speaker, in glancing at the first page on this bill I find that it carries the recommendation of the governor in council for the moneys that need to be appropriated to carry this into effect. Therefore, Sir, I would submit it is in fact a money bill and does require that the motion be moved by a minister.

The Acting Speaker (Mr. Blaker): I was in error then and I am grateful for the correction by the hon. member for Yukon (Mr. Nielsen) and the hon. member for Western Arctic (Mr. Nickerson).

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and, by unanimous consent, the House went into committee thereon—Mr. Blaker in the chair.

The Assistant Deputy Chairman: Order. House in Committee of the Whole on Bill C-38, An Act to provide for the garnishment or attachment of Her Majesty in right of Canada and for the diversion of pension benefits payable by Her Majesty in right of Canada under certain enactments. Shall Clauses 2 to 20 carry?

Mr. Nickerson: Mr. Chairman, I have a question concerning Clause 12 which I would like to put to the Minister of State for Mines who is sponsoring the bill. Clause 12 deals with regulation-making powers. Paragraph (*a*) allows the authority to designate by regulation places where service shall be made. I wonder if it is the intention of the government to have one place in Canada where, pursuant to Clause 7, submissions can be made by registered mail; or whether it is the intention to set up one office in every province and territory, or to establish a series of offices throughout the country, more than one in each province or territory.

Mrs. Erola: Mr. Chairman, it is my understanding that this will vary from province to province, as the place of residence. I think that all of these considerations will take some time to put into place properly.

Mr. Nickerson: And the Territories?

Mrs. Erola: And the Territories as well.

Mr. Nickerson: Is the minister confirming that there would be an office established in each Territory, besides the provinces, where such service could be made?

Mrs. Erola: No, Mr. Chairman, I was not confirming that. I was saying only that the place of residence from which the application came would be the area.

It is my understanding—I may be corrected in that—that there would be no offices set up in each province, that there would be no additional bureaucracy required.

Mr. Nickerson: I do not really understand what the minister said, Mr. Chairman, but we will leave it at that and perhaps she could get back to me privately afterwards.

On the same Clause 12, in regard to paragraph (*b*), in reading through this bill, I get the impression, which I am sure is correct, that the normal provincial garnishment legislation would in general apply. That provincial legislation generally specifies the proportion of a salary which can be attached. But under this 12(*b*), it seems to be the intention of the government to restrict further, under certain conditions, the amount of salary that can be attached. In this paragraph, they take here the authority to specify an amount which may be deducted from the salary, in order to come up with the net salary which then might be attached according to the provincial legislation.

I wonder if we could have an explanation as to why that particular provision is necessary, and an example of when it might be put into effect.

Mrs. Erola: Mr. Chairman, it would be difficult for me to give a specific example at this time. I would be very happy to look into the regulations and to discuss them to see just what specifics it would apply to.

However, I would suspect that in this particular case there may have been additional allowances to which they refer, as in the case of certain officers who serve abroad.

The Assistant Deputy Chairman: An hon. member to my left has suggested that we might proceed clause by clause rather than by a group of clauses. I will put the question again by reference to all of the clauses in Part I.

It appears that I can put, under Part I, Clauses 2 to 20, as one question. Shall Clauses 2 to 20 carry?

• (1530)

Mr. Lambert: Mr. Chairman, I have one question. This is no reflection on anyone here, but I want it made patently clear in the reply from the minister that this legislation in no way whatsoever would attach the pension payable to a war disability pensioner, a recipient of a war veterans allowance, a recipient of a merchant seaman's service allowance, pensions or benefits under the Compensation for Former Prisoners of War Act or any derivative of those four acts. While I recognize that the schedule in this bill does not mention it, there was nothing said in the minister's opening statement nor was there anything said in any of the speeches which followed. However, I wish to have it made crystal clear and on the record that this legislation will not touch those pensions or entitlements.

Mrs. Erola: Mr. Chairman, it is my understanding that they will not, but I will clarify that completely for the hon. member in just a moment. Some of these may come under the National Defence Act, and I would like to get clarification. I am under the impression they will not, but I will get confirmation for the hon. member in one moment.

The Assistant Deputy Chairman: The House may wish to delay further questions for a moment because I understand one of the officials of the department will be available.

Mrs. Erola: Mr. Chairman, would the hon. member repeat his question?

Mr. Lambert: Does this bill have any application to payments under war services disability legislation, under the War Veterans Allowance Act, under the Merchant Seamen Compensation Act, the Compensation for Former Prisoners of War Act and any payments made under those acts to survivors with respect to survivors' benefits?

Mrs. Erola: It does not.

Mr. Lambert: I thank the minister.

Mrs. Erola: Mr. Chairman, may I respond to the question put by the hon. member for Western Arctic? Wherever there is an office of the Department of Justice it will be handled through that office. As I said earlier, there is not to be the creation of new offices. There are offices in the Territories and Yukon.

What was the second question?

Mr. Nickerson: The second question dealt with the authority sought under Clause 12(*b*) to reduce the amount of a salary which might be attached by way of garnishment.

Mrs. Erola: It is exactly as I suggested earlier. These are the extra allowances such as, for instance, for boots and gloves to postal workers. They would not be included.

Mr. Lambert: Expense accounts?

Mrs. Erola: That is defined under "salary", apparently. If hon. members will look at Clause 4, they will see the definition of "salary".

Mr. Lambert: Mr. Chairman, I do not want to get into a discussion here because there is an agreement.

Mr. Nielsen: Right.

Mr. Lambert: However, there is a disagreement as to the contents of this bill, and it is absolutely not to be passed until we have a crystal clear understanding.

Mrs. Erola: In Clause 4 "salary" is defined as the following:

(*a*) in the case of a member of the Senate or House of Commons, all moneys payable under the Senate and House of Commons Act, the Salaries Act and the Parliamentary Secretaries Act, other than moneys not included in computing the member's income for the purposes of Part I of the Income Tax Act—

That is very specific.

Mr. Lambert: That is clear, Mr. Chairman, but in some of the provinces there are provisions that there is a part of a salary which cannot be touched. In other words, all of a man's salary due on payday cannot be attached because he must have something on which to live. I do not know what it is today. It used to be something like $85 a month about 25 years ago. Whatever it is, it is to be set by regulation, according to Clause 12(*b*).

Mrs. Erola: No.

Mr. Lambert: Yes, it is.

The Assistant Deputy Chairman: Order, please. The Chair has a difficulty. It is obviously no imposition on the Chair that the minister and the hon. member should have this discussion, but the stenographers have a difficulty because the minister and the hon. member are tending to speak before their microphones are turned on. Possibly they could wait until they are given the floor by the Chair.

Mrs. Erola: Mr. Chairman, apparently the rules are very clear that provincial laws will prevail.

Clauses 2 to 20 inclusive agreed to.

The Assistant Deputy Chairman: Shall I put the question on all clauses under Part II, Clauses 21 through 37?

Mr. Nickerson: Mr. Chairman, I have one last question. Clause 23(2) deals with the situation in which a pension is to be attached in favour of a minor, someone under the age of 18. This clause gives to the minister the discretion as to who should collect that money. I wonder why that discretion is given to the minister and not to a court of competent jurisdiction.

Mrs. Erola: Mr. Chairman, it is a matter of mobility. It is a question of a person moving out of the home. A problem is created, so it has been dealt with in that way.

Clauses 21 to 56 inclusive agreed to.

Schedule agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

* * *

• (1540)

SUPPLEMENTARY RETIREMENT BENEFITS ACT

AMENDMENTS RESPECTING LIMITATION OF BENEFITS

Hon. Donald J. Johnston (President of the Treasury Board) moved that Bill C-120 to amend the Supplementary Retirement Benefits Act be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

The Acting Speaker (Mr. Blaker): I understand that it is desired to put this bill through all stages. That will require an amendment to the motion.

Mr. Johnston: Mr. Speaker, we have two bills to deal with this afternoon in the little time remaining and both are very important in terms of saving money and providing better management of that money for the taxpayers of the country.

At the outset I should like to move that this bill be referred to Committee of the Whole instead of to the Standing Committee on Miscellaneous Estimates.

The Acting Speaker (Mr. Blaker): Order, please. Since it is the minister's motion, the procedures do not allow him to amend it. The Chair will recognize the hon. Minister of Transport (Mr. Pepin).

Hon. Jean-Luc Pepin (Minister of Transport) moved that the motion be amended to read that the bill be referred to Committee of the Whole.

The Acting Speaker (Mr. Blaker): Is there unanimous consent?

Some hon. Members: Agreed.

Motion agreed to.

Mr. Johnston: This bill proposes the so-called prorating amendment to the Supplementary Retirement Benefits Act—the SRBA for short. As members know, the SRBA provides for the January adjustments to all public service pensions to compensate for increases in the cost of living over the past year.

Under present provisions, the full annual increase is payable each January to all pensioners, even those who retired during the preceding year. This has meant that there is a tendency for employees considering retirement to do so at year-end to benefit both from a full year's salary and a full year's indexing. It is proposed that this anomaly of a double adjustment for the last year of work be eliminated by providing that the first indexation benefit be prorated on the basis of the time elapsed between the date of retirement and the end of the year. This means that the first indexing benefit would be directly related to the time when the employee is actually retired.

The arrangement proposed is quite straightforward. Perhaps I can provide an example. Someone who retired in January of a given year would receive eleven-twelfths of the full year's adjustment paid the following January. Someone who retires in June of the year would, the following January, receive six-twelfths of the full benefit. Finally, someone who retires in December would receive nothing by way of an adjustment but would receive a full adjustment in January of the second calendar year following retirement. The bill provides that the prorating adjustment of the first year's indexing benefit will apply to anyone becoming entitled to a pension on or after

January 1, 1982. A press release was issued last December explaining that this was how the proposed legislation would operate, and all departments and agencies were asked to bring this to the attention of those who might be affected.

Adoption of this amendment will mean cost savings that will grow year by year. That is, there will be a cost savings of some $6 million in 1983 alone, and because the savings are both additive and compounded, they escalate rapidly in subsequent years. This is very useful as far as personnel management is concerned, because of the tendency of public servants to retire in the last quarter of the year. I am advised that last year, better than half or 56 per cent of retirements took place in the last quarter.

There is a final dimension to the bill that I would like to discuss, and that is the effective date. The original intention was to have prorating apply to anyone who retired any time during the year the amendment was proposed. Every effort was made to draw this application to the attention of those who might be affected.

However, we are conscious of the representations made by the New Democratic Party that this timing does effectively change the rules of the game for those who retire before the change is actually enacted. The government is prepared to entertain an amendment to that effect when the bill reaches committee stage.

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I am glad to have the opportunity to speak to this bill which is long overdue. This party supports the bill but deplores the time taken to get it before the House.

As the minister has said, the bill will correct the longstanding loophole commonly referred to as the "year-end loophole". The government is given to closing taxation loopholes and I am glad to see that this one will not take money from the average citizen but will merely correct a provision in the act. I was glad to hear the minister say that a lot of money will be saved as a result of this legislation, but he did not indicate how much money had been wasted over the years because the loophole was not closed earlier.

The thing that concerns this party is that the government took so long to bring the legislation before the House. When the government came into power in 1980, one of its major platforms was pension reform. That was to include all pensions—for Members of Parliament, civil servants, the CPP—everything. In the Speech from the Throne, the Prime Minister (Mr. Trudeau) said that Parliament would be asked to consider a program of action that was designed to respond to individual needs by promoting greater security for the elderly. He also said that the government would convene a national pension conference in the fall of 1980 and that work must begin immediately to design better methods of providing flexible, portable and secure pensions. That pension conference was not held until late 1981, Mr. Speaker. Then the Prime Minister said that he would talk to the provinces and promised a meeting in July 1981. It was not held, Mr. Speaker.

The Minister of National Health and Welfare (Miss Bégin) has promised a green paper on pension reform every month since last November. Only recently she had indicated in speeches to pension conferences that pension reform would come about by the end of June. We find out now, however, that the green paper or the buff paper or the white paper or whatever colour it is, will not come before the House until some time next fall. That is an irresponsible and inadequate response to the needs of pensioners of this country.

For a long time there has been a great deal of discussion about pensions, most of it initiated by the government. The studies include "Canada at the Pension Crossroads", a report prepared for the Financial Executives Research Foundation (1978); the Confirentes Report by the government of Quebec in 1978; "the Joint Health and Welfare/Finance Study of Retirement Income in Canada", the Lazar Report, 1979; the Senate Committee on Retirement Age Policies (1979), and the Economic Council of Canada's "One in Three, Pensions for Canadians to 2030 (1979)". That was followed by a select committee of Parliament in Ontario, and the final report was received this year.

• (1550)

So it is very difficult to say that most of the studies, most of the information available, most of the research has been done. What I am asking this House, and in particular the government, is, why the long delay? I am asking the Minister of National Health and Welfare, the Minister of Finance (Mr. MacEachen) and the Prime Minister if they could not bring forth the results of their studies a lot sooner than next fall. Because of the long delays we have many people very worried. Recently we have seen additional reports from Quebec and British Columbia, and most recently a rather comprehensive report on pensions from the Canadian Labour Congress. I personally have seen reports and studies done by small business in Canada, and they are certainly concerned with the delay. They are concerned about the delay, the amount of uncertainty, and the kinds of signals they are getting from this government as to what direction pension reform is going to take.

Certainly we are all indebted to the women's organizations, in particular the status of women groups, for holding very comprehensive conferences throughout the country to bring forth the real problems which pensions hold for women. Yet the government, in spite of all this information, refuses to act. We depend on pensions, and I feel members opposite have not taken advantage of the climate in this country to have the government bring forward proposals to be discussed and passed into law.

It is interesting to know that by and large most of the authors of the studies have agreed on a few essential but major changes in our pension schemes. All these studies indicate a general agreement that the elderly living in poverty should be helped. The Minister of National Health and Welfare has many times in her speeches emphasized that this is her first priority. Why have she and the government not acted on that

issue? Most of the studies agree that pensions should be more portable and vested earlier. These are not difficult things, so why have we had no response from the government? These people all agree pensions should be more effectively protected against inflation, surely a basic thing in these highly inflationary times. They all agree that more people should be covered. Certainly our private pension schemes are not broad enough to do the necessary things.

They all agree, and I think this is most important, that women need better pension protection. When is this government going to give the women of this country better pension protection? Finally, all these studies agree that our pension system will be costly to the individual taxpayer, the business owner, and government. Of course, in these times that is a key issue. Delay and more delay by this government is making it impossible for us to reach satisfactory conclusions on and solutions to the pension problem. To cover the cost of our first problem in pensions, that of elderly people living below the poverty line, would cost some $750 million. I would be the first to say that this is a very serious matter, and I would like to point out that this government has spent some $1.4 billion to buy non-productive service stations for PetroCan. It spends more than $100 million a year on advertising to try to convince the public it is a good government, when the public knows the story is a far different one. Now I find it is going to spend at least $5 million to celebrate July 1. If the government got to work it could promote and pursue schemes to allow us to finance that $750 million.

I could pursue this area further but I will not because I know we are in a hurry. However, I think it is incumbent upon the government to proceed on pensions and on its green paper. Surely the small businessmen, workers and elderly people of this country are not going to put up with it much longer. They are going to remember and they will act, I am sure, if this government does not.

I wish to say again that we support this amendment. Our only concern is that it took so long. I hope it will not take so long for the minister's green paper to be brought down.

The Acting Speaker (Mr. Blaker): Before I recognize the hon. member for Kootenay East-Revelstoke (Mr. Parker), it has been mentioned to the Chair that there is a disposition not to see the clock at four o'clock. Is that agreed?

Some hon. Members: Agreed.

Mr. Nielsen: Mr. Speaker, that is agreeable as long as we do not see it at five o'clock for the equivalent amount of time we go beyond four o'clock.

The Acting Speaker (Mr. Blaker): There may be a difficulty in that regard. I had not mentioned it because I did not want to comment on whether or not the hon. member for Wetaskiwin (Mr. Schellenberger) was in fact going to appear. The business of private members' hour, to which the hon. member for Yukon (Mr. Nielsen) referred, is Motion No. 7 standing in the name of the hon. member for Wetaskiwin. I have no information as to where that matter will proceed.

Mr. Nielsen: We will cross that bridge when we come to it, sir.

The Acting Speaker (Mr. Blaker): Exactly.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, we are dealing with an act to amend the Supplementary Retirement Benefits Act. During the past year representatives of all three parties have been discussing this, and it is unfortunate that it has taken until June to get it before the House. For that reason we have presented an amendment, which I will place before the House at report stage, and which I believe has been agreed to by all parties in the House. Thank you.

Motion agreed to, bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Blaker in the chair.

The Assistant Deputy Chairman: Order. House in Committee of the Whole on Bill C-120, to amend the Supplementary Retirement Benefits Act.

• (1600)

The Chairman: Shall Clause 1 carry?

On Clause 1—

Mr. Parker: Mr. Chairman, we have some concern with Clause 1. We have had agreement from all parties in the House, I believe, and because of the lateness of the adoption or the presentation of this bill we have expressed our concern. Many people could have been planning for their pension earlier on but now all of a sudden because of this bill they could be affected. Therefore, I move, seconded by the hon. member for Mission-Port Moody (Mr. Rose):

That Clause 1 of Bill C-120 be amended

(a) by striking out line 11 on page 1 and substituting the following:

"1982 or later year, and who retires, or whose spouse or parent retires, on or after the day on which this section comes into force, for a month in the"—

and we carry on with the rest of the bill.

In area (b) by striking out line 27 on page 1 and substituting the following:

"retirement year in 1982 or a later year, and who retires, or whose spouse or parent retires, on or after the day on which this section comes into force, for"—

Then we follow on with the rest of the bill.

The Assistant Deputy Chairman: Shall Clause 1 as amended, carry?

Mr. Nielsen: Mr. Chairman, as long as your text is the same as mine, because it was not read accurately by the hon. member putting the amendment.

The Assistant Deputy Chairman: Then we had better have the amendment in the hands of the Chair as the one which the House will consider.

Mr. Nielsen: Perhaps it should be read, Mr. Chairman.

The Assistant Deputy Chairman: The amendment moved by the hon. member for Kootenay-East Revelstoke reads:

That Clause 1 of Bill C-120 be amended

Retention of Records

(a) by striking out line 11 on page 1 and substituting the following:

"1982 or a later year, and who retires, or whose spouse or parent retires, on or after the day on which this section comes into force, for a month in the"

(b) by striking out line 27 on page 1 and substituting the following:

"retirement year is 1982 or a later year, and who retires, or whose spouse or parent retires, on or after the day on which this section comes into force, for"

That is the motion in possession of the Chair. I hope that is the same as the one in the possession of all hon. members. Therefore, I will now put the question as to whether the amendment is agreed to.

Some hon. Members: Agreed.

The Assistant Deputy Chairman: Shall Clause 1, as amended, carry?

Clause 1 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

[*Translation*]

Mr. Pinard: Mr. Speaker, I think that if you could forget the clock, we could deal very quickly with all stages of Bill C-118. We have a speech of only thirty seconds, and I think the Progressive Conservative Party Whip has a short speech, and in any event, as far as we are concerned, we are willing, provided there is unanimous consent, for you to forget the clock, and in return, we will agree to the period for private members' business lasting the usual hour.

[*English*]

The Acting Speaker (Mr. Blaker): I might indicate to the President of the Privy Council—perhaps he was out of the chamber for a moment a little earlier—when the Chair was advised of that wish on the part of the House, it was agreed that the Chair would not see the clock.

Mr. Nielsen: With that condition.

The Acting Speaker (Mr. Blaker): Yes.

* * *

AN ACT TO AMEND CERTAIN ACTS THAT PROVIDE FOR THE RETENTION OF RECORDS

MEASURE TO AMEND

Hon. Serge Joyal (for Mr. Johnston) moved that Bill C-118, an Act to amend certain acts that provide for the retention of records be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Norman Kelly (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, briefly, it costs a lot of money to retain records in the business community these days. This bill will set a standard of six years' retention with the opportunity of diminishing that, depending upon the circumstances. We hope this amendment, through the record retentions act will save approximately $100 million a year in storage costs. For that reason, we believe it has received unanimous support of all members of the House. Before I sit down, I would like to thank the critics of the opposition parties who were so helpful in expediting the debate this afternoon.

Mr. Bill Kempling (Burlington): Mr. Speaker, I will only be a few moments. We welcome this bill. I am pleased to see that it was brought forward. It will allow businessmen to dispose of a lot of old records. In many cases it will free up valuable space and file capacity.

The only change that I could suggest to the bill which I believe would improve it will be to allow the owners of defunct businesses to turn over their records to the government or a government agency if a businessman dies and his business is wound down. A widow should not be obliged to keep records for six years. Perhaps in the consideration of the implementation of this bill that suggestion could be looked at. I do not think it would be a very difficult problem if the information were broadly disseminated across the country to allow for that provision. Other than that, we welcome the bill. We hope it is the beginning of the several regulatory reforms that we need in the country. We know it will aid the business community, and we thank you very much.

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, I am pleased to offer the support of our party for Bill C-118. On the one hand, records are certainly necessary but we also know that businesses are often encumbered by a good deal of red tape and problems of storage of records and that kind of thing. If this bill does assist in lessening that burden somewhat, we will be very pleased to support it.

The Acting Speaker (Mr. Blaker): The Chair will require a motion, as in previous instances, in order to refer the bill to Committee of the Whole.

Is there unanimous consent?

Some hon. Members: Agreed.

• (1610)

Motion agreed to, bill read the second time, by unanimous consent considered in Committee of the Whole, reported, read the third time and passed.

The Acting Speaker (Mr. Blaker): Order, please. It being after four o'clock, the House will proceed to the consideration of private members' business, as listed on today's Order Paper, namely, notices of motions, public bills and private bills.

As indicated earlier by the hon. member for Yukon (Mr. Nielsen), the House will give a full hour's consideration to private members' business. Hence, it will proceed until approximately 5.12 o'clock. Is that agreed?

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS

[*English*]

All items preceding No. 7 allowed to stand by unanimous consent.

GRAIN

PRODUCTION COSTS SUGGESTED AS BASIS FOR FLOOR PRICES

The House resumed, from Friday, June 27, 1980, consideration of the motion of Mr. Schellenberger:

That, in the opinion of this House, the government should consider the advisability of setting floor prices related to costs of production for cereal and oilseed crops one month before planting in order that farmers may be provided adequate returns to ensure sufficient production to meet Canada's domestic and export needs.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, this motion does not really have to be debated. It was introduced in the House two years ago, but the session has been so long it has come up again. Since the mover and the seconder of the motion have already spoken, they have asked me to explain the background of it. Hopefully, all parties, as I think they did the last time, will agree that it should be allowed to go through and be considered in committee.

As read by Mr. Speaker, the motion concerns a very simple technical decision which must be made each year by the Canadian Wheat Board. In effect, it asks the government to consider making it mandatory for the Canadian Wheat Board to do this one month before the commencement of the planting of crops. Approximately eight times out of ten the announcement is made one month before seeding, but every so often, whether the Canadian Wheat Board goes to sleep or the Minister in charge of the Wheat Board goes to sleep, it is not announced. This causes considerable worry and strain for persons trying to decide what crop to seed that year and particularly whether they will get back their money if they sow a particular crop.

This is not a political matter or a matter of philosophy. Simply it is a request of government to let the Standing Committee on Agriculture consider the possibility of including a direction to the Canadian Wheat Board from Parliament that we would like it to do this one month in advance of seeding time, which is roughly the middle of April. It is very simple. The House should not have to listen to an hour's debate. It is simply a request of government to consider this, which means putting it before the standing committee to let it decide.

I hope by the end of my remarks that this matter could be checked out by someone on the government side who knows something about it. Technically the matter comes under the jurisdiction of the Minister in charge of the Canadian Wheat Board who, by our custom, is not allowed in this chamber; he sits in the other place. Therefore, it really falls on someone in the House to listen to the message in this motion and to support it. As I have just said, there is nothing to it. It is just a matter of making formal what the Canadian Wheat Board does anyway.

I should like to give the background of this motion. This debate gives me the opportunity, which I personally appreciate, to put on the record the importance to Canada of having made the decision 47 years ago to put western grains under some form of organized marketing that did not take control away from the farmers. It was simply an organization to set the price; that is all it does. Then it turns this monopoly on the right to sell it, which Parliament gave to the Canadian Wheat Board, over to private enterprise to sell.

The only thing we have is a board which meets every day to look at the world situation and to set the price. There is another division which looks after the movement of grain around the country and tries to persuade the railways and the grain companies to do something to make money, but essentially it has only one function—to set the price. We have collected the brains of all the universities and all the public servants who sit there every day to decide what the supply and demand are like in the world and to set the price. The practice has been, over the last six to ten years, for them to simply look at the newspapers to see what speculators are doing with the wheat price down in Kansas, Chicago or Omaha. They have to be literate and able to read the prices set in United States markets. Then they announce the price for which Canadian grain will be sold the next day.

I should like to refer to the importance of the Canadian Wheat Board. One way of setting price is to announce it daily for any sales actually consummated on that day, but at the beginning of the year the Canadian Wheat Board has to announce the initial price for every bushel of grain grown and delivered in the coming crop year. This initial price is like a downpayment. Farmers want to plant in the middle of April, to harvest in August, and to get the grain into the elevator. When they deliver it to the elevator, they receive a downpayment or a partial payment on the grain. Before farmers plant they are able to produce several crops. They know roughly what it will cost to produce each type of crop, and they like to know what price, roughly, they will obtain at the end of the year. The initial price is an indicator to them of what the Canadian Wheat Board thinks is a safe level so that they will not lose any money. Technically the announced initial price is not a floor price, but in reality it is because farmers are given money the minute they deliver the grain, even though the grain may not be sold for another two years.

When all the grain is sold, all the figures are brought together into a pool and averaged out. After the costs are taken off because farmers pay for everything, then the board makes a final payment about a year and six months or a year and eight months after the grain was actually grown. This system has worked for 47 years. It is slow, but it satisfies the great majority of farmers. They will all get the same price for the same grain, plus or minus the cost. Since this system has worked for the last 47 years, why should we be concerned about the timing of the price announcement? As I said, the farmer would simply like to have an indication of what the best

grains are that he can put together and what the Wheat Board thinks the price will be for that year. If the Wheat Board determines that the price may be $6, it will probably make an initial payment of approximately $4.50. With this information, the farmer can receive his $4.50, and when the final accounting is completed the Wheat Board can decide that he has a final payment owing to him of approximately $1.25, depending on the final sale.

• (1620)

Would hon. members not agree that it would be of assistance economically for farmers to have at least a rough expectation of return on a certain crop, whether it be oats, barley, wheat or cereal crops such as rapeseed? It is a very simple proposal to have the Standing Committee on Agriculture consider the advisability of making it mandatory for the Wheat Board to remain aware of conditions and give its best estimation of prices at least one month before the middle of April each year in order to give the farmer a chance to choose which crop he might expect to get the best returns on. Let the Wheat Board indicate to him what they think the best returns will be.

The heart of the resolution is found in the expression "setting floor prices related to cost of production". I have already indicated in my remarks that the price is actually set on the best guess of what the final price will be during the year. A certain proportion is taken from that price. The purpose of this motion is to have the government consider basing this amount on the cost of production along with announcing it a month in advance, of planting.

This brings me to the consideration of the long background of this phrase "the cost of production". It was in 1958 that the national agricultural policy was announced in the House by the then Prime Minister, John Diefenbaker. There were five points in that national agricultural policy. The first point was to accelerate marketing. As you know, during that period we developed markets in the Communist countries.

The second point was the stabilization of prices. As the House knows, we enacted several bills to deal with this point but the key one was the Agricultural Stabilization Act. This act concerned all products, not just wheat. Wheat was already covered by the Canadian Wheat Board in the initial payment. This act gave the government the statutory authority in effect to set a floor price based on the cost of production in order to assist farmers. However, the Canadian Wheat Board price was simply the best guess of what the initial payment should be on the farmer's bushel of grain.

The third point of that national policy was the stabilization of income. The Crop Insurance Act is an example of how we implemented that point.

The fourth point was to establish a modern system of farm credit. Out of that evolved the Farm Credit Corporation, which is still in existence today, the legislation for which was amended just a few months ago.

The final point in the policy was conservation, which concerned making the best use of our resources through environmental study and the improvement of soil conditions. The main example of that is ARDA.

This national agricultural program with its five directions has been in place these last 25 years and has been honoured by every government since 1958. We use the same legislation with slight amendments. Since all parties support the basic principles of this national agricultural policy, agriculture has not really been a partisan matter in the House during the last 25 years. We have the responsibility, however, of continually reviewing these programs in order to make them better. Every session, there are always one or two amendments to make improvements to it. For example, there was the Western Grain Stabilization Act which was introduced by the Hon. Otto Lang, the minister at that time. That act is still in effect today. Therefore, these stabilization principles are constantly being modified.

The purpose of relating that policy to the motion before us today is to point out that the key issue we are discussing concerns the way to stabilize prices. The key document in this regard was the Agricultural Stabilization Act of 1950. At that time a great debate ensued as to how to create a formula to protect a farmer's cost of production so that if he took a chance to grow a certain product he would at least get his expenses back. Therefore, we set up the act on the basis of a formula. In order to arrive at that formula we had to consider several factors, the cost of production being the main one. However, it proved almost impossible intellectually to determine what the average cost was. For example, if you took 100 farmers who were producing the same product, each farmer would have a different cost. If you took the middle group of farmers as the mean and set a cost of production, if that cost on which you would guarantee a minimum return was lower than a certain farmer's cost of production, he would take a beating. On the other hand any farmer whose cost of production was lower received a large bonus. Therefore it was impossible on the sheer basis of averaging statistics to arrive at a precise cost of production figure.

The work done by the hon. member for Wetaskiwin (Mr. Schellenberger) and the summary of his work which he presented in his speech at that time is an example of the imaginative and innovative quality of the work he did. He put those figures on the record, and by working the index backwards and forwards he discovered that the concept of the index was not entirely fair either. I will not go into the details which are the concern of the statisticians. It is very difficult to make statistics work accurately for you and it is equally difficult to allow for the changing conditions which we have seen during the last 30 years.

The Agricultural Stabilization Act, as it was originally passed, was based on a formula in the form of a guarantee that if a farmer were go to grow a crop, such as beans, at a previously set price, he knew before the crop was planted that he would get 80 per cent of a three-year moving average price, which was the closest method of establishing the estimated cost of production for beans.

The statisticians who established these prices worked hard, but no matter how hard they worked—looking back at it 25 years later—one realizes that it was impossible to be precise. Therefore, the cost of production is still an active subject to be studied by those statisticians. If any hon. members want to know what I mean by the difficulty of determining a price, they should read the last report of the Canadian Federation of Agriculture in which their officials spent two years working with the Department of Agriculture trying to arrive at cost of production figures. Do not blame them, as humans beings, for failing. I think it is humanly impossible to actually project any firm cost of production. Unless you have some relationship to the cost of production, any form of support price which is established is not much good. In effect, what the farmers are asking this House to do, through the Canadian Wheat Board, is that when the price is set, is not simply to use the criterion of the best guess of what the price will be in the United States over the next year. Take a look at the farmers' costs of production. Even if it is proved, pick some initial price related to the cost of production which is reasonable. If one reads through the speeches given by the present Minister of Agriculture (Mr. Whelan) over the last ten years, one will see he has been trying to do this in relation to other products. He has changed the three-year working average. He has changed the percentage from 80 per cent to 90 per cent and up to 100 per cent, searching for a better way of doing it. But the wheat farmer does not receive that type of attention from the Minister of Agriculture because these particular items, cereals and oilseeds, are under the Canadian Wheat Board.

● (1630)

The hon. member for Wetaskiwin is really requesting that we give to the farmer who works under the socialized control of the Canadian Wheat Board, if one wants to call it that, a type of initial price based on the cost of production rather than the best guess. There is a risk involved in this because the Wheat Board does not have any money of its own and when it sets its initial price, it must go out and borrow from the banks to pay the farmer. Then when the grain is sold a year or a year and a half later, the farmer accounts for the price he actually sold it for, the cost of interest is taken off along with the cost of shipping and all the rest and then the second or final payment is worked out. The farmer is very happy when he gets more than he expects because it is still a guessing game. What the farmers need now, considering all the changes during these last few years along with high costs, is an initial price based on something better than the best guess. We should see whether we cannot decide a floor price based on a rough equivalent of the cost of production of various types of grain. I will not put words into the mouth of the hon. member for Wetaskiwin, but I know that is what he is trying to do.

I would suggest that on this particular motion, which is only requesting the government to consider this proposal, it would be quite safe for whoever speaks for the government to stand up in the House and say there should be no change in the value of Ways and Means of the government. The government should simply be asked to accept this motion and put it before a standing committee of the House to let it determine some form of direction for the Canadian Wheat Board. This would allow the farmers under the jurisdiction of the Canadian Wheat Board to make the same effort in planning as those producing other products in Canada covered by the Agricultural Prices Stabilization Act. It is very straightforward. It will never be perfect, but at least there will be a little improvement.

This motion is obviously very simple. It will simply put up the cost of production using the formulae available, worked out with great trouble by the Department of Agriculture and by the Canadian Federation of Agriculture. They will relate that initial price and announce it a month in advance of the planting season so that the farmer can consider his various choices. He will know the floor price, or at least the initial price, so that he will know what his costs will be if he produces a certain crop or how close he is to his cost of production. If he can see that he will make some money out of it, he will probably grow the crop. But if he sees that he can make even more money from another grain, he will go the other route. This will simply help the farmer to plan. It will not cause the treasury of Canada to bear any cost. If the Wheat Board sets the initial price too high, there will be a smaller final payment, the farmer will simply take the money ahead of time, and then he will pay it back. He will have to pay the interest. Therefore, the farmer will take all the econmic risks. All we are asking is to please give the grain farmer equal treatment with other types of farmers under the Agricultural Prices Stabilization Act.

I think I have made a fair representation as to what the hon. member for Wetaskiwin wants done under this motion. I would like to add a few thoughts of my own. I was involved with the setting up of the Agricultural Prices Stabilization Act and I praised it many times in the House. On every occasion, I tried to help improve it. But I still think there is much to be done based on the type of proposal made by the hon. member for Wetaskiwin concerning the grain department. We should apply some of his background knowledge on the figures to other products covered by the Agricultural Prices Stabilization Act. I am referring to fundamental products like potatoes, beef, fruits and vegetables. I know much work is being done under the Agricultural Prices Stabilization Act, and the formula is constantly being changed, but I do think additional work could be done such as that being done in the Canadian Federation of Agriculture and the Department of Agriculture with respect to grain. This deep study of the figures should be applied to arrive at a fair floor price, not only for producers of grain which come under the Wheat Board Act, but also for all farmers and all of these key products.

The Acting Speaker (Mr. Blaker): Order, please. I am sorry to advise the hon. member that his time expired at 4.33. Perhaps he might want to seek the unanimous consent of the House to complete his remarks. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Hamilton (Qu'Appelle-Moose Mountain): For many years Canada has fought for international commodity agree-

ments. This is particularly important concerning food products which are increasing in volume in international trade. I hope that hon. members in all parties who may read this speech will keep up the fight. I made a major speech on this subject in 1964. I have attended United Nations meetings. I have attended international parliamentary meetings in Australia and Senegal. I have worked with great care on the presentations of all nations at the United Nations conferences on trade and development. All parties in this House supported this stand. But what I am really saying here is that I hope that even though we are trying to help our producers to stabilize their incomes and prices in our country, we still work toward an international framework to stabilize those prices, not to set the prices, but to determine the rule of law for the competition between those floors and ceilings.

Canada led the world with the international meat agreement in 1949, which was destroyed in 1966-67, with the United States, Canada and Australia. Now we must get back on the road together. I know that Members of Parliament from all parties have met with their counterparts in the United States. Some have spoken to Members of Parliament in Australia. There is no parliament left in Argentina, but we are in contact. We know that the Argentinians sent their representatives here to Ottawa on April 24 and 25. So did Australia, Canada, the United States and the Europeans. The motion for the restoration of international agreement has been placed. But we in Canada who have led the way for the world in international commodity agreements should continue to lead the way. If it is very important in relation to food for world security and stability, it is also equally important in relation to the other resources, such as the forestry resources and particularly this very valuable mining resource of ours.

I want to thank the House for letting me make these comments of my own. In addition to what the hon. member for Wetaskiwin said in his attempt to bring just a little common sense to this announcement date, not only on the timing one month in advance but also on the cost of production, I would like to say that we also have some responsibilities, wherever we are, to keep up this pressure so that the producers of the world unite together, sit down with the consumers and work out a rule of law, because these products must be stabilized or either the producer or the consumer will be destroyed. There should be a rule of law placed on these variable prices. Nature cannot be controlled, but we can control, to a reasonable degree, the stability of prices in world trade.

I simply wanted to ask the hon. member who spoke for the government today to please say to the minister in the other place who is responsible, "Do not just sit there. Do something. All you must do is to put a reference before the committee, and if you can move this one step further it would help us all and we could get this very simple motion off the books."

• (1640)

Mr. Gilbert Parent (Welland): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Parent: I thank the members for the thunderous applause they afforded me this afternoon.

It is always good for me to enter into a debate with the distinguished Member of Parliament for Qu'Appelle-Moose Mountain (Mr. Hamilton). Earlier on, when Mr. Diefenbaker was prime minister, he was the minister of agriculture. I regret that the hon. member for Wetaskiwin (Mr. Schellenberger) is not able to be with us today. It may seem strange to some members that I would be intervening in this particular debate. There are some reasons why I have come forward. I represent a riding which is a twin of the Wetaskiwin riding. I have had voluminous correspondence with constituents of that riding, as well as with many friends I met there over the last three years. I believe that the problems that are being faced in Wetaskiwin are problems that are being faced throughout the west, in the grain-growing provinces.

The objective of this motion is quite reasonable and I have no quarrel whatsoever with it. It must be pointed out, however, in asking for the type of protection considered here, that there already is a great deal of protection in place for the producer. I have used the term "protection", which is the word the member for Wetaskiwin used in his motion. Canadian producers, Mr. Speaker, must be protected, and they want protection. They have at their disposal a number of policies and instruments which enable them to continue producing without introducing the additional regulation and intervention which cost of production, full price, would entail.

First and foremost in the form of protection is the Canadian Wheat Board. Its mandate is to market grains on the producers' behalf at the best possible return. Who could argue with anything as straightforward as that? The board continues to do an excellent job. The Canadian producer obtains returns on the world marketplace which compare favourably with other exporting countries.

At the end of the month of April, Senator Hazen Argue, who sits in the other place and who is the Minister responsible for the Canadian Wheat Board, tabled the board's 1980-81 report. It says that the sale value of last year's crop was a record $5.6 billion. The value of the grain delivered in the 1980-81 crop topped the previous record of about $3.9 billion, set a year earlier. These kinds of returns are vital to prairie producers, facing ever-increasing farm input costs, with high interest rates. The board is just the agency to ensure the highest returns possible in the world markets.

The farmers were able to deliver all the grain they wanted and farm carryovers were lower than for many years, at the end of the crop year, this, Mr. Speaker, in spite of drought conditions early in the crop year. The report said that the 1980 crop year was better than the ten-year average and grain exports at 23.5 million tonnes were just a shade under the record of the previous year.

Senator Argue said, according to the Release of May 28, 1982, that there are no guarantees in the grain business, what with the fickle weather and changing economic conditions, and shifting trading patterns, but it is still the brightest light in the economy right now. It was noted that we were able to establish

the initial prices for the 1982-83 crop year at last year's levels. That should encourage farmers to produce all they can to meet the growing world demand for grain. I have no doubt that the market is there for all the grain farmers can grow. I am hopeful that prices will improve enough before long to ensure the farmers' returns keep up with the rising costs.

This House of Commons, Mr. Speaker, went on record a few weeks ago, as agreeing unanimously that the Wheat Board is doing a good job. The proof of that is than when the member from St. Boniface (Mr. Bockstael) brought forth a motion, he got unanimous consent to it, congratulating all groups in the grain industry for having surpassed the all-time export record with still seven weeks to go in the crop year. I submit to you, Mr. Speaker, that the system does indeed work.

The third point I would like to make, Mr. Speaker, is that a related institution, the Canadian International Grains Institute, assists in the promotion and marketing of Canadian grains by providing a range of ongoing educational programs. This is to me a rather interesting point, Mr. Speaker, because my profession before coming into politics was in education. As a teacher, as one who works in this field, I believe that education is an ongoing matter for all people in our society—understood and included, the farmers of Canada.

The federal government has also established the Western Grains Stabilization Program. It protects producers against periods when there are downward signs in the market and when their income drops significantly in relation to historical levels. How is it done? As the hon. member from Qu'Appelle-Moose Mountain pointed out, it is done by taking a sliding average of farmers' income. I stand to be corrected by the hon. member, but my information is that it was over the previous five years and not over the previous three years. If this is not the case, I hope the hon. member will correct the record at the end of my intervention. How does it work? If in the current year the revenue income drops, then the stabilization mechanism is triggered.

This program is cost-shared by the government and the producers. The government puts in 4 per cent of the eligible receipts and the producer puts in 2 per cent, subject to a $900 maximum for each producer. You might ask yourself, Mr. Speaker, as well as might all other members of this House, how much the farmers, the producers, benefited from this since its inception. The fact is that this fund has paid out some $370 million to our farmers, our producers, since its inception. This is a scheme, Mr. Speaker, which the farmer contributes to in the good years and benefits from in the less good years.

To deal with temporary cash flow problems, Mr. Speaker, there is the Prairie Grain Advance Payments Act. Under it, producers can take out an advance payment on farm-stored grain until there is an opportunity to deliver it. For wheat used for domestic human consumption, producers have the protection of the domestic wheat price policy. Under this policy, producers are guaranteed a minimum price of $5 a bushel on all wheat used for domestic human consumption, even if export prices fall below this level.

What do we mean by human consumption? We mean that the grains are used, for example, in the making of such everyday things are bread, pasta, all biscuits and cookie manufactures. Again I am involved there, because in my riding there are manufacturers of these commodities. It is very important to them that they get the type of grain that they need to produce and manufacture wholesome foods for the people of Canada.

It was said earlier, Mr. Speaker, that our transportation system is involved in this matter. Major improvements have been made in the Canadian grain handling and transportation system in recent years. There is the provision of new hopper cars. I will put more detailed information on the record. There is also branch line rehabilitation. The process of upgrading our system will continue as we move increasing volumes of grain for export.

• (1650)

As I mentioned, while this point is not directly related to the farmer in respect of farm costs, obviously it is important to the farmer to have an excellent—not a good, but an excellent—transportation system to move his products to market. That is why the Minister of Transport (Mr. Pepin) has been putting so much effort into this particular area.

To be specific, with regard to hopper cars, the federal government—the government of this day—has already bought or leased some 10,000 hopper cars. Recently the minister announced in this House the purchase of another 1,280, which will provide jobs in my area around Hamilton, Ontario, in Sorel, Quebec and also Trenton, Nova Scotia.

With regard to branch line rehabilitation, originally this was to have been a ten-year program with a $700 million budget. This started in 1977. Just recently the Minister of Transport arranged to index the annual spending on this program so that yearly amounts will not be eroded by inflation. What this means is that if there is $70 million in a given year and inflation increases 10 per cent, then in the next year there will be $77 million, and we will be able to buy the same number of hopper cars and do the same amount of work. In that way there will not be any penalty involved.

Under these programs as well as the recent initiative of the Minister of Transport, $3.2 billion will be invested in grain transportation alone over the next four years. That investment is to take place—I would say 95 per cent—in the west.

The government already guarantees initial payments for wheat, oats and barley marketed by the Canadian Wheat Board. These are floor prices which are guaranteed by the government. They are market-oriented and provide the producer with a significant degree of security. This in itself, I submit, guarantees the producer at least the minimum price.

We have had ongoing discussions with many countries. The hon. member for Qu'Appelle-Moose Mountain has mentioned that he has taken part in many trade delegations. He has been to the United Nations, as have many members of my party. I think the hon. member will agree with me that one of our closest partners in the marketing of grain throughout the world

is the United States. There was a meeting held in late May between Senator Hazen Argue, the minister responsible for the Canadian Wheat Board, and the U.S. Secretary of Agriculture, Mr. John Block. At that meeting they discussed the general grain situation and opportunities for closer co-operation among exporters. This was done so that we could work together and see to it that whatever bugs there were in the system would be worked out so that we would have maximum benefit for the farmers and maximum use of our transportation system. In that way we would get a maximum return for the people of Canada.

Following the meeting, Senator Argue indicated that efforts will be made to arrange a meeting of ministers from all grain exporting nations in the fall. We are looking to the future. We are going to try to anticipate whatever problems will be coming up, and this meeting will be held in the fall. At the meeting to which I have referred, we are told, there was an exchange about the possibility—perhaps even the probability—of a meeting at the ministerial level to discuss the grain situation, particularly if grain stocks build up this season. We are told that the American delegation responded very favourably.

In discussing the marketing systems of the two countries the Americans referred to their efforts to stabilize world grain markets through their loan rates and grain reserves program as well as to encourage U.S. farmers to reduce their seeded acreage. However, there was no request for Canadian acreage controls or cutbacks. Our farmers in the west are encouraged to grow virtually all they can.

In my opinion the Americans have a good understanding of Canadian policies in the grain business, and I think it is incumbent upon this government to make sure the Americans are kept abreast of things we are doing in this country so that they know what our specific intentions are.

Canada supports efforts to improve world prices for producers, but the U.S. and Canadian systems are very different, and we contribute through careful management of our export system. Our objective is to maintain a reasonable level of production, of which our farmers are capable, and to have in place a transportation system that is efficient and will take our grain to market. We expect the export trade in grain to continue to grow, and we expect to share in this expansion.

How am I directly involved in this? It should be pointed out that virtually all of the Welland Canal is situated in my riding, and a great deal of the grain which is shipped from the western provinces comes through the Lakehead, down through the Great Lakes, through the Welland Canal and out through the St. Lawrence Seaway. I submit that we in my area of the Niagara Peninsula—Welland specifically—are benefiting a great deal from the grain sales which are going on and the grain exports we make to other countries.

There are rumours that the U.S. government might subsidize American grain exports to make their grain more competitive on world markets because the Americans are concerned about the European Economic Community export subsidies—and so are we—but nothing said during the course of that meeting would suggest that the Americans are making threats to anyone about entering into a program of subsidization of the export of American grains.

In wrapping up, I would like to say to the hon. member for Qu'Appelle-Moose Mountain and the hon. member for Wetaskiwin that what is asked for here is reasonable, in terms of discussion. It is reasonable that these points be raised in committee, but it is also very important that the people of Canada know that we do have a great deal of protection in place now to help our farmers. As has been mentioned, this protection has been provided over a period of some 47 years, and it will continue in the years ahead. We hope our grain producing provinces will produce more grain. We hope they will be able to sell more. We hope our exports will increase and that that will help our balance of payments.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I would like to remind the House of the motion we are debating this afternoon. It was placed before the House on June 27, 1980, by the hon. member for Wetaskiwin (Mr. Schellenberger). It says:

> That, in the opinion of this House, the government should consider the advisability of setting floor prices related to costs of production for cereal and oilseed crops one month before planting in order that farmers may be provided adequate returns to ensure sufficient production to meet Canada's domestic and export needs.

I think it is important that we reread the motion. We have had some discussions about Wheat Board operations, and while I agree with the hon. member for Qu'Appelle-Moose Mountain (Mr. Hamilton) about his personal opinion that oilseeds should be under the Wheat Board, that is not the position of the Conservative Party nor, I think, that of the hon. member for Wetaskiwin. What they are talking about seems to be something quite different.

However, this is something which should be referred to a committee of this House for further clarification and discussion, because the concept of cost of production grows in importance during periods of inflation. Agriculture, and in particular farmers who are producing grain, feel a double-whammy effect from the inflation cycle at this moment in time. Two factors are impacting on production costs. Agriculture, like the rest of the economy, has to put up with high interest rates. We also are experiencing violent and sudden increases in the cost of energy. The impact of these energy costs is doubled and tripled in agriculture as they work into fertilizer costs. Most of the seed stock for the production of nitrogen-based fertilizer comes from natural gas. As those prices are followed to increase or are legislated upwards according to agreements between the federal and provincial producing provinces, the price of natural gas, and therefore the price of fertilizer, increases.

• (1700)

In addition to the regular cost of energy for tractors and for heating farm buildings, farmers experience this secondary effect in the price of fertilizer.

The third effect hits them in the price of herbicides and pesticides, the bulk of which come from the petrochemical industry. As the price of petrochemicals goes up, so does the price of herbicides and pesticides. Consequently, production costs of Canadian grain farms have far outstripped costs experienced by other people in the country. Instead of a 10 per cent to 12 per cent inflation rate, agriculture has been facing a 15 to 20 per cent inflation rate in the last couple of years.

The hon. member for Welland (Mr. Parent) and the hon. member for Qu'Appelle-Moose Mountain correctly pointed out that some attempts have been made to look into the question of stabilization but they did not point out that the formulae used for triggering a payout under the old legislation are based on a percentage of the three or five previous years. They are not at all useful to the farmer who is faced with a 15 per cent or 20 per cent annual increase. The average of the five previous years' production comes to about half the actual cost of production today.

Any legislation that will deal with the stabilization programs will have to deal directly with today's production costs, or at least the production cost of the previous year. There are two reasons for this. The first is the whole question of fairness. It is the only fair way to handle the situation in times of inflation, and second, we are aware that we could be faced with deflation. We are hovering on the edge of a massive depression in the world's economy, and this could trigger enormous price declines. In those situations the old kinds of stabilization programs could be unfair to the extent that they would pay more than production costs with the formulae which are in existence. In a period of sudden depression or sudden deflation, payments would be considerably larger than actual costs if prices go down and could drain the treasuries of countries in an unexpected way. The fairest way, both for the farmer and for the taxpayer, is to move to a more direct, more immediate cost of production formula.

The question, then, is what kind of cost of production formula would be used. It is not as difficult to work that out as is sometimes believed. There are basic points that almost everyone can agree upon. From a review of proposals that have been placed before us we can get some ideas of what participants in negotiations mean by a cost of production formula. Does it mean all costs? Or does it mean that the farmer will be paid a wage comparable to that of the average factory worker, plus a return on his investment comparable to what other investors receive? Does it mean he will get all his cash costs? I think everyone agrees that he would get all his cash costs, but none of the programs in place now pay much attention to the cost of his labour and his investment costs.

One philosophy of the cost of production is to move to a parity concept. We picked that one up in the United States, and it has been around ever since I can remember and probably for a good many years before that. That concept began with a base rate in the period 1914-17; it was then changed to the 1930 period, then it was switched to 1951. At no time was there ever complete parity, except during one war when there was an attempt to increase production. Usually a percentage of parity was used. I think the parity principle works into the concept of cost of production. In this country the two are almost interchangeable.

Some marketing boards, such as the Canadian Dairy Commission and the Canadian Egg Marketing Agency, have worked out cost of production formulae that provide a wage, although it is not equivalent to the average factory wage. They also provide some return for the farmer's investment. Usually it is assumed that the equipment the farmer uses is seven years old and that it has been depreciated. Basically they are talking about 50 per cent or 55 per cent of the farmer's investment going into the price of the commodity.

There are other kinds of costs of production formulae outside agriculture, and I only mention them for comparison. There is the cost of production formula worked out by Snavely who determined the cost of production of railways for the Government of Canada. That is a very healthy kind of cost of production formula and one that most farm groups would certainly accept if it were applied to them. They object somewhat to its application to railways, and I think with good reason. That formula provides that the return on the investment should be 25 per cent and that not only should the railway be guaranteed 25 per cent on its total investment but it should be guaranteed 25 per cent on the money that the people of Canada provided, gratis, as part of that investment. In contrast, farmers are receiving about four per cent return on their investment. The question then becomes whether the production of goods is as important as the transportation of goods. It only makes economic sense to come down on the side of the producer. Without basic production there would be no economy left. Using the Snavely formula, the average wheat farmer in Saskatchewan would be paid $12.94 per bushel of wheat. Even the most grasping farm leader in the country would say that was more than the production cost. That is not the case from the railways point of view; they are quite willing to accept that kind of analysis. I think once we have discussed production costs, we have to also be cognizant of the fact that we can probably extract full production costs, or very close to it, for those goods produced for vital consumption within our economy. But we must remember the reality of the situation in the grain business is that about 80 per cent of the production is sold outside of the country.

• (1710)

The Acting Speaker (Mr. Blaker): I am sorry to interrupt the hon. member but the hour provided for the consideration of private members' business has now expired. Accordingly, this House stands adjourned until Monday, June 21, at two o'clock pursuant to Standing Order 2(1).

At 5.12 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, June 21, 1982

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

THE ADMINISTRATION

CALL FOR RESIGNATION—MOTION UNDER S.O. 43

Mr. Jack Shields (Athabasca): Madam Speaker, over the past two years Canadians have witnessed the most arrogant, incompetent, and destructive government in Canada's history, responsible for a gross national product that in the last quarter was the lowest in 28 years; over 1.5 million Canadians out of work; investment capital leaving Canada at an unprecedented rate; the Canadian dollar at its lowest ever in the country's history; inflation at 11 per cent; interest rates over 20 per cent; every major energy project dead or dying; business failures up 50 per cent; farm bankruptcies 70 per cent ahead of last year, and our deficit approaching $16 billion this year alone. I therefore move, seconded by the hon. member for Pembina (Mr. Elzinga):

That all members of this House shoulder their responsibility and force the resignation of this inept and incompetent government.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE PRIME MINISTER

MOTION UNDER S.O. 43

Mr. Vince Dantzer (Okanagan North): Madam Speaker, on January 29 of this year in this place, the Liberal member for Lac-Saint-Jean (Mr. Gimaïel) said, "If the Liberal Party thinks we", that is, the Liberal Party, "have to be communistic, we shall be communistic." Now the Liberal Prime Minister has taken up this message and on Saturday in western Canada advised his Liberals to embrace the left. Further, he implied that to solve the government's economic disasters it will be necessary to scare the hell out of Canadians. Madam Speaker, I move, seconded by the hon. member for Etobicoke Centre (Mr. Wilson):

That this House advise the Prime Minister that he and his government have already scared the hell out of the Canadian people, and that a more simple and humane solution would be for the Prime Minister and his government to resign and scare the hell out of the communists and other left-wingers.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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FOREIGN INVESTMENT REVIEW AGENCY

EXPRESSION OF SUPPORT—MOTION UNDER S.O. 43

Mr. Derek Blackburn (Brant): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. While the New Democratic Party has always said that FIRA was not the cause of the outflow of capital from Canada, and while the Reaganite Tory Party and U.S. businessmen have been calling for the removal of FIRA, the net result of which would be to put more Canadians out of work by increasing our balance of trade deficit with the U.S., and hence to raise interest rates in Canada, I move, seconded by the hon. member for Hamilton Mountain (Mr. Deans):

That this House endorse the position taken by Abraham Rotstein in a study by the Canadian Institute for Economic Policy, who maintains it was "the over-all effect of foreign direct investment since 1976 along with U.S. branch plants which has been responsible for the outflow of capital from Canada", and that this House call on the government to strengthen FIRA and to start repatriating our manufacturing industry.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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PRAIRIE GRAIN ADVANCE PAYMENTS ACT

CALL FOR AMENDMENT TO INCREASE CASH ADVANCE PAYMENTS—MOTION UNDER S.O. 43

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, the Prairie Grain Advance Payments Act was put in place to allow farmers to borrow against grain grown but not marketed. The funds involved are not gifts, but loans which are repaid. The current maximum available under the cash advance

program is inadequate and should be raised to a more realistic level. With the current situation of unprecedented high interest rates and low commodity prices, the need for such an adjustment is even more critical to the western Canadian economy. Under the provisions of Standing Order 43, I move, seconded by the hon. member for Bow River (Mr. Taylor):

That the federal government proceed as quickly as possible to initiate the legislative amendments required to bring the maximum under the cash advance program to a more realistic level.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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VIA RAIL

PURCHASING PREFERENCE POLICY—MOTION UNDER S.O. 43

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, given his penchant for buying foreign equipment whenever possible while chairman of the National Harbours Board, I move, seconded by the hon. member for Parry Sound-Muskoka (Mr. Darling):

That the Minister of Transport issue direct instructions to the new president of VIA Rail to give Canadians, at all times, first preference in purchasing equipment and supplies.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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INDIAN AFFAIRS

STATEMENT MADE BY MEMBER FOR PRINCE GEORGE-PEACE RIVER—MOTION UNDER S.O. 43

Mr. Jim Fulton (Skeena): Madam Speaker, I rise to present a motion under the provisions of Standing Order 43. On June 17, the Tory member for Prince George-Peace River spoke in this House about funding and native leadership in regard to the upcoming Constitution conference. He said:

—in British Columbia responsible native political leaders have been starved out and the department has purchased itself the kind of help from among the Indians who may be prepared to sell out their brothers and sisters for their own selfish gain. They will no doubt be the representatives at the conference.

Whereas this is a typically irresponsible kind of Tory muckraking and venomous, slanderous attack on the democratically elected Constitutional conference leadership, including the democratically elected spokesman James Gosnell from the Nishga tribal council, I move, seconded by the hon. member for Cowichan-Malahat-The Islands (Mr. Manly):

That the Leader of the Conservative Party have these vicious remarks withdrawn, or admit that in leaving them on the record they stand as Tory policy for the upcoming federal election.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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• (1410)

THE ECONOMY

DEMAND THAT NEW BUDGET BE INTRODUCED—MOTION UNDER S.O. 43

Mr. Peter Elzinga (Pembina): Madam Speaker, rather than scaring the hell out of Canadians by creating unemployment, as the Prime Minister (Mr. Trudeau) advocated this past weekend in Alberta—

Mr. Peterson: He did not.

Some hon. Members: Yes, he did.

Mr. Elzinga: —I urge the government to act quickly to stimulate the economy and cushion the adverse effects on the average Canadian. Therefore I move, seconded by the hon. member for Athabasca (Mr. Shields):

That the Minister of Finance immediately roll back all provisions of his November, 1981, budget and the National Energy Program, and table a new budget immediately which will stimulate the economy and restore investor confidence in Canada, putting Canadians back to work and lowering interest rates.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE ADMINISTRATION

SUGGESTION PRIME MINISTER CALL GENERAL ELECTION—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, two of the major chartered banks in Canada raised their mortgage interest rate to over 19 per cent on Friday, and the others are expected to follow suit this week. The banks have obviously taken note of what the Prime Minister (Mr. Trudeau) said in western Canada over the weekend when he defended his government's tight money policy as a means of "scaring hell out of the people". In light of the fact that what really scares Canadians the most is the continued reign of a government which has mismanaged the economy of this nation

to the point of disaster, I move, seconded by the hon. member for Prince Edward-Hastings (Mr. Ellis):

That the Prime Minister who, because he is the Prime Minister, scares the hell out of the people, immediately call a general election so Canadians, who are obviously ready and willing to elect a new and capable government, will have no reason to fear the future.

Madam Speaker: Is there uanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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LOUIS RIEL

PROPOSAL THAT POSTHUMOUS PARDON BE GRANTED—MOTION UNDER S.O. 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Madam Speaker, today Canadians enjoy political freedom which has few parallels anywhere in the world. Indeed, democracy can probably be gauged by the extent to which a nation tolerates dissent. Today we tolerate literally all forms of political dissent, from elected advocates of separatism to others who advocate union with the United States. But surely another measure of political maturity must be the ability of a nation to forgive past transgressions against the authority of the state.

With the benefit of hindsight, Madam Speaker, I and many others in this House believe that the case of Louis Riel, who was elected to the Canadian House of Commons as the hon. member for Provencher, deserves to be reconsidered. For his political leadership of the 1885 rebellion, he was charged with high treason, tried for murder, and hanged despite a jury recommendation for mercy. In retrospect, many historians agree that mistakes were made on both sides and that natural justice for the Métis people has not yet been realized.

Therefore, Madam Speaker, I move, seconded by the hon. member for Cowichan-Malahat-The Islands (Mr. Manly), the hon. member for Cochrane-Superior (Mr. Penner) and, I hope, the entire Progressive Conservative caucus:

That this House grant Louis Riel a posthumous pardon for the crime of high treason.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

FORESTRY

NECESSITY FOR SUPPLEMENTAL JOB-CREATION PROGRAM—MOTION UNDER S.O. 43

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, in view of the government's slow and inadequate response to unemployment in British Columbia's forest sector, in view of the fact that the present B.C.-Canada employment bridging assistance program for forestry workers requires participants to be on unemployment insurance, and in view of the fact that many loggers and millworkers have already exhausted their UIC benefits, I move, seconded by the hon. member for Kootenay East-Revelstoke (Mr. Parker):

That the government immediately establish a supplemental program to provide jobs for forestry workers who do not qualify for the bridging program.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

REQUEST THAT GOVERNMENT WITHDRAW POLICIES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, in the absence of the Minister of Finance I will put my question to the Acting Prime Minister who will be aware, I am sure, that the gross national income of the country dropped in the first quarter, on a seasonally adjusted annual basis, by 8 per cent. That is the second largest percentage decrease since records have been kept. Since the dollar is also in a free fall, will the minister explain why the government does not feel that now is the time for the government to swallow its pride and withdraw those key policies—any key policies—which are causing some reduction in economic growth, some increase in unemployment, such as the energy program, the last budget, and the huge deficit in the federal government budget?

• (1415)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I must agree with my hon. friend that there has been a decline in the first quarter in the real gross national expenditure by 2 per cent. I am informed that on an annualized basis it is 7.8 per cent. That situation is not particular to Canada. I observed this morning that the United States has forecast an annualized decline of 4.3 per cent on the same basis as Canada.

There are a number of good figures in the national accounts that my hon. friend prefers not to talk about, and it is pretty obvious why. For example, the balance of payments on a

current account basis has a surplus of $1.2 billion for the first quarter. The merchandise trade surplus stands at $3.5 billion. Personal disposable income has increased by 1 per cent. Personal savings stand at the same level of 13.3 per cent. These are a number of the rather positive statistics.

Mr. Stevens: Unemployment is up. Interest rates are up.

Mr. Nielsen: Inflation is up.

Mr. Pepin: Again, my hon. friend is free to choose the figures he wants, but I just wanted to indicate that there is in the national accounts a number of statistics that are really unfavourable and that we deplore, and others that are quite good.

Mr. Wilson: Madam Speaker, surely the minister understands that the 8 per cent drop in real terms in national income means that 1.25 million people are unemployed. Canadians are not interested in selective statistics which the minister can pull out of a hat. Canadians want to know what the government is going to do to get the economy going again.

I should also point out to the Acting Prime Minister—he missed it this morning—that the Gross National Product in the United States just went up in the second quarter by 0.6 per cent. The United States is coming up. Canada is still in a free fall going down.

QUERY RESPECTING GOVERNMENT POSITION

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I have one simple question for the Acting Prime Minister. How much of a decline in the economy and how much of a decline in the Canadian dollar is the government going to allow before it changes its mind, swallows its pride, and introduces changes in the basic policies which are causing these problems?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I was doing what I think is normal on this occasion. When my hon. friend chose only one set of statistics, in order that Canadians get the whole truth I indicated that there were others. I am quite entitled to do that. The truth does not hurt. People want the whole picture. My hon. friend took one set of statistics, and I indicated that there were others.

On the subject of what the government will do at this time, I am reading the Prime Minister's statements from the weekend. As reported by the Canadian Press, we find the following:

> Trudeau promised new economic initiatives being prepared by the government wouldn't be mere tinkering but would have real substance.

Mr. Nielsen: Scare the hell out of them.

Mr. Pepin: This is what the Minister of Finance repeatedly said last week. He intends to present that statement. He will take part in the debate this afternoon. There will be plenty of time for him to explain what is happening. There will also be the statement in which the minister will lay down what the government reaction is to present circumstances.

Mr. Nielsen: Grit times are hard times.

EXPECTATIONS OF CANADIANS

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, the minister should know that the truth is hurting. It is hurting those Canadians who are being laid off; it is hurting those people who have to roll over a mortgage at 18 per cent, 19 per cent or 20 per cent, and it is hurting those businesses that are going bankrupt today.

Over the weekend the Prime Minister said that the obvious solution to our economic problems would be for Canadians to cut their wage and salary demands and lower their expectations. That is a quote I got from the newspaper today. If the Minister of Finance in his mini-budget will only ask Canadians to lower their expectations, can he tell the Canadian people how in the world we will get the economy going again?

• (1420)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, this lowering of expectations is not something that only the Prime Minister has been saying. I have seen a number of quotes from members of the opposition saying the same thing, for example, one even willing to exercise that by cutting back on foreign aid; another requesting a 10 per cent reduction in the general expenditures of the government.

Mr. Wilson: Is that all?

Mr. Pepin: The lowering of expectations is not an expression on which the Prime Minister has a trademark. It has been recognized by many, by most, as being—

Mr. Clark: Not by us.

Mr. Pepin: Well, we will see what the Leader of the Opposition has to say this afternoon on that subject, but generally speaking it is recognized in Canada as one of the fundamental measures to take at this time.

STATEMENT ATTRIBUTED TO PRIME MINISTER

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is directed to the same minister. The Prime Minister has admitted over the weekend that the direction of his policies since the November budget has been to scare the hell out of people by creating unemployment and causing bankruptcies. I would say that he has certainly succeeded. I cite the case of a couple with two children. Both parents have lost their jobs and they are about to lose their home, and they are scared.

Some hon. Members: Order, order.

Miss MacDonald: What has this couple ever done, except to work hard all their lives, that they should be the target of the Prime Minister's threat to scare the hell out of people?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, again, the Prime Minister is not doing anything that is not done in most developed countries of the world. I spent the weekend looking at statistics on this subject. A few months ago, for example, the Leader of the New Democratic Party was telling us the wonderful things which the socialist government was doing in France. I read on the weekend of the latest developments in France. They are certainly not of the nature which the leader of the NDP had in mind. Mr. Mitterrand has done a 180 degree turn, reducing social security and increasing the contributions of employers and employees to unemployment insurance and so on. I am just trying to say that the situation which exists in Canada is one which exists in all countries or in most countries of the western world at this time. The measures which are taken in other countries of the world, of course, will not be so dissimilar from those which will have to be taken in Canada.

UNEMPLOYMENT AND BANKRUPTCY LEVELS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, does the Acting Prime Minister understand what the Prime Minister is saying? He is saying that if enough people are unemployed, if enough businesses go bankrupt, then he might persuade other Canadians to lower their expectations, and that is unconscionable. How many does the Prime Minister consider enough? Is two million unemployed enough? Is 2.5 million unemployed enough? Is 2,000 bankruptcies enough? How many does the Prime Minister consider enough before he stops his sadistic policies?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, my hon. friend is quite good at adding passion to the debate. I am trying to remain realistic on the subject. She makes a great to-do about bankruptcies. Again, if one looks at the statistics, one will realize that bankruptcies have happened in Canada regularly over the years. There were instances, for example, in 1978, when we had more than we have at the moment. While sympathizing, and being extremely aware of the difficulties in the Canadian economic situation at this time, I think one has to remain objective and try to see these issues in proper perspective. That was not what my hon. friend was doing a minute ago.

• (1425)

EFFECT OF GOVERNMENT POLICIES

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, my question is directed to the Acting Prime Minister who says that Canadians want to know the whole truth. I suspect that Canadians do know the truth, and they know that this group across the way is taking us to hell in a hand basket because of its economic kamikaze policies. With the present annualized fall in our gross national product of 8 per cent, I think it has fulfilled the Prime Minister's dream and he has been successful in wrestling the economy to the ground. Will the Acting Prime Minister not agree that because of the government's policies a number of sectors of the Canadian economy are too far gone to be reclaimed? How long must this country wait? Must we find ourselves in economic ruin before the government is prepared to take some real gutsy action?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I think that the Prime Minister's words are being distorted. What he said during the weekend was that hard measures will have to be taken and, as I quoted him a moment ago, they will not be mere tinkering. They would have real substance. I think that the rest of the words put in his mouth by previous questioners have been distortions.

Mr. Riis: It sounds as though the Acting Prime Minister agrees with the Minister of State for Economic Development when he made the great revelation on the weekend that Canadians never had it so good.

UNEMPLOYMENT

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, if the Prime Minister's intent is to scare the hell out of the people of Canada, suggesting that perhaps the tonic we need right now is higher unemployment—more people out of jobs—I would ask the Acting Prime Minister if creating higher unemployment is a tactic we can expect from the government in its economic war with the Canadian people? I suggest it is one of the most cynical tricks ever played by a government on its own people, if it is.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, this gives me a good opportunity to indicate that what the Minister of State for Economic Development said during the weekend is quite different from the quotation that has been given.

Mr. Riis: That is what he said.

Mr. Pepin: Let us have a look. Even from the paper from which the quotation was taken there is the following paragraph in which the minister says:

> —that things "look particularly difficult" for people who went deeply into debt because they "didn't believe there would be an end to the inflationary special . . . But the 60 to 70 per cent of the total who don't have debts probably never had it so good."

That is quite a different statement from the one my hon. friend just put to the House. I suspect that this is the sort of thing we have been hearing since the beginning of this question period. I have just indicated that in this particular instance the quotation attributed to the Minister of State for Economic Development was quite false. Reading from the very paper that reported the first part indicates that this was so. My hon. friend should not have asked the question in the manner in which he did.

REQUEST THAT GOVERNMENT ACT TO LOWER INTEREST RATES

Mr. David Orlikow (Winnipeg North): Madam Speaker, I wish to direct a supplementary question to the Acting Prime Minister. In an interview which the Prime Minister gave on the weekend he is quoted as saying the following: "The federal government may have to restrict money supplies even more severely to scare Canadians into lowering their expectations." Obviously, restricting the money supply will mean even higher interest rates than exist at the present time.

Given the fact that present high interest rates have led to the million and a quarter unemployed, the highest number we have ever had, and given the fact that they have also led to an increase of almost 40 per cent in business bankruptcies, which means if interest rates continue at their present level we are likely to have 15,000 or 20,000 bankruptcies, how many bankruptcies, how many more unemployed do we need before the government will drop this insane idea of higher interest rates and tighter money?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, because of what just happened, I hesitate to take the quotation attributed to the Prime Minister at face value. Unfortunately, I received a copy of his speech only about two minutes before I entered the House. I have not had a chance to read it all. However, the points that were raised by the hon. member could be the subject of debate this afternoon. I am quite sure that the Minister of Finance, who will be taking part in the debate, will want to reason with our friends on the other side of the House, on what is happening in the area of bankruptcies, the relationship between bankruptcies and interest rates, and other matters of this kind. So, could we postpone this matter? I am sure that my hon. friend would want to take part in the debate, and at that time he could make his arguments.

* * *

• (1430)

VIA RAIL

APPOINTMENT OF PRESIDENT

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is directed to the Minister of Transport. He had notice, more or less, on Friday when I was trying to ask him this question. Can he please explain the appointment of Pierre Franche as the new president of VIA Rail, especially at a very critical time in that organization's life, when there is no VIA Rail bill, and when the government has appointed a president who has no experience with the railway whatsoever, according to his *curriculum vitae*?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, most people thought that what was needed was a good administrator, and Mr. Franche was not a port expert when he became chairman of the National Harbours Board six years ago. Since then, the operating income of the National Harbours Board has gone from minus eight to plus 30 million dollars. Productivity has gone from 67,000 tonnes per employee to 91,000 tonnes. In 1976, 11 ports were losing money, and now all 15 are making money. So, we felt that this was the sort of man VIA needed at this time. If Mr. Franche does as well for VIA as he has done for the National Harbours Board, my hon. friend will be the first to compliment us on his selection.

Some hon. Members: Hear, hear!

RELATIONSHIP WITH PRESIDENT OF CANADIAN NATIONAL RAILWAYS

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, I will not go into the history of the National Harbours Board and the capitalization of existing debt which does produce a rather interesting black picture in terms of operations. However, I would like to ask the minister a very deliberate question. I would ask him to clarify some confusion, and explain to this House whether Pierre Franche is not the brother-in-law of Dr. LeClair, the president of the CN? If he is the brother-in-law of the president of the CN, which just happens to be the biggest client of VIA Rail, does the minister not think that this is a rather invidious position in which to put both of these individuals?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, indeed they are brothers-in-law. I do not think one should be punished in life for having a brother-in-law, nor should one be rewarded. So, we felt that this consideration was really immaterial in the selection of the new president of VIA.

Some hon. Members: Hear, hear!

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NATIONAL DEFENCE

GRAPH PROJECTIONS OF CAPITAL REQUIREMENTS FOR YEARS 1984 TO 1991

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my pigeon has just gone out into the lobby. Oh, I see that the hon. minister is on his way back.

My question is directed to the Minister of National Defence. A year ago the minister provided committee members with a 15-year capital program projection chart and graph and this year he provided the members with a revised graph. If one compares the two graphs, one will find that the Department of National Defence has had its capital requirements for the years 1984 to 1991 reduced by over $3 billion. Would the minister tell the House what programs are to be deleted or postponed?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, as far as I know from the information I have received from my department, and the decisions which have been taken by this government, there is no major program which has been delayed. All the programs are in progress and

are proceeding on time. If the hon. member wants to know about the F-18 program, the frigates program or the small arms replacement program, all these programs are on time and will be completed.

FRIGATE CONSTRUCTION PROGRAM

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my supplementary question is directed to the same minister. If there is not a shortage of $3 billion, the minister is putting out very misleading graphs. May I ask him about the frigates which have not received cabinet approval at the present time for anything beyond the $63 million contract definition phase? Would the minister explain how that program is to go ahead as scheduled when his expected cash flow is being so severely restricted?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I do not know whether the hon. member for Victoria also wants to confuse this House. He knows very well that the CPF program put forward was well protected according to the forthcoming budget, and there has been no change in the way we will carry it out. Obviously, the two contractors will make their submissions in October, and we will not evaluate them until March or April, 1983. Then, according to my knowledge, everything should go according to plan in relation to the six new frigates. A decision will probably be taken in due time to have the funds available for this program.

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REGIONAL ECONOMIC EXPANSION

DESIGNATION OF ONTARIO REGIONS

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, my question is directed to the minister responsible for regional and industrial expansion. The minister is well aware of the fact that the country's current economic mess is having a disruptive and damaging effect on the economies of a number of Canadian provinces, including Ontario, which has gone from being a "have" province to a "have-not" province. The minister has promised that his department, having concluded a review of the guidelines and designated boundaries now in place, will announce the extension of both, to permit and encourage the creation of new industries and businesses and the expansion of existing ones. Will the minister inform the House when this announcement will be made and what new areas, particularly in Ontario, will be so designated?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I do not accept everything in the premise to my hon. friend's question. I can tell him that the review to which he has referred has not been completed, nor have the necessary conclusions on that review been reached. But as soon as that point is achieved, I will be happy to make an announcement.

REQUEST FOR EXPANSION OF GRANT PROGRAM

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, my supplementary question is also directed to the same minister. Would the minister not agree that the expansion of the grant program in Ontario would stimulate the economy of the province, creating new jobs, and would not in any way contribute to the very serious problem of inflation?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I hope that the hon. member for York-Peel and his colleagues will appreciate the hon. member's representation for greater government expenditure. I will certainly give it every consideration.

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OFFICIAL LANGUAGES

PUBLICITY ISSUED BY MONTREAL FESTIVAL

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Madam Speaker, my question is directed to the Minister of Public Works. As the minister knows, yesterday the Festival du Vieux Port de Montreal started its summer program. Would the minister explain how this federal program, under his department, operating in Montreal where one quarter of the population is English-speaking, is able to flaunt the Official Languages Act and the language provisions of the Charter of Rights and Freedoms by publishing all of its publicity materials in French, including a half-page ad in French in the English-speaking Montreal *Gazette*? Why is this federal program not carried on bilingually, and what will the minister do to see that it is so carried on?

Some hon. Members: Hear, hear!

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I thank the hon. member for bringing this matter to my attention shortly before question period today. I report to him and to hon. members of the House that the Corporation of the Vieux Port in Montreal was established with local representation as an agency of the federal government, rather than on-line responsibility, in order to attempt to be sensitive to local community conditions and aspirations. I have not had time to investigate, but if the situation as relayed to me by the hon. member is accurate, then, in my opinion, the corporation has been most insensitive in that particular advertisement. When I do have an opportunity to investigate the facts, I certainly intend to bring to the corporation's attention not only sensitivity, but also the programs and policy of the government which have been supported by all parties in this House, that is, of promoting both official languages in this country.

Some hon. Members: Hear, hear!

Oral Questions

HOUSING

MORTGAGE INTEREST RATE LEVELS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is directed to the minister responsible for housing. Does the minister recall when mortgage interest rates peaked at 20 per cent last year and thousands of Canadians were out in front of the Parliament Buildings trying to get Ottawa to take some action to assist them? We were told to wait for the budget. We then received Bill C-89. Only 300 Canadian families were able to take advantage of its provisions. Interest rates are now back to 20 per cent. What does the minister propose to do to try to bring interest rates down to a level which people in Canada can afford?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the starting point, in response to the hon. member's question, as would be my response to the editorial in *The Toronto Sun* today, is to implore hon. members to investigate the facts, that is, to discover what has actually transpired under the assistance program made available by the majority of hon. members in the House. Rather than 300 families taking advantage of that program, or, as *The Toronto Sun* states, 400 families, in fact there are 1,400 families benefiting under that program today.

• (1440)

At the time of the escalation of interest rates last fall, many members brought to my attention difficulties of individual Canadian households as a result of that. I recall saying that the government would attempt to respond to those very difficult situations. I am very happy to note that 1,400, some 400 more than the individual cases brought to my attention by all members of this House of Commons, have found assistance under that plan. In conclusion, if members will genuinely try to understand the plan and promote it among their constituents, more Canadian families will be able to benefit by it.

Mr. Deans: I am not going to enter into a contest with the minister about numbers. He is wrong.

REQUEST GOVERNMENT ACT TO REDUCE INTEREST RATES

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a supplementary question for the minister. I will put it quite bluntly. Why does the Government of Canada not bring in legislation to require that interest rates for mortgages be provided to Canadian families at a price they can afford? The minister knows full well that Canadian families cannot afford 20 per cent mortgage interest rates. The program he has offered does not even begin to put a dint in the problem.

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I would again ask the hon. member and all hon. members that, when they request the Government of Canada to spend more money and put more money into the economy, they consider the choices. Whom do we serve? We serve a wide spectrum of Canadians. There are those Canadians, for example, who sacrificed to pay off their mortgages in this difficult time. They did without things in order to pay off their mortgages. There are those Canadians who rent. There are those Canadians who pay less than 30 per cent of their incomes and find it easier to meet their own housing needs. We, as a government, have to be responsible to them as well. We have attempted to balance relief to Canadians. We have asked Canadians to spend up to 30 per cent of their income on their shelter needs. We think that is a fair request.

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AUTOMOTIVE INDUSTRY

PROPOSAL TO ESTABLISH DIESEL ENGINE PLANT IN WINDSOR, ONT.

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. The minister will be aware of the proposal by Chrysler Corporation to put a new diesel engine plant in Windsor, which would have created 1,400 new jobs. He will also know that his inability to gain support in cabinet has now lost 500 of those jobs to the state of Michigan. With the Province of Ontario already putting its money on the table, can the minister offer any hope to the unemployed in his riding that he can come up with the money and guarantees necessary to proceed with this project?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, my hon. friend's impressions of the matter are not particularly correct. I have not yet come to the conclusion that what has been proposed by Chrysler, and it is something that has changed from week to week, has yet reached a point where I can say it is a good deal for the workers, the communities in question, and taxpayers in general. When I get to that point I will be happy to seek the advice of my colleagues. I hope my hon. friend will give the same priority that I do to making sure there is a good deal for all those concerned.

REASONS FOR GOVERNMENT POSITION

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, I would like the minister at some point to tell me where I have been inaccurate. Certainly I am accurate in the fact that 500 of these jobs have already gone to Michigan. I am accurate in the fact that the province of Ontario has put its money on the table. I am accurate in the fact that the people in the area want those jobs. If the minister is unable to convince his cabinet colleagues to spring a few dollars free to guarantee jobs for those in his own riding, how can he expect us to have any confidence in him, and why then in fact should he not resign?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I do not think my hon. friend has a complete and accurate picture of the situation. The proposals

by Chrysler, which are still very much a matter of discussion and negotiation, have changed a number of times since the matter was first raised with the government. I do not think it is definite that the benefits and the corresponding cost to the taxpayer are necessarily as optimistic from the point of view of workers and communities as he suggests. To give an example that he does not know what he is talking about, the plant in question is not in my riding. It is in a riding represented by one of my colleagues. When it comes to working for the working people in the Windsor area, I will be happy to stake my achievements against the non-achievements of my hon. friend and his colleagues any day.

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THE ECONOMY

FOREIGN EXCHANGE CONTROLS—GOVERNMENT POSITION

Mr. John Gamble (York North): Madam Speaker, my question is directed to the Acting Prime Minister. He will know that two hours ago the Canadian dollar was trading at its lowest point in history against the U.S. dollar. The minister will also know that on Tuesday of last week the Prime Minister was asked four questions by the hon. member for Yukon, the last one of which asked the Prime Minister to confirm that it was not the intention of his government to impose foreign exchange controls. The Prime Minister refused to respond in the fashion that everyone in this House would have expected him to respond, by suggesting that it was a matter of cabinet solidarity which precluded him—

Madam Speaker: Order. Does the hon. member feel he has to repeat all questions that have been asked in this House? He should ask his own question. That is why he was recognized.

Mr. Gamble: Having regard to the condition of the dollar today, will the Acting Prime Minister deny that the government has any intention of imposing foreign exchange controls?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, this has been done many times. Both the Prime Minister and the Minister of Finance have denied it. My hon. friend will have an opportunity this afternoon to take part in the debate. If he wants to raise the question after the Minister of Finance has completed his oration, I am quite sure the Speaker will permit him to do so.

REQUEST THAT SPECIAL COMMITTEE EXAMINE ESTIMATES

Mr. John Gamble (York North): Madam Speaker, the Minister of Finance has frequently asked the members of this House to offer positive suggestions with respect to how this country may be assisted in its economic plight. Will the Acting Prime Minister accept the suggestion made last week that this House establish a special standing committee for the purpose of examining the estimates with a view to reducing those that can be reduced in order to pare the cost of government?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I look forward to the debate this afternoon because, presumably, we will hear from the Leader of the Opposition. In the last week or so we have heard from a number of members on the other side. For example, the hon. member who asked the question asked for a reduction in Canada's foreign aid. Others have asked for a 10 per cent cut in government expenditures. Others have asked for an increase in the money provided for housing, others asking for an increase in the money provided to home owners, and so on. We have had a real hodge-podge of suggestions.

This afternoon will be a great day for the opposition. They will have an opportunity to reconcile their views and come out with a co-ordinated stand. We on this side of the House have done so. The Minister of Finance is now building on the consensus that we developed among ourselves. Hopefully the opposition will do the same thing. It will be useful to the country if we can take a generous, widely-based position on what needs to be done at this time.

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ADMINISTRATION OF JUSTICE

URANIUM PRICE-FIXING TRIAL—CONTENTS OF BERTRAND INQUIRY REPORT

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. As the minister is aware, about ten days ago the Court of Appeal of Ontario confirmed a superior court judgment with respect to the uranium cartel and said that Uranium Canada and Eldorado Nuclear were immune from prosecution. What method does the minister, who is in charge of these Crown corporations, propose to allow the people of Canada and the members of this House to know the results of the Bertrand inquiry as they pertain to those two Crown corporations?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the matter has been before the court. It is still subject to being further appealed, if the parties so desire. Therefore, I would not want to comment. My only comment is that I will let the law follow its course.

MINISTER'S POSITION

Mr. Chris Speyer (Cambridge): Madam Speaker, in this case the minister and the government are guilty of the most massive cover-up ever in this House. I say to the minister, as his own counsel said, that he had the directing mind and will of Uranium Canada, and completely controlled and determined the acts of that corporation. In light of what the Court of Appeal said in an unreserved judgment from the bench, will the minister tell us how the Canadian people are to understand what the Bertrand inquiry put forth? What method does the minister propose to allow the Canadian people and members of this House to know that?

• (1450)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I respectfully submit to the hon. member that he is talking through his hat. I do not have a counsel before that court.

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FOOD AND DRUGS

WARNING ON USE OF ASPIRIN BY CHILDREN

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, my question is directed to the Minister of National Health and Welfare. On June 4 the United States Health and Human Services Secretary, Richard Schweiker, ordered the food and drug administration to take the necessary steps to warn parents and others not to give aspirin, ASA and other salicylates containing drugs to infants and young children suffering from influenza, chicken pox and other types of viral infections because the drug is linked with Reye's Syndrome, an illness which causes permanent brain damage and death in 30 per cent of the cases.

I would like to ask the minister if her department is aware of this problem and, if so, will she also be taking the necessary steps to warn parents and other members of the Canadian public of the danger of giving this drug under the circumstances I have mentioned?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, in Canada, no guidelines have been issued as yet to Canadian parents or Canadians in general regarding the use of aspirin for children, but we are aware of the situation in the United States. We are watching developments closely in the U.S., and in Canada, we have decided to start discussions with the Canadian Paediatric Society, with whom we have been in touch about this matter.

[*English*]

We decided to wait for their annual meeting a little later in June of this year to finalize the dossier. We may then have to issue a warning to all Canadian parents. Before any formal move it should be noted that, if possible, aspirin should not be given to children whenever something else could be used.

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ENERGY

MARKET INCENTIVES FOR SOLAR INDUSTRY

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, despite the showers today it is "Sun Day" in Ottawa. I therefore have a question for the affable Minister of Energy, Mines and Resources.

Earlier this month the solar industries okayed their long-awaited warranty program which ensures consumer protection for their products. That removes the last roadblock, which the alternative energy report said was necessary before market incentives could be put into place.

I wonder if the minister is prepared to tell us today what market incentives he has in mind for the solar industry so that solar can finally compete with the heavily-subsidized gas, oil, hydro and nuclear industries.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I thank the affable member for his question. He forgot to mention one step, and that is the establishment of standards. I am pleased to inform the hon. member that tomorrow the Canadian Standards Board will probably approve new standards for the solar industry. That will also be a very important step in ensuring the viability of that particular industry.

I would also like to inform the hon. member that the National Energy Program has allocated about $160 million to support the solar industry in the next five years, either through research or support for a number of activities. The industry has requested that we give particular attention to the commercialization of the solar industry. That is indeed a welcome initiative, and the government will examine this particular aspect with great interest.

IMPORTANCE OF EXPORT MARKET

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, we know that the PUSH program was to be a five-year program. After four years only about $20 million of the $125 million allocated has been spent. We spend $10 billion a year on oil compensation. We have spent about $4 billion on nukes. I could go on and on, but I am sure you do not want that, Madam Speaker. The point is that the amount directed to solar and its marketplace incentives is peanuts compared with the billions we are spending on more traditional and centralized forms of energy development. Our solar collectors can compete, and they have won awards all over the world. If we are not prepared to provide some incentives in the domestic market, what of the $4 billion foreign market? What is the minister prepared to do to ensure our share of the export market? At the moment it is equally puny.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the Canadian solar industry has indeed been extremely dynamic and innovative. We are very happy that the PUSH program, to which my hon. friend has referred, has been the mainstay of that industry during the last few years. Had it not been for the support of the federal government, we probably would have no solar industry at the present time. We are making solar energy an alternative under the oil substitution program, just as natural gas, electricity and wood qualify for conversion grants. We have indeed taken steps to support and encourage the use of solar energy in our country.

As far as exports are concerned, the Minister of Trade and his department have also been actively engaged in supporting

that industry. To mention only one example, there was an energy exhibition in Kenya last summer at which the Canadian solar industry was well represented. Significant sales were made, thanks to the support the federal government has given to that industry.

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NATIONAL DEFENCE

DAMAGE DONE TO FISHERMEN'S NETS AT HALIFAX, N.S.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, I have a very brief question for the Minister of National Defence, if I might have his attention. I draw to the minister's attention incidents involving Canadian destroyers which have inadvertently—I am sure through some misunderstanding—destroyed probably 40 per cent to 50 per cent of the herring catch capability of fishermen on the eastern side of Halifax harbour during the last week or ten days. The matter has been corrected through local intervention. Will the minister intervene with the Adjutant General's office in the Maritime Command to ensure the most expeditious settlement of claims so that the fishermen might purchase additional nets and participate in the lucrative herring fishery which is just now coming into full swing?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, as the hon. gentleman knows, we pay very close attention to any remarks he makes because most of the time they are very ably made on behalf of his constituency. I agree with the hon. member. We will take all the steps necessary to see that claims can be settled in the interests of both the Canadian Armed Forces and the fishermen of his region. We will do everything possible to help. The hon. member may tell the fishermen—and we will tell them—that we will try to settle the problem as quickly as possible.

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ENERGY

DEPARTMENTAL REACTION TO COMMITTEE REPORT ON ACID RAIN

Hon. John A. Fraser (Vancouver South): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. As the minister will know, in October of last year the all-party unanimous subcommittee report on acid rain was released. The minister will also know that last week the Minister of the Environment seemed to indicate that talks between the United States and Canada are falling apart. Can the minister advise the House what the reaction of his department was to the recommendations of the subcommittee report on acid rain, and what response the minister has given to his colleague, the Minister of the Environment, with respect to his department's part, now and in the future, in carrying out the recommendations?

Point of Order—Mr. Andre

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, my department is represented by me as a member of the cabinet. I give full support to the Minister of the Environment in his actions to deal with the question of acid rain. When the Minister of the Environment speaks about the acid rain issue, he speaks on behalf of the government of which I am very proud to be a part.

Mr. Fraser: Madam Speaker, I am very pleased the minister is proud to be part of the government, but that was not the question.

NATURE OF DEPARTMENTAL RESPONSE

Hon. John A. Fraser (Vancouver South): Madam Speaker, what has the minister or his department done to communicate to the Minister of the Environment or anyone else the reactions, suggestions, criticisms or whatever there may be, in some sort of document, with respect to the recommendations brought down by the acid rain subcommittee last October? That is what we want to know. That is what we are asking the minister. We are not asking for an off-the-cuff comment about how proud the Minister of Energy, Mines and Resources and the Minister of the Environment are to be part of the government.

[*Translation*]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, my department communicates directly and practically on a daily basis with the Department of the Environment.

* * *

[*English*]

POINT OF ORDER

MR. ANDRE—PROVISIONS IN MAIN ESTIMATES, 1982-83—RULING BY MADAM SPEAKER

Madam Speaker: I will rule today on the point of order raised by the hon. member for Calgary Centre (Mr. Andre) on Friday last. He raised a point of order with respect to the procedural acceptability of a number of votes in the main estimates for the fiscal year 1982-83. I want to thank him for bringing those matters to the attention of the House and the Chair. I did appreciate, of course, the usual thoroughness and detail of his submission. I want also to express my appreciation to the hon. President of the Treasury Board (Mr. Johnston) who, unfortunately, is not in the House today. I have to rule on this particular point of order despite his absence.

• (1500)

Points of order relating to the procedural acceptability of funds in the estimates have been raised many times since the change in the rules on supply in 1968. The background has been well covered and indeed I dealt with it myself in my ruling of June 12, 1981. I do not intend to take up too much of the time of the House by repeating it all today. I invite the attention of all hon. members to that ruling and would remind

them that the role of the Chair is to rule on procedural aspects only and not to decide questions of law.

The hon. member for Calgary Centre objects to 11 items contained in the Main Estimates. These are: Communications, Vote 1, 70 and 80; Energy, Mines and Resources, Vote 1; Environment, Vote 5; Finance, vote 1; Public Works, Vote 10; Supply and Services, Vote 1; and Transport, Votes 1, 10 and 45. The hon. member is of the opinion that these votes should be ruled out of order on the basis that they seek authority which does not appear in existing legislation, that is, "authority to spend revenue received during the year".

As I said in my ruling of June 12, 1981, an item that seeks to establish a new program in the absence of other legislative authority and the funds to put it into operation runs counter to the rulings of the Chair since 1974, which hold that legislation is required to authorize new programs, particularly matters of major substance.

I quite agree with the hon. member on this particular principle. However, after examination I find that the 11 items objected to are indeed based on legislative authority, which is the Appropriation Act No. 2, 1981-82, and therefore are in order. This is consistent with my ruling of June 12, 1981, with respect to two votes in the Main Estimates 1981-82 of the Department of External Affairs, in which I said:

> However, two of the items, External Affairs Votes L50 and L55, have previous statutory authority, albeit previous Appropriation Acts, and thus are in order.

I would like here to make a brief aside. Last year, in the same ruling, I did express the wish that "if all votes included a reference to the statutory authority on which they are based, it would be easier to determine whether or not they were in order." I wish to thank the President of the Treasury Board for doing just so in this year's Main Estimates. It is a step forward in making it easier for the House to find its way through the complex world of estimates.

In his argumentation, the hon. member for Calgary Centre made reference to Bill C-96, an act to amend the Financial Administration Act which is now on the Order Paper. He cited this in support of his contention that what is being attempted to be done in the estimates is clearly out of order. My response is that this is immaterial in the matter before us because statutory authority exists. We are not dealing with new programs but a continuation of programs which exist. This bill might well solve the problem in authorizing new programs in the future. It is not yet law, however, and is therefore of no assistance in the present circumstances.

The next item objected to by the hon. member for Calgary Centre is Privy Council, Vote 1 on the grounds that it seeks to amend legislation and, on this basis, the hon. member makes a parallel with Agriculture, Vote 30 in the 1981-82 Main Estimates which was ruled out of order on June 12, 1981. I must admit this vote caused particular concern to the Chair. Agriculture, Vote 30 was specifically seeking to go beyond Section 12 of the Animal Disease and Protection Act and was ruled out of order for attempting to amend existing legislation, whereas Privy Council, Vote 1 does not refer to specific legislation but is in fact a continuation of a vote in the 1981-82 Main Estimates covered by the Appropriation Act No. 2, 1981-82. In other words, Privy Council, Vote 1 does not attempt to amend the Salaries Act but provides for the salary of certain Ministers of State assigned by virtue of Section 23 of the Government Organization Act, 1970, which is itself the legislative authority required. The authority for the amount can be found in the Appropriation Act No. 2, 1981-82. I therefore find Privy Council, Vote 1 also in order.

The third classification mentioned by the hon. member for Calgary Centre dealt with expenditures not authorized under existing legislation. He cited Public Works, Votes 15, 25 and 35, and pointed out, based on Section 9 of the Public Works Act, that no authority exists for the minister to spend public moneys on non-public property. He added that Bill C-91, an act to amend the Public Works Act and the Public Lands Grants Act, not yet passed by this House, would give that authority. The three votes in question, however, appear in identical terms in Appropriation Act No. 2, 1981-82 and are therefore authorized under existing legislation. These are, therefore, not new programs and are in order.

The hon. member then offered a submission that Industry, Trade and Commerce, Votes 25 and L35 attempt to create new programs and are therefore out of order. Funds were appropriated for them, however, in the 1981-82 fiscal year in Appropriation Act No. 2. In view of this circumstance, I cannot agree that these votes authorize payment for new programs. I must rule them in order.

At this point the hon. member invited attention to Vote 40 of Public Works, contending that the vote is out of order on the grounds that it establishes a new Crown corporation and authorizes the corporation to spend revenues received during the year. As in the instance of the Industry, Trade and Commerce votes, funds were appropriated in 1981-82 for this program. On the second ground, that of spending revenues received during the year, I might well have included this vote for discussion under the hon. member's first classification. I find this vote also to be in order.

Finally, we come to Secretary of State, Vote 40 which the hon. member submits is out of order because it is based on an invalid authority, namely, paragraph (d) of Vote L27a of the Appropriation Act No. 4, 1976, which, he contends, lapsed several years ago. After thorough examination, I must respectfully differ with the hon. member. Paragraph (d) gives the terms and conditions of the payment and describes how payments are to be made. The statutory authority, again, is the Appropriation Act No. 2, 1981-82 and intervening Appropriation Acts.

By way of conclusion, I should like to make a brief comment. The President of the Treasury Board in his response argued that, when raising points of order of this kind, timing is of the essence. As all hon. members are aware, estimates are a complex subject and their examination is time consuming. My predecessors and I have noted that it would be helpful to the Chair and would assure a more appropriate procedure for challenging the estimates if points of order are presented as soon as possible after the estimates are returned to the House

from committees. However, the hon. member for Calgary Centre was well within his rights in raising the point of order when he did.

In summary, I have examined all cases. I wish to return briefly to my ruling of June 12, 1981, when I said:

> Finally, it seems clear that it is in order to extend the purposes of an item in an Appropriation Act by means of an item in the estimates provided that it does not amend any other legislation.

It seems to me that in each case we have sufficient legislative authority in a previous Appropriation Act or elsewhere.

• (1510)

Hon. Marcel Lambert (Edmonton West): Madam Speaker, may I get a clarification on the point you have ruled on? Are the Appropriation Acts to which you referred dated prior to 1968 or subsequent thereto? The distinction is rather important because, as you know, Appropriation Acts after January 1, 1969 are non-debatable. As a matter of fact, they are subject to very little review. There were some that did cause the House to question them, but there again the point at issue is can anything pass through this House and not be debated? If there is an estimate which is posted and raised as question of order, and the legislative authority is deemed to be an appropriation bill, with the greatest respect I submit that is begging the question.

Madam Speaker: The hon. member is asking me to comment on a ruling and I will not do that. The ruling is there to be read. It has been prepared with all the expertise that I can command, and I would ask the hon. member to consult it and guide himself accordingly.

* * *

BUSINESS OF THE HOUSE

DISTRIBUTION OF SUPPLY BILL

Madam Speaker: Since today is the final allotted day the House will go through the usual procedure this evening to consider and dispose of the supply bills. In view of recent practice do hon. members agree that the supply bill to be dealt with later today be distributed now?

Some hon. Members: Agreed?

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

MISCELLANEOUS PRIVATE BILLS AND STANDING ORDERS—PRESENTATION OF NINTH AND TENTH REPORTS OF STANDING COMMITTEE

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, I have the honour of tabling, in both official languages, the ninth and tenth reports of the Standing Committee on Miscellaneous Private Bills and Standing Orders.

[*English*]

DISABLED AND THE HANDICAPPED—PRESENTATION OF FIFTH REPORT OF SPECIAL COMMITTEE

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I have the honour to present the fifth report of the Special Committee on the Disabled and the Handicapped, in both official languages.

[*Editor's Note: For above reports, see today's Votes and Proceedings.*]

* * *

PETITION

MR. FULTON—TESTING OF CRUISE MISSILES ON CANADIAN SOIL

Mr. Jim Fulton (Skeena): Madam Speaker, I am pleased to present a petition on the very important issue of disarmament which was signed by over 400 people in Kitimat, British Columbia. The petition notes the Liberal government's plan to allow Cruise missile testing in Canada, and calls on the government to support a worldwide disarmament program. I urge the Prime Minister (Mr. Trudeau) and the Leader of the Opposition (Mr. Clark) to take heed of this message and review their respective positions on Cruise missile testing, and I hope they will support the growing worldwide peace movement.

* * *

PUBLIC ACCOUNTS

CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

Mr. Bill Clarke (Vancouver Quadra) moved that the third report of the Standing Committee on Public Accounts, presented to the House on Wednesday, January 14, 1981, be concurred in.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Order Paper Questions

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,387, 3,749 (as revised), 3,894, 4,186, 4,235 and 4,315.

[*Text*]

DND—MILITARY AND CIVILIAN PERSONNEL

Question No. 2,387—**Mr. Herbert:**

1. In each of the past five years, what was the total person years of (a) military (b) civilian personnel in the Department of National Defence?

2. What number of civilian personnel are employed outside Canada?

3. What is the estimated percentage saving, if any, when a civilian replaces a military person in the department?

4. Are civilians used in positions that could be filled by military personnel and, if so, for what reason?

Hon. J. Gilles Lamontagne (Minister of National Defence): 1.

	(a)	(b)
Fiscal Year	Military	Civilian
1976/77	78,033	37,288
1977/78	78,446	37,016
1978/79	78,866	37,453
1979/80	79,315	37,494
1980/81	79,692	36,742

2. Forty-nine.

3. It is 13.3 per cent (This percentage was obtained from the per capita personnel costs as shown in the department's estimates).

4. The Department of National Defence carries out its approved roles, tasks and missions with a unique combination of military personnel and civilian personnel. Canadian Forces (CF) personnel carry out military tasks and these CF personnel are supported by a work force of mixed military and civilian manpower. The structure of the work force is derived from a simple set of principles which ensures, where possible, a task is carried out by the least expensive manpower, while at the same time ensuring that the Canadian Forces has the competence to discharge its operational responsibilities in time of war. The civilian component of the department is composed largely of technical and operational categories which are necessary to the operation of DND bases, dockyards, airfields, repair facilities, supply depots, etc. Civilian personnel are employed in positions which could possibly be filled by CF personnel but for reasons of efficiency, continuity in function and availability of specially trained staff, selective use of civilian personnel has been deemed more economical.

CPP DISABILITY BENEFITS

Question No. 3,749 (Revised)—**Mr. Greenaway:**

1. By constituency, over the past three years, how many applications for CPP disability benefits were made by residents of British Columbia?

2. By constituency, how many of the applications resulted in benefits being granted?

3. By constituency, what is the average monthly disability payment made by CPP?

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): 1. The total number of applications for CPP disability benefits made by residents of British Columbia over the past three years is 11,991. There were 3,814 applications in 1978-79; 3,936 in 1979-80; and 4,241 in 1980-81.

2. Of that number, 8,329 applications resulted in benefits being granted; 2,517 applications were accepted in 1978-79; 2,668 in 1979-80; and 3,144 in 1980-81.

3. The average monthly disability payments made by CPP at the end of each fiscal year were: $172.05 in 1978-79; $190.84 in 1979-80; and $212.92 in 1980-81.

There is no breakdown of this information below provincial level. Information by constituency is not available in this case.

STORAGE OF BAIT FOR JAPANESE FISHING FLEET

Question No. 3,894—**Mr. Crosby:**

1. Was a proposal made to the government, through the Department of Fisheries and Oceans or otherwise, by Associated Freezers of Dartmouth/Halifax, Nova Scotia or by someone else to freeze and store bait for the Japanese fishing fleet and to freeze and store tuna caught by the fleet for transshipment?

2. Was permission refused by the government, through the department, to freeze and store bait and tuna for the fleet and, if so (a) for what reason (b) how many jobs or hours were lost and what amount of revenue was lost by such refusal?

Hon. Roméo LeBlanc (Minister of Fisheries and Oceans): 1. A number of proposals for storage of bait and tuna for the Japanese fleet were received by the department in the autumn of 1981 from several sources. A brief summary and disposal of each proposal is provided as follows:

Mariculture proposal—This proposal which was approved on October 5, 1981, requested the offloading of 3,000 tons of albacore and yellowfin tuna for storage and later transshipment to Puerto Rico or U.S.A. It also included the possible landing and sale of 3,000 tons to Canadian processors. In return the operators of the tuna vessels agreed to purchase up to approximately 5,000 tons of squid from Canadian processors. The first vessel unloaded on November 30, 1981, and by March 1, 1982, 13 vessels had unloaded a total of 165 tons for which sale to a Canadian company has been arranged. This was stored at Associated Freezers in Dartmouth.

Ishiwata Trading Co.—On October 23, 1981, Ishiwata Trading Co. requested permission to transport squid from U.S. to Associated Freezers in Dartmouth for the tuna fleet. The tuna fishery in Canadian waters closed on October 25, 1981, before approval could be given.

Zengyoren Tokyo proposal—On September 29, 1981, this company, through its agents Messrs. Pickford & Black requested authorization to land and store bait for the tuna fishery by bringing a reefer boat to Halifax. A telex approving this proposal was sent on October 2, 1981. Shortly thereafter

agents discussed preliminary arrangements with the department to bring an Italian vessel to Halifax to unload squid. No further requests or approaches were made to the department and it was later learned that the vessel was directed to St. Pierre to offload its cargo. The unloading occurred sometime between October 8 and October 15, 1981. From the beginning of this transaction no refusal was given by the department and it must therefore be assumed that either the vessel owners or Zengyoren decided to use St. Pierre for freezer storage.

Toshuku Ltd.—On October 7, 1981, this company requested permission for two Korean vessels to load approximately 40 tons of squid in Halifax. This request was denied as no bilateral agreement exists between Canada and Korea.

2. (a) See part 1.

(b) It is obvious from the above that little or no employment or revenue was lost due to actions by the Department of Fisheries and Oceans, nor can it be suggested that the department's decisions influenced vessels to conduct their business elsewhere as in the case of Zengyoren.

It is possible that some proposals were not completed as anticipated due to the decreased demand for freezer storage brought about by the nature and early closure of the 1981 tuna fishery.

RENTAL SPACE AT QUINPOOL CENTRE, HALIFAX

Question No. 4,186—**Mr. Forrestall:**

With reference to the rental of office space by the government in the Quinpool Centre, Quinpool Road, Halifax, Nova Scotia for regional customs, regional excise and port of Halifax—customs (a) who is the landlord of the centre and, if it is a limited liability company, who are the principal shareholders (b) what is the total square footage being rented (c) what is the exact amount of space rented for (i) regional customs (ii) regional excise (iii) port of Halifax—customs (d) what is the rental fee on a square footage basis?

Hon. Paul J. Cosgrove (Minister of Public Works): (a) F.S. Industries Limited is the landlord, carrying on business under their holding company's name of Willowgate Development Corporation, principal shareholders being: city of Halifax as head lessor, John R. Fisk Investment Ltd., Hugh K. Smith Investment Ltd. (b) 35978.34 square feet. (c)(i) 19897.07 square feet rented for regional customs, (ii) 6942.72 square feet rented for regional excise, (iii) 9138.55 square feet rented for port of Halifax—customs. (d) $11.15 square foot.

DEPARTMENT OF EMPLOYMENT AND IMMIGRATION—AMOUNT OF LEASE

Question No. 4,235—**Mr. Herbert:**

1. What amount per annum is paid in rent for the accommodation at 1616 Dorchester Boulevard West, Montreal used by the Department of Employment and Immigration?

2. What was the commencement date of the lease and what is its duration?

3. Is there an escalation clause and, if so, does the clause have an upper limit?

Hon. Paul J. Cosgrove (Minister of Public Works): 1. The annual rent amounts to $530,730.40 for the office space and $9,600 for the parking.

2. The commencement date is 1981-08-01 and the termination date is 1984-07-31.

3. The lease contains an escalation clause for the increase or decrease of municipal and school taxes and an escalation clause for the operating costs for that portion of the building occupied by the Department of Employment and Immigration. No upper limit exists for the increase of taxes and operating costs.

CPP DISABILITY BENEFITS

Question No. 4,315—**Mr. Greenaway:**

1. Over the past three years, how many applications for CPP disability benefits were made by residents of each province, excluding British Columbia?

2. How many of the applications resulted in benefits being granted?

3. What is the average monthly disability payment made by CPP?

Mr. Doug Frith (Parliamentary Secretary to Minister of National Health and Welfare): 1. Number of applications made for CPP disability benefits by residents of each province excluding British Columbia during the last three years (1979-80, 1980-81, 1981-82):

Province	Number of Applicants		
	1979-80	1980-81	1981-82
Newfoundland	1,008	1,001	1,252
Prince Edward Island	218	211	258
Nova Scotia	2,604	2,441	2,822
New Brunswick	1,546	1,379	1,482
Quebec	—	13	29
Ontario	19,003	18,187	20,671
Manitoba	1,884	1,879	1,901
Saskatchewan	1,282	1,194	1,273
Alberta	2,167	2,109	2,147
Total	29,712	28,414	31,835

2. The number of applications resulting in benefits being granted was 18,671 in 1979-80; 22,673 in 1980-81; and 22,790 in 1981-82.

3. The average monthly disability payment made by CPP at end of each fiscal year was $183.36 for 1979-80; $204.64 for 1980-81; and $233.76 for 1981-82.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 3,542 could be made an order for return, this return would be tabled immediately.

Madam Speaker: Is that agreed?

Some hon. Members: Agreed.

[*Text*]

CONSTRUCTION OF NEW HOMES

Question No. 3,542—**Mr. Schellenberger:**

From 1970 to date, by year, what amount was spent on the financing and construction of new houses and on housing rehabilitation by (a) the Department of Indian Affairs and Northern Development (b) the Canada Mortgage and Housing Corporation (c) the Rural and Native Housing Program (d) any other department or agency?

Return tabled.

[*English*]

Mr. Forrestall: Madam Speaker, on March 31 I placed on the Order Paper a relatively simple question with respect to the rental of office space by the government in the Quinpool Centre, Quinpool Road, Halifax. If the parliamentary secretary has some objection to answering this, I could phrase the question in another way or put it to him in written form. I simply do not understand why information which must be contained in the rental agreement is not forthcoming after two months.

Mr. Smith: Madam Speaker, I do not know the answer to that offhand but I will be happy to look into it and bring the information to the hon. member's attention.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

Madam Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—NON-CONFIDENCE MOTION—THE ECONOMY

Right Hon. Joe Clark (Leader of the Opposition) moved:

That this House approves the government taking immediate action to lower interest rates, stimulate production, investment and jobs, strengthen the dollar and lower the rate of inflation.

He said: Madam Speaker, I have today introduced a motion which expresses goals on which I believe this House of Commons can agree, and I would hope that our time today can be spent considering what is happening in Canada, why it is happening, and what we who live in the richest country in the world can do to pull ourselves back to prosperity.

We all know what has happened. Canada is in the worst recession since the reconstruction immediately after the Second World War. We had reports today that the gross national product in the first quarter of 1982 was down 2 per cent. That indicates that for the third quarter in a row Canada has had negative growth. This country, with all our potential and strength, instead of moving forward is slipping and falling backwards.

[*Translation*]

In May, the unemployment rate was at 10.2 per cent. This means that 1,241,000 Canadians declared they were unemployed, and according to Statistics Canada, there are another 100,000 Canadians who are not included in this percentage because they have given up their search for employment. Every day, an average of 1,200 jobs are lost, which means that during the weekend, 2,400 Canadians lost their jobs. Another 1,200 will join the ranks of the unemployed today. During the last five months of this year, 4,425 Canadian businesses went bankrupt. Farm bankruptcies have increased by 61 per cent over last year. Our manufacturing sector is operating at 70 per cent of its production capacity, the lowest level since these figures were first recorded.

[*English*]

Our productivity as a country has dropped for four years in a row. Real wages are down for the fourth year in a row. Our inflation rate was 11.3 per cent as of April, 1982, while the United States rate is only 6.6 per cent. Interest rates in this country are going up again. Our dollar is trading at the lowest level in its history. The Prime Minister (Mr. Trudeau) claims it is not fair to compare the Canadian dollar with the American dollar, and I suppose he is right. We should be comparing the Canadian dollar with the American cent because that, unfortunately, is the comparison which counts today.

• (1520)

The government made an error of 60 per cent in calculating its budget deficit. The deficit will be somewhere between $16 billion and $18 billion. In seven months a 60 per cent government error occurred. We hope that the Minister of Finance (Mr. MacEachen), if he speaks today, will at least clear up exactly what the projected deficit is so that Canadians will know just how heavy the burden is that we are facing as a country.

Those are the hard, unchallengeable statistics. Those are the cold facts of the world's richest country sinking gradually into economic disaster. But the disaster is much more than economic. What we are facing in Canada today, as any of us know who travel this country and talk to Canadians, is not just an economic disaster, it is a human tragedy. It is a tragedy that is tearing the hope, the heart and the pride out of thousands of Canadians each day.

We have seen the facts about the number of Canadians unemployed, the shameful number of Canadians who are out of work. I ask you, Mr. Speaker, and I ask my colleagues in the House of Commons to think about the neighbour of the man or the woman who has just lost a good job and is worrying if he or she is going to be next. Think about the parents of children coming out of school with no work to go to. Put yourself in the place of a woman or a man who is the only provider for a family and who has either lost a job or fears that job will go tomorrow, next week or next month. If I might

borrow a phrase from the Prime Minister, these are the Canadians who have already had the hell scared out of them. They cannot afford any more economic policies designed to scare the hell out of the people of Canada.

Some hon. Members: Hear, hear!

Mr. Clark: This House deals very often in cold statistics and hard facts, but we are also a community. We in this Parliament are the only ones to whom the people of Canada can turn looking for some help, hoping that we might, through the force of our arguments and to the extent of our determination, be able to force this government to change policies that are bringing agony into the lives of individual Canadians.

I want the House to dwell for a moment not just on hard economic facts, but on some of the human implications of what is going on. I ask members of this House, all of us comfortable, all of us well paid and all of us with positions that are reasonably secure—at least until the government calls an election, which it must, and then the positions of Liberal members will suddenly become insecure—to think of the plight of others. We in this House are among the privileged in the land. We have the obligation at least to ensure that when we talk about what is happening to our country we try to place it in some kind of human perspective. I ask members of this House to think of the tensions that are created by the deliberate economic policy of the Liberal government. Think of the fighting now in individual families over money. Think of the family breakups. Think of the people pushed beyond the edge of despair. Look at the statistics that came out this weekend on suicides among young people. Ask yourself, Mr. Speaker, about the relationship between those suicides, economic conditions and the pressures that exist in homes across the nation.

We do not like to think about human costs. Statistics are cold. They are hard. They are manageable. You get used to them. But you do not get used to alcoholism; you do not get used to suicides; you do not get used to wife beating; you do not get used to family breakups. All of these increase when the economy fails. My friends in this House, those are the realities of our Canada today.

When we talk about an economic policy that is driving Canadians out of work, we have to calculate the human cost. When we talk about an energy program that is driving away the investment that can create jobs, we have to realize that the jobs which could have been created if that investment had stayed here would have meant people would have kept their hope and some people may have kept their lives instead of risking them. That is what we are dealing with here. We are dealing with policies that are forcing people into alcoholism. We are dealing with policies that are forcing people into family breakup. We are dealing with economic policies that are forcing Canadians to commit suicide. That is the context in which we have to see what is being done to our country. That is the context in which we have to judge our duty to our fellow citizens as the one institution in the land which has the power to force this government to act.

Some of you know that in the city of Windsor two years ago the mayor of that community established a special committee on services for the unemployed. That committee reported in 1980 that Windsor's high level of unemployment led to uncontrollable stress, in the words of the report, and increased use of tranquillizers, alcohol and other drugs.

A Toronto study of 100 violent family situations in which the police had been involved found that 80 per cent of wife beaters were people who were unemployed, who were responding in that vicious way to the tensions that unemployment and economic privation have placed upon them.

In Canada, as the unemployment rate rose from 6.9 per cent in 1975 to its present rate today, the suicide rate rose from 12.4 per 100,000 to 14 per 100,000. A disproportionate number of those suicides are among young people. A disproportionate number of those people are young people who are children of single-parent families. Those are facts. Those are the consequences. Those, quite literally, are the victims of the economic policies that the Liberal government is forcing on this country today.

Family violence has doubled in five years. Wife beating claims an estimated 24,000 victims per year in this country. In the United States where research is often more advanced than ours, a study by John Hopkins University has determined that every 1 per cent rise in unemployment foreshadows a 4.1 per cent rise in suicides, a 5 per cent rise in homicides, a 4 per cent rise in prison admissions, and a 4.3 per cent rise in admissions to mental and other hospitals.

We are a different society in some ways in that we have less crime in Canada or the statistics would be somewhat different. But the comparison is there. The relationship is there between those horrible social consequences and the economic policy that this government is imposing on its people. Economic problems create social problems that will take decades to heal. That is what is happening in this country. Those are the hard facts and those are the human results of those hard facts.

We as a Parliament have to ask ourselves why that is happening. Why is that happening to this, the richest nation in the world? Why are we allowing that to happen in this, the most compassionate nation in the world? Of course we are influenced by international conditions. Of course we are part of the world. But allow me to let the government in on a little secret; so is every other nation part of the world. Yet we are unique by our ability to solve our own problems here. We have immense resources which the world needs, whether food, natural resources or human resources. We have a tradition of people wanting to work and wanting to build. Canada has the highest literacy level in the world. We are a country that should not be begging others to bail us out.

Some hon. Members: Hear, hear!

Mr. Clark: What is different about world economic conditions as they apply to Canada and as they apply to other countries? Other countries have faced world conditions and acted to make their situation better. Canada's government has ignored world conditions and has acted to make the Canadian

situation much worse than it needs to be. I assume that members of this House of all parties want to solve Canada's problems. Certainly we should because that is what we are here to do. That is what we are paid for. That job is fundamentally beyond payment: that is our duty to the people who sent us here.

Let us look at what caused some of those problems. Let us not pretend that everything that is going wrong in Canada is caused by Ronald Reagan, Margaret Thatcher, François Mitterrand or some other foreigner safely distant from debate in this place, because a large number of our problems were caused right here in this country. We can solve them right here in this country if we have the guts and if we have the will to do so.

[*Translation*]

For instance, let us have a look at what is causing inflation. In Canada, inflation is largely caused by the fact that the government has indulged in unrestricted spending and taxation since 1972-73. Government deficits during the last ten years, ending in 1981-82, have totalled over $77 billion.

• (1530)

Thus, today, the federal government's second largest budget envelope covers payment of debt interest and debt charges which, according to the government itself, will reach $16.6 billion during the current fiscal year. Out of every $5 spent by the federal government today, $1 is for debt interest and charges. This is one of the major causes of inflation in Canada.

[*English*]

What about interest rates? They are in part, of course, caused by inflation, but they have been 3 per cent or 4 per cent higher because of the need to protect the weak Canadian dollar. The Canadian dollar is weak because in the period from 1974 to 1981 we have had $30 billion in deficits on the current account of our balance of international payments with the rest of the world. We are paying the price now for the legacy of John Turner, Donald Macdonald, the Minister of Justice (Mr. Chrétien) and the present Minister of Finance.

Then in the face of that and in the face of developments in the world, the government introduced an energy policy and a budget designed directly to drive away Canadian investment and foreign investment which create jobs and growth in Canada. At precisely the time when the Government of Canada needed to build investor confidence, the government delivered this double whammy of its budget and its energy policy. It literally drove billions of dollars of investment and hundreds of thousands of Canadian jobs out of the country. That was not done by any other country; it was done by the policies of the Government of Canada in a budget that is wrong and in a National Energy Program which is dreadfully and disastrously wrong. Everyone with a modicum of common sense, everyone who went beyond grade three and many who did not get that far, knows that investment which creates jobs needs a stable climate, needs conditions upon which one can count, needs rules which will not be broken at the whim of a minister or the whim of government. Canada has become as stable as a string of firecrackers. No one knows where the government will pop off next. It has breached contracts, it has confiscated land, it has deliberately destroyed the ability of individuals to save, and it has deliberately stopped incentives which it knows on the record would create jobs.

An hon. Member: Oh, oh!

Mr. Clark: And they laugh! They laugh about confiscating land in the country. They laugh about breaching contracts in the country.

Mr. Guilbault: We have more savings than before.

Mr. Clark: They laugh about destroying the capacity of Canadians to obtain jobs. These are Canadians.

[*Translation*]

And those laughing today are Quebecers, from a province and a region that is suffering most as a result of the policies of this government. They must be people without any sense of shame, considering the fact they are supposed to represent those who have suffered such hardship as a result of the policies of this government.

[*English*]

The result of this deliberate introduction of the double whammy of a budget which is bad and an energy policy which is bad has been that $10.2 billion in direct capital investment left Canada in 1981 alone. That is direct capital investment; it does not take account of the other $9 billion in unidentified capital flows, a figure which, by the way leapt fourfold in the last year. In the seven years before the double whammy of the budget and the energy program, Canadians invested $16 billion in foreign countries. In 1981 that direct capital investment by Canadians soared to $10.2 billion in one year. That was made up of $5.3 billion in foreign capital which left the country and $4.9 billion in direct investment abroad by Canadians.

The Canadian Institute for Economic Policy, headed by the Hon. Walter Gordon, suggests that $1 million in direct investment creates 40 to 50 jobs. Let us just assume that $1 million of direct investment creates 40 jobs, according to the low figure of Walter Gordon. If just $1 billion of that job-creating capital which has left Canada had stayed in Canada, it would have meant 40,000 jobs here. If that money had not been driven away by the Minister of Finance, there would be 40,000 Canadians working today who are not working today. If the $4.9 billion which Canadians invested abroad last year had stayed in Canada, it would have created 196,000 jobs in Canada.

Those are the stakes. We are dealing with people's lives here. We cannot blame other people. It has been the policies of the government which have driven away the money that could have created the jobs, the hope and the faith which Canadians want to find in their country.

Let us look for a moment at some of the other direct results of Canadian government policies. The House knows that before the Liberal government took office, the Cold Lake and Alsands projects were ready to go. The Liberal government lost them both. The National Energy Board estimates that those two projects would have created 153,000 jobs in Canada between now and 1990. Those 153,000 jobs were lost when the Liberals lost the Alsands and the Cold Lake projects.

The petroleum and gas revenue tax, the PGRT, wiped out the profitability of many marginal oil wells which require frequent services. This means that well servicing was down by 31 per cent in 1981. In that industry, too, thousands of jobs were lost directly because of the government and its taxing policy, which taxes and punishes the people to fatten the government which then tries to blame others.

[*Translation*]

Under the Canadian ownership program, $7.7 billion were spent to purchase foreign oil companies. If this money had been available for investment in Canada, we could have created 307,000 jobs. The National Energy Program has cost this country 343,000 jobs in the last 18 months. About 300 drill rigs have left Canada because of the National Energy Program. This means 15,000 jobs that are now lost to Canadians. So much for the National Energy Program.

Now for the budget, whose aim was to stop Canadian private investment and increase government revenue. Corporate tax changes alone have cost Canadians nearly $1.7 billion. If this money had been left in the pockets of Canadian investors and had been invested directly, it would have been possible to create 68,400 jobs this year.

[*English*]

To take specific examples from the budget, the provision to allow only onehalf of the capital cost allowance results, according to Walter Gordon's figures, in the loss of 44,000 jobs in Canada. The decision to extend the corporate surtax for large business results, in applying the standard of 40 jobs per $1 million of investment, in 18,600 jobs lost. The decision to impose a 12.5 per cent tax on dividends paid by small businesses from income taxed at lower rates results in the loss of 3,600 jobs. Thirty-six hundred people could have been working in Canada if it were not for that one budget provision alone. And so on it goes. You can take the receipts that they gain, you can compare them to the standard that the Gordon Institute puts out, and you can see just how many jobs this government is costing Canadians day after day after day. You can see just how much agony it is injecting into the lives of ordinary Canadians.

• (1540)

We are talking about hundreds of thousands of Canadian jobs that were lost, not because of American policy, not because of world conditions, but as the direct result of Canadian government policies that are wrong. I wonder if the Minister of Finance has any idea of what his energy and budget policies have done to this country.

Miss MacDonald: Or cares.

Mr. Clark: Or cares. That is a question we must now put when we look at the human cost of these policies. I wonder if he has any idea of what those policies to which he and his colleagues cling so stubbornly—putting their pride ahead of the wellbeing of Canadians—have cost Canadians. Those policies have cost Canadians 714,000 jobs since the introduction of the National Energy Program and the budget.

For the Minister of Finance to absolve himself of responsibility and to blame everybody else is like a classic drunk standing with an empty bottle in each hand and saying, "It is not me who is scaring the hell out of people, it is just the pink elephants." Well, the disease is the minister's to cure. The minister must start by changing his own most basic assumptions.

That brings us to the question of what we can do in Canada to solve Canada's economic problems. First, we must insist that the statement or whatever planned by the Minister of Finance for the next few weeks must be, in effect, a budget or a mini-budget. He cannot escape with less. He owes the people of Canada that much.

Second, all of our actions must be based on the understanding that while we, too, are part of the world, we have a unique ability to control our own destiny in Canada. We should build Canada, not blame others.

Third, we should accept the principle that this nation needs investment to create new jobs and security that are the key to growth, individual security and to confidence in our country. We must re-establish a climate of confidence in Canada as a place to invest.

A fourth assumption must involve the recognition that an excellent way to reduce the government deficit is to put the Canadian people to work so they can pay taxes instead of collecting unemployment insurance. The House should know the facts about this. Between August of 1981 and May of 1982, the number of Canadians with jobs dropped by 320,000. We have estimated that the average Canadian taxpayer will pay $2,737 in federal income tax and $1,313 in provincial taxes, which averages out to a total of $4,050 in federal and provincial personal taxes. If those 320,000 Canadians who have lost their jobs—who were working and are no longer working because of the government—were still working and paying taxes at average rates, they would be contributing to the federal treasury and the provincial treasury respectively $875,840,000 and $420,160,000, for a total of $1.296 billion in new tax dollars to help cut the deficits. That does not take into account the amount of money which would be saved by not having to pay unemployment insurance to people who would rather be working. Those are the assumptions on which new policies should be based.

Let me come to the specific policies which we think must be followed and the changes which must be made. First, the disastrous November budget must be withdrawn. The attack on incentives which is central to the November budget must be abandoned and a new budget must be brought in which encourages individuals to invest in Canada and create jobs

here. That new budget should reject the idea that the only purpose of tax policy is to enrich the federal government. It should accept the idea that tax policy can create growth, investment and hundreds of thousands of jobs in Canada.

Second, the government must recognize that the National Energy Program has absolutely destroyed confidence in the Canadian energy sector as a safe place for private citizens to invest.

An hon. Member: Nonsense.

Mr. Clark: An hon. member says nonsense. Would he identify himself? They do not identify themselves because anyone who knows anything about what is happening in Canada will know that no one with a nickel to invest in the Canadian private energy industry would do so unless they had an iron-clad guarantee that is safer than the iron-clad guarantees that the minister said he had from the American government.

[*Translation*]

Once again, we are hearing from a member from Quebec. I hope that next time, perhaps today, he will speak to defend his fellow citizens and not to defend the policies that have caused them to lose their jobs.

[*English*]

One of the dramatic facts about the energy industry was that our Canadian energy industry grew and was becoming increasingly a Canadian-controlled industry due to the initiative of individual Canadians. That must be the tone of a new energy program. If that is the tone, the purpose of the energy program must be to find energy for Canada and not simply to find tax revenues for the government in Ottawa.

Third, the review of the activities of the Foreign Investment Review Agency which began during my government should be continued in order to reduce uncertainties, to target on the major investments which might cause real problems of Canadian control and to reduce the time lost to bureaucracy. We need both Canadian control and Canadian jobs. The reform of FIRA can give us both.

Fourth, the restraint side of economic policies must be pursued by this whole Parliament. We can all enumerate individual examples of government waste, whether it is three JetStars flying to Winnipeg because the ministers do not like to talk to one another or whether it is the hundreds of millions of dollars being spent on Liberal Party propaganda in the name of government advertising. However, there needs to be a much more thorough examination of expenditures by this whole Parliament.

The other day my colleague for Mississauga South (Mr. Blenkarn) proposed a motion under Standing Order 43. He asked that the government set up a special committee of the House to examine such measures in the estimates that might be reduced or eliminated, and that that special committee be entitled to call witnesses to examine expenditures with a view to reducing government expenses by 10 per cent. That proposal was rejected by other parties but I believe it merits the most serious consideration.

Finally, we must restore a sense of partnership in this country as the basis for solving our economic problems. I was personally shocked to hear the Prime Minister of Canada declare recently that co-operative federalism is dead. If co-operative federalism is dead, then Canada is dead. The only way this country can function is by bringing its partners together and making them work together. I have personal experience with the possibility of achieving that. The government which I had the honour to lead was bringing Canadians from all backgrounds and groups together in the national economic development conference.

Mr. Collenette: Is that why you lasted nine months?

Mr. Clark: I am asked if that is why the government lasted nine months by the member for York East (Mr. Collenette), who will soon be returning to private practice. The government lasted nine months because the NDP-Liberal coalition voted to bring us down. We will remind Canadians of the reasons that occurred every day between now and the next election.

Mr. Collenette: Absolute incompetence.

Mr. Clark: The hon. member for York East has just described himself as an absolute incompetent and the rest of the House shares in that definition.

The point I am making is that when there is a government in Ottawa that is prepared to exercise leadership to bring people together, that leadership can be exercised and people can be brought together. Because the great majority of Canadians, whether they are provincial Premiers, labour leaders, business leaders or whatever, want this nation to work. They want this fighting to stop; they want this nation to work. If the program that I have outlined is followed, we can bring down interest rates by at least three or four points. We can stimulate production, investment and thousands of Canadian jobs. We can strengthen the Canadian dollar by restoring confidence in the Canadian economy. By demonstrating our seriousness and exercising the restraint that these times require, we can bring down the rate of inflation. That is our challenge and I hope that this Parliament is up to it.

• (1550)

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I welcome the opportunity to participate in the debate which has been launched by the Leader of the Opposition (Mr. Clark) in which he has put forward very important questions concerning interest rates, production, investment, jobs, the Canadian dollar and the rate of inflation. In the brief time at my disposal, I would like to try to deal with some of the questions which have been raised and are of such importance to the Canadian people.

The Government of Canada and the Liberal caucus have been discussing the economic situation with a view to intensifying the efforts to improve our economic performance and to prepare ourselves for the future. I particularly appreciate the efforts which have been made under the leadership of the hon. member for Trinity (Miss Nicholson) to bring forward ideas and proposals which address themselves to the current economic situation. I have indicated to the House of Commons that I intend to make an economic and financial statement to the House before the summer adjournment. I would hope to make that statement as quickly as possible.

Today the Leader of the Opposition has recommended that that statement be cast in the form of a budget or a mini-budget. Whatever form my statement takes, there is no doubt that the economic situation is serious. The Canadian economy is in recession, a recession which has been much deeper and much more prolonged than any forecaster, government or private, had predicted. Unemployment is extremely high, businesses are in difficulty across the country, high interest rates and high inflation are stifling economic activity and holding back investment.

We are sharing in the international recession into which the United Stated and the rest of the industrial world have been plunged for many months. It is natural that in these circumstances, and particularly prior to the statement which I intend to make, the Leader of the Opposition should have seized this particular occasion to highlight problems in the economy. Certainly, in these difficult circumstances, there is a clear need for all participants in the economy and all participants in governments, federal, provincial and municipal, to join together as much as possible in seeking economic solutions. I agree with the Leader of the Opposition when he places a high priority on Parliament and the necessity of Parliament working as effectively as possible in order to bring about solutions to the problems of the country.

When the Leader of the Opposition spoke last March, the day on which we dealt with parliamentary reform, he made an observation which certainly attracted my attention. He said:

> Our country has changed tremendously since Confederation, and its problems are more numerous and often more complex. We cannot solve today's problems with 19th century tools. There must be a way to agree on limiting debate.

That is not the point which I particularly wanted to highlight in the paragraph; rather, it was the concluding line which states:

> Common sense and mutual respect must prevail if differences are to be resolved.

I would hope that I would conduct my remarks with respect for the views of the Leader of the Opposition, if not agreement with those views. The opposition has been demanding action and solutions. Last week when the Prime Minister (Mr. Trudeau) and myself returned from the Versailles Summit, the Leader of the Opposition and hon. members opposite recited a list of problems and called upon the government to take action. They then discounted, and indeed again today the Leader of the Opposition discounted, the international sources of our difficulties. They suggested that by pressing the United States to reduce its interest rates, the Canadian government has simply been looking for excuses. I get the impression from listening to opposition members that they believe there are quick and easy solutions to the problems which face the government and that if only the government would see the light and drop its pride, if only it would abandon the policies to which we give our confidence, then everything would be all right. In a sense, we heard the same views expressed today by the Leader of the Opposition. Withdraw the budget. Withdraw the National Energy Program. Withdraw FIRA. These are solutions which the Leader of the Opposition has advanced.

In referring to the National Energy Program, he has failed to put it in a context of falling energy prices and falling demand throughout the world and, in fact, in the context of what is happening in the country of our neighbour, the United States. For example, I do not think the National Energy Program is responsible for the current situation in the United States drilling industry. What is that industry like today in the United States, not in Canada, not influenced by the National Energy Program? The fact is that in the first quarter of 1982 the drilling industry in the United States suffered its most significant downturn in activity since 1970. The drilling industry experienced a drop of almost 25 per cent in its activity in the first quarter of 1982. That had nothing to do with the Canadian National Energy Program.

I could go down the list and say to the Leader of the Opposition that he must be much more forthcoming and precise if he is to make a contribution to the debate which is now raging in the country and if he is to make a contribution to the solution that we are seeking. I have heard him say nothing about monetary policy, which is a main influence on our economic activity. I have heard him say nothing about incomes policy, which is so critical to our situation at the present time. I have heard him say very little about fiscal policy except to say that we all ought to engage in the laudable effort of expenditure restraint. Of course, I agree with that. Members of Parliament have an opportunity, when they examine the estimates in committee, to propose reductions if they wish. They can suggest what may be done to bring about expenditure reductions, not in a punitive, political way to embarrass the government, but rather in a way in which the objectives set by the Leader of the Opposition can be achieved.

• (1600)

It is open to members of the opposition, as it is to members on this side, to say, as an hon. member said the other day, that maybe we ought to review our foreign aid program. Maybe we ought to have a big drop in our expenditures in foreign aid. However, I heard not a word from the Leader of the Opposition as to where he would make these cuts and in what programs. Therefore, it is my appeal to him to give some precision to his proposals and to his ideas, which have been sadly lacking this afternoon in his statement. He would give the impression that the unemployment that exists in Canada is entirely due to wrong-headed government policies.

Miss MacDonald: Hear, hear!

Mr. MacEachen: The hon. member for Kingston and the Islands (Miss MacDonald) says "Hear, hear". She agrees with the Leader of the Opposition that all the unemployment we have is because of bad government policies. We know that unemployment carries with it very heavy costs, both economically and socially.

Certainly the first priority of the government is more jobs and stronger growth in the economy. It will be impossible to provide the number of jobs we need in Canada unless we get inflation under control. The Leader of the Opposition made passing reference to inflation in his speech. It is mentioned in the motion. He mentioned it one or two times, but did he give the House of Commons a recipe or proposal that would have the effect of reducing inflation in Canada at the present time? There was no such proposal.

I ask members of the opposition what is their proposal at the present time. Do they believe that we can have more jobs and more economic growth in the country if we persist in having a rate of inflation of over 11 per cent, one that has now put us in the forefront of the countries of the world with inflation performance? I worry greatly about that. I worry about inflation because I worry about unemployment.

The ministers who attended the interim committee of the International Monetary Fund tried to express their concerns about inflation and unemployment and tried to relate one to the other. Because the communiqué was signed by so many countries and because the discussion was participated in by so many ministers in such a major way, I think that the words they used express clearly the attitude of this government with respect to inflation and unemployment. I quote as follows:

> The committee voiced particular concern regarding the high levels of unemployment now prevailing in most countries. The comprehensive type of policy approach that it advocated—

Namely, the committee.

> —did not rest on a view that the fight against inflation is more important than the fight against unemployment. Rather, the committee's view was that combating inflation is a necessary step for resumption of sustainable growth at a satisfactory pace. The committee considered that reduction in inflation and inflationary expectations, in nominal and real interest rates, and in existing rigidities is essential for steady expansion of output and reduction of unemployment.

All the ministers tried to relate inflation and unemployment because they have been, unfortunately, linked together in the last number of years. The countries with the best inflation performance have the best employment performance. The lower the inflation, the lower the unemployment.

I take responsibility for the policies which the government administers. We all do. But to draw the conclusion that government policies are responsible for the world recession and for the high unemployment in Canada is not only to be unfair, but to be simplistic.

We have 1,200,000 people unemployed in Canada, a very high figure. Every effort ought to be made to bring down that rate. In the United States there are 10,500,000 unemployed. My policies are not applicable in the United States. In Japan, a great performer as a nation, there are 1,400,000 unemployed. In France there are two million, in the United Kingdom almost three million and in Italy 3,200,000. In West Germany, another great performer economically, the unemployment rate is 7.3 per cent. That is extraordinary by historical standards for the Federal Republic of Germany. Even though they have a way of controlling their unemployment through the control of guest workers, nevertheless they have 1,700,000 unemployed at the present time. I repeat, their rate is 7.3 per cent, which is very high by their historical standards. I am saying that all countries share the same problems. They share the strong determination to bring down these frightfully high unemployment rates and to do so as quickly as possible.

We have a comprehensive set of employment programs in Canada at the present time covering training, labour market development, direct job creation and measures to stimulate employment in the private sector through wage subsidies, tax credits and assistance to the small business sector. Total funding for these programs is approximately $1.7 billion in 1982-83. That is in addition to the employment tax credit. This $1.7 billion for 1982-83 which is directed to the employment side includes the initiatives taken since the November budget, which total about $400 million for fiscal year 1982.

I attach the highest importance to unemployment, and I recited the extensive measures that the government is taking in order to relieve the problems of unemployment in this country. However, the fundamental cure is to get recovery under way not only in Canada but in the United States and Europe as well. All of us are interdependent. Seventy per cent of our economic relations are with the United States. How can we prosper, develop and get out of a recession when the United States economy, according to the words of the United States treasurer several weeks ago, is dead in the water?

I mentioned the United States. This brings me to the question of the Canadian dollar. The Leader of the Opposition said the weak Canadian dollar is all due to the bad policies of the Government of Canada. That, of course, is wrong. Events over the past several weeks in exchange markets the world over have borne out the contention which I have been making in the House of Commons almost every day, that the unprecedented high and volatile real interest rates in the United States are the prime factor behind the meteoric rise in the exchange value of the American dollar against all major currencies of the industrialized world. To single out the Canadian dollar and say it is weak against the American dollar and then to say that is because of bad government policies is unfair, inaccurate and unjustified.

• (1610)

Last week there was a 2.3 per cent decline in the value of the Canadian currency against the United States dollar. What was the decline for other currencies? Their depreciation was even more dramatic than that of Canada. The depreciation in the Japanese yen was 3.3 per cent; the Deutschemark, 3.5 per cent; the Swiss franc, 5 per cent; the French franc, 6.5 per cent; the Italian lira, 3.6 per cent; the pound, 2.8 per cent; the Belgian franc, 4.4 per cent; and the Dutch guilder, 3 per cent. In every

case the depreciation of those currencies against the American dollar was greater than the depreciation of the Canadian dollar. In every case, each of those currencies was weaker against the American dollar than was the Canadian dollar. If countries like Germany and Japan, so often described as the real success stories, cannot insulate their currencies and their economies from the impact of high real interest rates in the United States, how much more naive to think that Canada, with its greater degree of trade and financial relations with the United States, can insulate itself from the high interest rates in the United States which contribute to and provide strength to the American currency.

The fact of the matter is that as a country we have had to walk a narrow path between moderating volatile interest rate movements and maintaining a degree of stability in the foreign exchange rate. Those who assume, totally erroneously, that the government has abandoned the dollar and is engaging in the *de facto* devaluation fail to recognize the incredible magnitude of the depreciation in recent weeks of all OECD currencies against the American dollar.

What does become painfully obvious, however, is that such a marked depreciation in the value of the Canadian dollar, a strategy proposed by some people in the country, does not bring interest rates down but, rather, adds more pressure to already onerously high interest rates in this country.

Observe what is happening. It gives the lie to those who say there is an easy way out by letting the currency go. Like many other countries, Canada has had to intervene in the market to maintain orderly conditions. The other evening I listened to the radio telling us that the central bank of the Federal Republic of Germany and the Bank of Switzerland were active in the exchange rate market for the same reason Canada was at the same time.

I do not believe there are underlying weaknesses in the Canadian dollar. I do not believe that at all, and I ask hon. members to take a look at the recently released balance of payments figures for the first quarter of this year. Canada's current account, seasonally adjusted, swung into surplus at an annualized rate of $1.2 billion. The performance of the current account in the first quarter, if annualized, gives us a surplus. That is a rather significant performance, and it reflects a healthier merchandise trade balance, which virtually doubled to a $3.6 billion surplus over the first quarter of last year. Part of it is due to declining imports, but not all of it. There has been movement in exports as well.

We hear about capital outflows. Today the Leader of the Opposition attempted to spook everyone about a flood of capital leaving Canada. I ask him to take a quick glance at the balance sheet; it reveals some encouraging signs. It shows a strengthening of the long-term capital account, from the net outflow of half a billion dollars in the first quarter of 1981 to a net inflow of $4 billion in the first quarter of 1982.

If there is pressure on the Canadian currency—and there is—it comes from transactions in short-term financial instruments, often the form for highly speculative and interest-rate-sensitive transactions. That is where the principal pressure on the Canadian currency is coming from at the present time. I say to the Leader of the Opposition that he should not continue with this blind opposition to the facts. The Canadian currency, compared with all other currencies, is weakening less—or is stronger—than all the other currencies I have mentioned. That was pointed out today in a very interesting commentary by an economist on the CBC.

Mr. Wilson: That is authoritative?

Mr. MacEachen: I do not ask members of the opposition to pay much attention to that; I sometimes do not myself, but I find it very odd that the same motion which calls for a strengthening of the Canadian dollar also calls for lower interest rates. How can that be done? How can it be done immediately? Hon. members opposite want immediate action. Can anyone in the Conservative Party get up today and tell me how we simultaneously can have lower interest rates in Canada and a strengthening of the Canadian dollar? I am afraid, given the harsh realities which all industrialized countries face, this is hardly a workable alternative strategy. However, I am preparing an economic statement, and I would be prepared to hear how we can have lower interest rates and a strengthened dollar at the same time.

Mr. Mazankowski: Ask Herb Gray.

Mr. MacEachen: The last time these questions were linked together was at the first ministers' conference when the Premiers said we should lower interest rates by reducing the value of the dollar. Some of them said they could live with a 75-cent dollar. We argued against that at the time. I must say the hon. member for Etobicoke Centre (Mr. Wilson) was on the right side at the time because he said what had been proposed by the Premiers at the first ministers' conference was a policy of desperation. I ask the hon. member for Etobicoke Centre to take us into his confidence.

Mr. Wilson: I am.

Mr. MacEachen: What are his solutions to the recent decline in the exchange rate? I know that in a television interview he trotted out a few tired old hobby horses which might not make it to the home stretch, if they were permitted to get to the starting gate. His solutions are so long term, so vague and so general that they cannot be implemented in any concrete or specific way. As I read his proposals, if we were to try to adopt them, we would be jeopardizing energy self-sufficiency and jeopardizing greater Canadian control over Canadian resources. The Leader of the Opposition has to get his lines in order. Does he believe in greater control by Canadians over our resources? That is what the Canadianization program is all about. We believe in that, but the Leader of the Opposition is asking us to withdraw the Canadianization program. Is he ready to make that proposal in a concrete way? I believe that is the dilemma the Conservative Party faces at the present time.

I turn now to interest rates. How can we lower interest rates immediately, except by some general proposal that can never be implemented? Interest rates in Canada are high for two

basic reasons. First, because interest rates in the United States are exceptionally high. These interest rates have put pressure on the Canadian dollar. Funds from every country are attracted and are flowing toward those high United States interest rates, particularly at a time when U.S. inflation is declining. That is why the American dollar is strong at the present time.

• (1620)

Second, we have high interest rates because we have high inflation. At the Versailles Summit we called upon the United States to do everything possible to reduce the extraordinarily high interest rates prevailing in that country. We have been clear on that point; we have been persistent and have acted in the clear interests of Canada.

The Leader of the Opposition calls this shifting the blame. Would he have us, among all the seven nations sitting around the Summit table, not raise the question of high interest rates in the United States? I believe we would have been shirking our responsibility had we not called upon the United States, in the present circumstances to do something about their interest rates. According to an article in *The Wall Street Journal*, just this week the secretary-treasurer of the United States said they recognized that interest rates are unacceptably high. So does the rest of the world, Mr. Speaker. They want us to get those interest rates down and so does the man in the street.

I believe you are rising gently to ask me to end my statement, Mr. Speaker. I would just conclude by asking the members of the opposition a few questions about their effort to assist at the present time. Do they support the current monetary policy or would they ease that policy and flood the system with funds in order to bring down interest rates? Do they believe that would be constructive?

Do they believe in a restrictive fiscal policy or an expansionary fiscal policy? What is their policy on income demands and income settlements? What do they propose to do in the face of income settlements of 11 per cent now in the public service and in that range in the private sector? These are hard questions that have to be answered. Not one sentence in the otherwise interesting speech of the Leader of the Opposition dealt with the hard issues that the Government of Canada must face in the present circumstances.

Some hon. Members: Hear, hear!

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, for a few moments I want to put forward some suggestions, if the minister can bring himself to listen.

Mr. Deputy Speaker: Order, please. The hon. member for Hamilton Mountain (Mr. Deans) has the floor.

Mr. Deans: Thank you, Mr. Speaker. I appreciate your drawing the rowdies to order.

I want to spend a few moments of my 20 minutes speaking about what might be done in Canada. To begin, I want to say to the Leader of the Opposition (Mr. Clark), as he once again bleats about the defeat of his government, that it is quite clear to anyone on the outside looking in that the reason his government was defeated was that the budget he brought in did not meet with favour either with the House of Commons at the time or with the public subsequently. There is no point crying about the problems that the budget created. The fact of the matter is that the Leader of the Opposition decided to have an election thinking he was going to win and discovered that there was not support across the country for the measures he had introduced.

I want to deal with other matters because they are much more important than that. I want to talk a little about the state of the economy in Canada. You do not have to analyse statistics to see the problems in this country. I do not think the Minister of Finance (Mr. MacEachen) thinks for one minute that the people in this country believe that the policies he is pursuing on behalf of the government are working. He must surely understand now that the very high interest rates that the Governor of the Bank of Canada has made sure are in place at the behest of the government, are causing inflation to rise, causing people to lose their jobs, causing farmers to lose their farms, causing small-business men to have to cut back substantially on the use of their productive capacity and the employment of people who would normally work in those industries.

You do not have to be a genius—and I am sure the Minister of Finance is not because I have been watching him for two years—to appreciate that if high interest rates are causing all these problems and are creating as many problems as they are solving—and I suggest they are creating even more—then we must begin by coming to grips with the question.

The Minister of Finance asked about fiscal policy and about monetary policy and about an incomes policy. With regard to a monetary policy, there is a time for selective stimulation and there are certain parts of the economy that desperately require some assistance at this time. I say to the minister that there is no question in anyone's mind that the housing industry has the capacity to produce jobs in the hundreds of thousands while at the same time meeting a social need. There is no secret about the fact that every dollar put into that industry yields more in return than any other single industry dollar in terms of employment and meeting social needs of the country.

If at this time it is necessary to impose certain new restrictions on interest rates in order to guarantee that people will be able to buy and maintain the homes that should be available to them, then the government has to take that kind of action. There is no question, in my mind at least, and I think in the minds of hundreds of thousands of people who today are faced with the problem of renewing their mortgages, that the single factor that is undermining their economic stability and creating many of the hardships that the Leader of the Opposition spoke of with regard to the impact on families is the exorbitant increases in monthly mortgage payments which are far beyond what people can reasonably be expected to afford.

In monetary policy terms, there are places where stimulation is required. There are times to stimulate. It is not an over-all loosening of the purse strings or pumping in massive sums of

money which is required. I suggest that the minister begin by selecting an industry that may be able to meet two objectives, one being social need and the other being employment requirements.

The minister asked about an incomes policy. How does he expect people who cannot now pay their bills on the incomes they earn to accept that they should receive less than the increase in the cost of living? How can the minister argue that an incomes policy that will give people wage increases lower than the cost of living increase is reasonable, given that many of them are now faced with the prospect of losing their homes and being unable to provide for their families?

The minister may sit with his back to me if he wishes but that does not alter the facts. The facts are that the minister cannot expect the vast majority of working Canadians, who are at this very point in time barely eking out an existence because of the ridiculous economic direction this government has taken, to survive somehow on an increase which is less than the cost of living. You can argue it all you want but it does not wash in the minds of the majority of Canadian families.

• (1630)

Then, of course, there is fiscal policy. The minister talked about how the opposition has an opportunity in committee to reduce estimated expenditures. Try it! Just try it and see what happens to you. You will be quickly beaten down by this overwhelming majority of subservient backbenchers who insist that this government, though it is wrong, must be right because they have more numbers than anyone else. That is not the way Parliament is supposed to work. If the minister were fair and honest about it he would say there is no opportunity for opposition members to reduce government expenditures, there never has been and there never will be. To make that kind of argument is to tell other than what everyone knows to be true.

What is really wrong in this country? There are a number of serious things, but I want to put to the minister quite bluntly that not all of them require government expenditure. We proposed not two weeks ago that if the government wanted to give substantial aid to the auto industry and thereby create large numbers of jobs all across this country, it could simply impose on imported vehicles a level of entry consistent with what other countries—Japan being the prime example—impose upon us without legislation. If we were to restrict their sales volume until such time as they bring their production in Canada up to a point which begins to meet that sales volume, that would have a beneficial impact on the manufacturing sector, which is currently Canadian or at least operates in Canada, and produce tens of thousands of jobs for Canadians. If we wanted to, we could take steps to protect the shoe manufacturing industry in Canada, because without that industry the price of footwear will rise by leaps and bounds. We could take steps which would not cost this government dollars out of its pocket. But the government refuses to act.

We could have taken steps some time ago, Mr. Speaker, to protect the farm machinery industry. We could have instituted a plan which would have made it more attractive to farmers to purchase that machinery now rather than delay it for two or three years, when the only place they will be able to buy it would be outside Canada, because the industry here will no longer exist. We could have embarked on the kind of housing program which I put before this minister and the minister responsible for housing on numerous occasions, which would have created for forestry workers in British Columbia and other parts of Canada the opportunity to work rather than go to the unemployment insurance office. But the government turned it down.

The government says we have no concrete proposals or policies to offer, so therefore it does not want to listen. Well, I suggest to the Minister of Finance that our policies, as opposed to those currently being used by the minister, would work for Canadians.

The Minister of Finance tells us that interest rates all around the world are high, therefore ours must also be high. That is patent nonsense. Go to Great Britain and see how much mortgage interest rates are. They are at least 50 per cent below our levels here. I say to the minister that when he starts talking about these things, for heaven's sake man, go and find out for yourself. Mortgage interest rates in the U.S. are considerably below those rates charged for other commodities. Mortgage interest rates in Great Britain are down to 10 per cent and below, which is half of what ours are. Mortgage interest rates in Europe are considerably below the normal interest rates charged for other manufacturing of commodity purchases. They treat that sector of the economy as it should be treated, as an essential part of an economic package and a social need. It is a number one priority in guaranteeing people will have an opportunity to get accommodation at a price they can afford.

But what does this government offer? This government offers a never-never scheme, a program where you can take your interest and add it to your principal and never in your lifetime will you be able to pay off the mortgage. Other parts of the world require by law that affordable mortgage interest rates be made available so that people can obtain the accommodation they need.

What has happened in this country that it has now become more attractive for people to buy an investment certificate or a bond rather than put their money into risk ventures in the hope of making some real gain? What has happened that it is now more attractive to hold a guaranteed mortgage certificate than it is to hold stocks in a blue-chip company? We have allowed interest rates to become the single lever with which we are going to manage the economy and it does not work. It cannot work. It cannot possibly be expected that there would be growth in the economy if people can get more by putting their money into a guaranteed investment certificate. You just cannot win that way, and I say to the minister that this is where the error has been made.

Why does the Bank of Canada have to set an interest rate five percentage points above inflation? The Bank of Canada does not have to receive a massive return. Why is the Bank of Canada not prepared to combat inflation by setting an interest rate let us say one percentage point above inflation and then require the financial institutions to follow suit and set interest rates which are manageable for Canadians? If that were done, there would be more money in the economy. Would it be money that the government is putting into the economy? No, it would be money the average Canadian is putting into the economy. It would then be more attractive for people to manufacture products because there would be people with money left over at the end of the week to buy them.

The minister may well say that the level of savings in Canada is higher than it need be. That may well be true, but most of the purchasing in any economy—and this one is no different—is done by young families. Most of the new consumer-oriented products are purchased by young families, and after they have met their fixed costs they do not have sufficient disposable income to make those kinds of purchases. I say to the minister that a dramatic change in his policies is required. It is not just simple tinkering, it is not another $150 million in a housing program which currently does not work, and it is not simply giving the oil industry more money. As far as that industry is concerned, let me just point out to the minister that by July of next year the price of a barrel of oil will have gone up another $10.25. By most analysts' statistics, every dollar increase in the cost of a barrel of oil adds .5 per cent to the cost of living. Therefore this government has negotiated a 5 per cent increase in the cost of living over the course of the next year. How is that combating inflation? How is that holding the line? How is that consideration for and commitment to this country's future?

As my time wears on, Mr. Speaker, I want to move an amendment and then make a few comments about it. I move, seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett):

• (1640)

That the motion be amended after the word "inflation" to add: "and urges prompt action to increase Canadian ownership of the manufacturing, oil and gas sectors, as well as direct the Bank of Canada to lower its lending rate to not more than 1 per cent above the rate of inflation."

In the remaining time I have left I have some comment about the minister's argument on interest rates. It has been my contention, and the contention which my party has put forward for a long time, that the major problem in this country which keeps our economy from rebounding, which keeps the manufacturing sector from growing, which is forcing businesses, farmers and people into bankruptcy, is high interest rates.

The minister always makes reference to what he calls the facts. He says that interest rates around the world are high. Yet of central bank rates around the world in 1982, Canada had the third highest rate, behind only Ireland and Italy. Canada's interest rate in March, 1982, was 15.11 per cent compared to 12 per cent in the United States and 5.5 per cent in Japan. In inflationary terms in 1980 and in 1982, the composite average of industrial countries showed an increase of 12 per cent in the inflation rate. The rate in the United States was 13.5 per cent while in 1980 it was only at 10.1 per cent in Canada. However, between then and now the industrial composite has gone down to 7.9 per cent in the United States to 6.7 per cent, but in Canada it has risen to 11.6 per cent. Why has that happened? Because Canadian businesses have had to add into the cost of doing business here exorbitantly high interest rates; because Canadian businesses have had to add into the cost of carrying inventory exorbitantly high interest rates; because the house building industry in Canada knows that Canadians cannot afford to purchase the homes which they are capable of building because of exorbitantly high interest rates.

All across this country people are beginning to understand that their incomes are being eroded daily because they are being asked to pay exorbitantly high interest rates. If this government is serious about its battle against inflation on the one hand, and about its battle against unemployment on the other hand, about its commitment to make sure the necessities of life are available to people in all walks of life at a price they can afford, then the government will begin to solve the problem by coming to grips with exorbitantly high interest rates.

I suggest that if there was one single theme to follow in trying to establish in Canada an independent path, if the government wants to establish in Canada the road to recovery, then it should begin by stopping the increase in oil prices next year which will add at least five percentage points to the cost of living, and by taking steps to ensure that the Bank of Canada reduces interest rates to people, businesses and farmers across this country and allows the Canadian economy to work again.

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, in its terms the motion today calls upon the government to take immediate action—not next week, not next month, not next year, but immediate action now. There is a very simple reason for that. These problems with which we are faced today just cannot wait. We have a weak Canadian dollar of which we are reminded daily. Three weeks ago when the Minister of Finance (Mr. MacEachen) announced that the budget deficit would be substantially higher but he would not tell us what the amount was, we told him that was dangerous as far as the exchange markets were concerned. The dollar then was worth 85.5 cents U.S. Today it is bumping along just above 77 cents U.S. We have to move fast because the weak Canadian dollar is forcing up interest rates and we can see that happening daily.

Industry is in a perilous position. The Bank of Montreal and the Canadian Imperial Bank of Commerce have given us very graphic figures showing that about two-thirds—60 per cent to 65 per cent—of cash flow today is being used by industry across the country just for interest rates. This cash flow is not going into reinvestment. That is why we have the very weak economic figures announced this morning. The gross national product, or the national income of the country, is down 8 per cent on an annualized basis in the first quarter of this year.

Allen Marchement, head of The Trust Companies Association, said that a number of industries are in such a perilous position that they might not last another six months if interest rates continue at the levels we have today. We must act now. That is what we are calling on the Minister of Finance to do. We are not saying that we are going to get immediate results overnight. He knows that, we know that. But action would follow quickly if the people of this country felt that there was a plan of action or an understanding of the problems which the country is facing. What is required is a plan of action to stem the crisis of confidence and remove this sense of floundering which we see in Ottawa on the part of the Minister of Finance and the Prime Minister (Mr. Trudeau) of not knowing what to do. In addition, we have to strengthen the Canadian dollar and take pressure off interest rates. We have to have an action plan today that will lay the base for a long-term recovery program.

Last year the Minister of Finance said that economic renewal was one of the primary objectives of his budget. He seems to be approaching economic renewal in the same way that we approach urban renewal in this country. We wipe out the neighbourhood. We flatten the neighbourhood to the ground and then bring in programs of economic renewal, as is done with urban renewal. That is not the way to build this country. We will lose so much long-term productive capacity if we continue in the direction in which we are moving today.

I listened to the minister today as I have listened to him on other days when he has said that the problems are not his fault, that these things are outside of his control. He is right to some extent. The problems were started back in 1972, 1973 and 1974 when John Turner was minister of finance of the country. Government spending rose 108 per cent during Mr. Turner's three-and-a-half year term of office. That is when monetary policy went completely out of control. That is when it all started.

That style was continued by Donald Macdonald and the Minister of Justice (Mr. Chrétien). We had a reprieve when the hon. member for St. John's West (Mr. Crosbie) was Minister of Finance. We had a change in the direction of government policy in this country and better management. We had a more competent degree of management in controlling the way government tax dollars were spent in this country.

Yes, the world economy and the high interest rates in the United States are part of our problem. We recognize those things. We do not deny them. Having said that, the minister cannot wring his hands and say there is nothing that we can do about our problems, that there is nothing we can do to convince President Reagan to change his policies. We have to deal with the realities of today. We have to accept the fact that there are not these quick and easy solutions which the minister says are the only way. There are other ways of dealing with the problems.

• (1650)

We cannot continue to spend our time casting the blame on people in other countries. We must deal with the realities of today, the problems and the policies at hand which are causing the problems in Canada. When we hear the Minister of Finance talking this way, is it any wonder that the confidence level of businessmen in the country has dropped from 58 per cent in 1979, when the Right Hon. Leader of the Opposition (Mr. Clark) was the Prime Minister, to 10 per cent today? One businessman in ten has confidence that the government knows what is going on. This is why we have to have action.

The forthcoming financial statement or the mini-budget which we are urging the minister to bring down immediately is the most important economic statement or the most important thing which he will be doing during his term of office. If it does not do the job, if it does not rekindle the air of confidence in the country which we must have to get the economy moving, then the measures which will have to be taken in the fall in the full budget will be much more Draconian, much more difficult and much more hard for Canadians to accept.

I want to dwell on the most immediate problem which the country is facing today—the Canadian dollar. The Canadian dollar is a reflection of high interest rates, lay-offs and high unemployment in the country today. If we can turn around that problem, then we can make some real inroads toward solving the problems of inflation, unemployment and high interest rates. This is the number one goal which the minister must address today. There are other problems down the road which he will have to address, but that is the first job or the first thing he must do.

The outflow of capital which is at the heart of the weak position of the Canadian dollar must be stopped. It is an open wound today and the minister is doing nothing about it. Let me talk about the reasons for this; the Leader of the Opposition referred to some of them. I should like to touch on them in somewhat more detail. Last year we had $10.2 billion worth of direct capital flowing out of the country. It was five times the level of the previous two years. Unidentified outflows of capital, such as items that were too small for the statistics people to pick up, represented an outflow of $8.4 billion or four times the level of the previous year. The total is $18.6 billion or an outflow 4.5 times the outflow during the previous two years.

The result is that it has greased the slide of the Canadian dollar on which we are right now. It is causing high interest rates, as the Bank of Canada is told by the minister to respond with high interest rates to stop the slide of the Canadian dollar. Most important, the key problem which we are facing in the country today, unemployment, is made far worse because the job creation toward which that money could be directed in this country is now directed toward job creation in the United States, Germany, Belgium, Australia and other countries. If that money were invested in Canada, it would have created 190,000 jobs. That is equivalent to 1.5 times an Alsands project or about 1.5 times the amount of money spent coast to coast in housing. I urge the House leader of the New Democratic Party to pay attention to that figure. This is how we could solve the unemployment problem about which he keeps muttering in reference to the housing industry.

I heard the minister today use the spurious argument that we have had a capital inflow and that we have not had a

capital outflow. Sure, we have had a balance in favour of money coming into the country, but let us look at the reason for it. The money coming into the country to offset the huge outflow is money which is going into government bonds and bank deposits. Why? Because we are paying record high interest rates in Canada. The Bank of Canada is told to jack up interest rates to bring in this money, to retain the balance in our balance of payments and to hold the Canadian dollar so that it does not slide down to 70 or 75 cents. If we did not have the original outflow of capital, we would not have to increase interest rates and try to draw in capital which is seeking one thing and one thing only—high interest rates.

The Minister of Finance said that he wished the opposition would tell him how we could have lower interest rates and a stronger Canadian dollar. It is very, very simple. Those countries which have strong currencies have lower interest rates. The policies which Canada is following are putting pressure on the currency and are forcing up interest rates. If we had policies which drew money into the country, we would have a strong currency and lower interest rates.

I should like to refer to a speech which was made last weekend by the President of the Treasury Board (Mr. Johnston), wherein he said:

> To the extent that equity replaces borrowed capital, it reduces the upward pressure on our interest rates.

If we have equity capital being invested in the country so that we do not need high-cost borrowed capital from other countries, we would have lower interest rates. The President of the Treasury Board is saying exactly the same thing. I think the Minister of Finance should come down from his ivory tower into the real world and understand what is going on. I suggest that he speak to the President of the Treasury Board.

The government must change its policies. We must change the budgetary policies in the way outlined by the Leader of the Opposition, such as the anti-investment and anti-job-creating aspects of the budget. We must change the National Energy Program, but not by the tinkering which was done in the House three weeks ago.

Turning to FIRA, I heard the Minister of Finance again distorting the words of the Leader of the Opposition. We have no desire whatsoever to scrap or abandon FIRA, as he tried to distort the words of the Leader of the Opposition. We are saying that the nature of FIRA should be changed so that it does what it was originally intended to do—to screen foreign investment coming into the country and to get it in on the best possible terms for Canada. Right now it is an obstacle because it is under the direction of the Minister of Industry, Trade and Commerce (Mr. Gray), who is a nationalist extremist in the way he has administered this policy. He is forcing foreign investors to withhold investing money in the country in a way which would create jobs. Surely jobs are what we need the most.

The fourth area to which I should like to refer is the need for a genuine program of restraint. We have seen the budget deficit of the government run totally out of control. It is up around $16 billion to $18 billion. I was hoping the Minister of Finance would tell us that figure today. The market needs it. It is one of the reasons the dollar is weak and interest rates continue to rise.

These four initiatives must be at the heart of any stabilization of the Canadian dollar and at the heart of any road to recovery if we are to get the economy moving again. They are not the full answer. I make no claim that they are the full answer. That awaits a budget in the fall. But they are alternatives which we put before the House and I urge Liberal members to respond to these and tell us why they think they are not the answer.

I hope Liberal members of the House will support our motion to lower interest rates, to increase the value of the Canadian dollar and to increase production. Surely that is the direction in which we in the House should be urging the Minister of Finance and the Prime Minister to move. These are the first steps to recovery and the first steps to a reduction of lay-offs, a reduction in the number of bankruptcies, a reduction in high mortgage rates and a reduction of the high inflation rate. If we have a strong Canadian dollar, we will have lower inflation. Every economist will agree on that.

In the economic figures which have come forward over the past six to nine months, we have seen all parts of the country being affected by the weakness in the economy, some parts of the country more than others.

[*Translation*]

As a result of the federal government's economic policies, Quebec, a province represented by 74 Liberal members, is paying a very high price for those disastrous policies. No doubt the 74 are proud of the fact that there were 1,950 commercial bankruptcies during the first five months of 1982, an increase of 49 per cent over last year.

• (1700)

Nearly 2,000 bankruptcies mean 40 per cent of the total number of bankruptcies in Canada. No doubt they are pleased with the fact that since April last year, 156,000 jobs were lost in Quebec, compared with 161,000 in the rest of the country. I would ask the gang of seventy-four not to put the blame on the provincial government. After all, the provincial government does not represent Quebecers in Ottawa, nor does it develop federal economic policy, or set interest rates at levels that are strangling small-and medium-sized businesses. In 1968, there were 350,000 people unemployed in Canada; today, we have about the same number in Quebec alone. The 74 members who are suffering from inertia should explain to these people that they are unemployed because their members opted for the wrong policies or, even worse, because these policies are causing more hardship in Quebec than elsewhere because their members have failed to give them adequate representation.

[*English*]

Today we have proposed a number of motions to show how a Progressive Conservative government would restrain growth in

government spending, how we would reduce the size of government and how we would live more within our means.

I would like to discuss some of the votes we are considering today. First, I would refer to Vote No. 5 under Energy, Mines and Resources which calls for a 27.5 per cent increase for that department. An increase such as that cannot be considered at all as restraint. It is particularly unacceptable for that department to ask for an increase in spending when it is the one that is supposed to be responsible for optimal federal energy policy strategies with due regard to their economic, social, regional and environmental impact.

Let us review the impact of the energy policy. The Department of Energy, Mines and Resources is the department which introduced the national energy policy which resulted in the departure of 226 oil rigs from the country. So much for the economic impact.

As far as the social impact is concerned, there is a large increase in unemployment directly resulting from the National Energy Program. With respect to the regional impact, there has been more division caused by this energy program between the east and the west which has led to a sharp increase in the degree of separatist activity in the west. That department now has the gall to ask for a 28 per cent increase in spending for the damage it has done. That increase should be refused and I think the House knows that.

The next votes I would like to refer to are Vote No. 10 and Vote No. 20 under the Department of Finance for the Inspector General of Banks and the Department of Insurance. We are in opposition to these requests because we want to criticize the minister responsible for not accepting his responsibility to control those two departments. Those departments are to be the watchdogs of the insurance and banking industry. You are signalling me, Mr. Speaker; I thought I had five more minutes.

Mr. Deputy Speaker: The hon. member has 20 minutes. His speech commenced at 4.45 p.m.

Mr. Wilson: I will quickly move along then. I wanted to refer to a number of votes but since I misjudged my time let me say that there is one particular request which we feel it is very important to stop. It is the increase in spending requested by the Canadian Unity Information Office. There has been a total misuse of that office. It is clearly political and partisan promotion of the government and it should be ceased. It is totally out of keeping with the requirements and the original objectives of that office.

In closing, let me make one observation. During the 1960s we judged the performance of this country against the huge potential which existed for us. In the 1970s, as our performance began to slip we started to judge ourselves against the performance of other summit nations. Now in the 1980s, when our performance has slipped to the rock-bottom of those countries, those countries are being blamed for the problems which exist in our country.

Surely we must go back to the guidelines of the 1960s and judge ourselves against our huge potential. That is what we are attempting to do in our party today by submitting these alternative policies. We urge the government to embrace these policies in a manner which can bring us back to the spirit of the 1960s where we can judge ourselves against that huge potential which we all know is there.

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Mr. Speaker, I must admit I was not too surprised at the Opposition Leader's speech, because after all, we are used to his way of analysing the facts and to the solutions he tends to suggest. However, I was very disappointed in the comments made by the member for Etobicoke Centre (Mr. Wilson), because he usually seems to have a more logical turn of mind and to be more realistic in the kind of solutions he proposes. If he reads what he just said in the House, he would realize that he recited three disappointing verses which merely repeated his leader's refrain. I was particularly surprised at his comments in referring to the votes in the Estimates for the Office of the Inspector General of Banks and the Department of Insurance. It is quite obvious that these two agencies are government watchdogs of the industries they are supposed to regulate, and I am sure that the hon. member, following the testimony given before the standing committee by representatives of the Office of the Inspector General of Banks and the Department of Insurance, will agree that they are indeed the watchdogs of this kind of institution, and that in the last few years a number of factors relating to the Bank Act review, as far as banking institutions are concerned, and to the Department of Insurance, have provided ample justification for the additional funds being requested for these two agencies.

• (1710)

The hon. member alluded to a rather special situation in Quebec, and I must say that his analysis is quite astonishing, because he is making it appear that the federal government actually wants the situation in Quebec to be worse than in other provinces. If Canada's general economic situation is suffering the adverse effects of its dependence on other economies, the hon. member should pursue this line of reasoning and try to explain why certain sectors of Quebec's economy are being more severely affected and thus making that economy particularly vulnerable.

The Leader of the Opposition has told us that he realizes economic trends cannot be turned around overnight. He also said that blaming others will not solve our problems, and his solution was to point out that the basic cause of our problems is the budget brought down by the Minister of Finance (Mr. MacEachen) last November, in addition to the National Energy Program presented by the Minister of Energy, Mines and Resources, and finally, he asked for changes in the Foreign Investment Review Agency. Throughout his speech, not once did he mention the basic cause of the uncertainty and

lack of confidence that were undermining our economy, namely, inflation.

He said the major cause of inflation in this country was government spending, and he then went on, but forgot to tell us where government spending should be cut. If we want this debate to be a little more realistic, we must ask ourselves what is causing the present economic situation in western economies and more specifically, in our country. As I said earlier, Canada's economy is an open economy which is heavily dependent on what is happening in other countries. This dependence makes us even more vulnerable when economic trends elsewere change or weaken. It is common knowledge that at the present time, the economies of the West are going through an extremely difficult period and are, in fact, in a recession, and our vulnerability is in direct proportion to the position of our economy which is an open one vis-à-vis these other economies. We are now suffering the effects of this recession in addition to our domestic economic problems. What the government wants to do through its policies is to get at the root of the problem. The government does not support high interest levels; its policy is aimed at bringing them down. The government's policy is to create stable employment in the long term, and its first objective is to get rid of inflationary pressures and bring about an economic upturn in as many sectors as possible.

Mr. Speaker, as long as our society is prepared to live with high inflation rates and encourages inflationary expectations, we may be certain that high interest rates will continue to be with us. We shall have to make a superhuman effort to create jobs and we shall be increasingly vulnerable to the slightest economic disturbance. When the Leader of the Opposition (Mr. Clark) asked to have the budget withdrawn, he was not contributing anything of substance to the debate, because if we look at what is happening in other countries, then we also see high unemployment rates and high interest rates, although the budget that was tabled in this House by the Minister of Finance was not tabled in other countries which, nevertheless, are suffering from the same symptoms. It is certainly not the budget tabled here in Canada that has caused high unemployment and interest rates in other countries. We must therefore conclude that the opposition leader's reasoning in which he blames the November budget is entirely wrong. He also told us to set aside the National Energy Program. Mr. Speaker, the aim of the National Energy Program, which was presented by the Minister of Energy, Mines and Resources (Mr. Lalonde), is to ensure that Canada will achieve self-sufficiency. The program proposes a wide range of measures, from Canadian ownership of enterprises involved in oil and gas exploration and production, to helping and encouraging Canadians to save energy and change their habits vis-à-vis energy use—for instance, by converting home heating systems from oil to other energy sources such as gas, electricity or solar energy—and including a multitude of objectives that will make Canadians energy self-sufficient as soon as possible. There was a breaking-in period which demanded considerable adjustment on the part of Canadians, so that mechanisms that would ensure the success of the National Energy Program could be quickly established. As the economic situation changed and various components of the program were established, we adjusted the program's pace to the economic situation and the needs of the moment, so that today we can say that the National Energy Program is well established and will provide the greatest possible benefits to Canadians.

The Leader of the Opposition has suggested a reform of the Foreign Investment Review Agency. The member for Etobicoke Centre said that the objective was not to break up the Agency but to change its nature. Mr. Speaker, when we change the nature of things, we are apt to destroy them altogether. I think the House should be told at what stage, and how, the hon. member wants us to change the nature of this agency—which according to the Act, is to review foreign investments, and find out whether they are in the interest of the Canadian economy in general—and the hon. member should tell us what he wants to do with it. If he wants to change the nature of the Agency, how does he want to change it? Finally, after having said that he wants to change the Agency's nature without destroying it, he said that all was not well with the Agency today, because it was administered by the Minister of Industry, Trade and Commerce (Mr. Gray). I really fail to understand why anyone would bother stating, first, that they do not want to change the Foreign Investment Review Agency, second, that they want to change its nature, and finally, that if the Agency is not working properly, this is due to the fact that it is being administered by one minister rather than another. That is the kind of double talk we have had to listen to this afternoon.

Mr. Speaker, I would like to get back to the comments I made at the beginning of my speech. If we want our economy to recover, if we want to create jobs on a permanent basis, if we want to see interest rates go down, we must deal with a problem that is undermining investor confidence and preventing us from having confidence in the economy, namely, inflation rates, and in order to bring about a substantial drop in inflation rates, all economic partners, including governments, businesses and private citizens, must reduce their demands on society. Instead of demanding more personal wealth than the economy is able to afford, we must make a concerted effort, as individuals, as a society and as a government, to increase our collective wealth, which will then be redistributed at the individual level in the form of dividends and profits for corporations and also in the form of revenue for governments, which will then be able to reduce their substantial deficits. Bringing down inflationary expectations means greater realism, an increase in individual and corporate productivity, and this positive approach demands that we get rid of the climate of uncertainty and instability caused by inflation, which is slowly destroying the hopes and expectations of all Canadians.

The Minister of Finance has attended a number of international conferences; the International Monetary Fund and at the Versailles Summit, to name a couple. Since his return, he has had a series of close consultations with his cabinet colleagues and the Liberal caucus, and he has indicated that before the summer recess, he will be making a statement to the House on the state of the economy. Mr. Speaker, in concluding, I would like to repeat the need for all economic partners to make a concerted effort to get rid of this climate of uncertainty caused by inflation, to ensure that a more positive approach will create a proper climate for investment which in turn will create new jobs and reduce unemployment, and thus give everyone a better future to look forward to.

• (1720)

[*English*]

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, today we are considering this motion submitted by our leader, the Leader of the Opposition (Mr. Clark):

That this House approves the government taking immediate action to lower interest rates, stimulate production, investment and jobs, strengthen the dollar and lower the rate of inflation.

Twenty-eight months ago, encouraged by repeated promises of a better and brighter future, Canadian voters returned the Liberal Party to office. For those 28 months, indeed almost from the beginning of this period, the very government which promised Canadians heaven on earth has transformed the lives of thousands of them into a living hell.

Just this past weekend the Prime Minister (Mr. Trudeau), having created this hell, said his government is now assuming the role of exorcist, and by its tight money policy is now scaring the hell out of people. Well, he certainly is. He is scaring the hell out of people by what he is doing as Prime Minister and because he remains Prime Minister.

The litany of ills which has befallen this nation since this government resumed office makes the description of punishment contained in Dante's book "The Inferno" pale by comparison. In the first quarter of this year, the Canadian economy fell by about 1.7 per cent, the sharpest quarterly decline in 28 years. In the fourth quarter of last year, Canadian manufacturers were operating at only 75 per cent capacity on average, their lowest level of utilization since 1961. This has resulted in a net loss of about 157,000 jobs in the manufacturing sector since last August.

It has been predicted that farm income will decline by 15 per cent this year while expenses for farmers will rise by about 10 per cent. Farm bankruptcies in the first four months of 1982 were 13 per cent higher than in the corresponding period last year. Business bankruptcies in the first four months of 1982 were 37 per cent higher than during the same period last year and 61 per cent higher than in the first three months of 1980.

In May, a record 1.2 million Canadians, 10.2 per cent of the labour force, were unemployed. This figure is even higher when one includes those not registered as looking for work, those who have simply given up hope and are probably living on welfare or eking an existence out of some savings. I presume this would represent an over-all total of 1.5 million people.

Some 195,000 jobs were lost to the Canadian economy in the first five months of this year. Each of these lost jobs has cost the federal government an average of $2,737 in lost federal revenues and $1,313 in lost provincial revenues, for a total of $4,050 in losses to both levels of government.

Canadians who are having trouble keeping their jobs are also having trouble keeping their homes. In the fourth quarter of 1981, a family income of $45,000 was needed to afford an averaged-priced home in Canada. That was the average. In many parts of the country, the figure was nearly double. In 1965, 50 per cent of Canadians could afford to buy a home. Today less than half of them can afford such a purchase.

Those once able to afford a home are now losing their homes when faced with mortgage renewals at interest rates now at the 19 per cent level, which in some cases have nearly doubled the monthly payments. Canadians able to cope with their housing needs are being forced to cut back on such essentials as food and clothing. The value of building permits issued in March of this year was down 12 per cent relative to the same month last year. When inflation is taken into account, building activity is down by 20 per cent to 25 per cent.

There is no doubt that the housing situation in Canada is critical. The government made a half-hearted attempt to address this problem in the November budget of the Minister of Finance (Mr. MacEachen). The effort was obviously an abysmal failure. In the budget, provisions were made to assist up to 12,000 payments with mortgages deferrals, but only 700 applicants have so far responded to the plan.

The budget also contained measures for the creation of up to 30,000 rental units across the country based on a 15-year interest-free loan of up to $7,500. Although there have been some applications for this loan, none has been taken up and no new units constructed up to the present time. Obviously these two measures have failed to address the needs of Canadians.

Equally obvious, the government must initiate new programs which will contain more practical plans to assist first-time home buyers and those requiring rental accommodation. A very practical way to accomplish this would be for the government to implement a mortgage interest deductibility plan and a municipal tax allowance of up to $1,000 for home owners. These measures were contained in the Progressive Conservative government budget and were two of the many sound policies shunted aside when the government, then in opposition, rose to oppose the budget and defeated the government, with the help of the NDP.

If confidence in the government's ability to solve the housing crisis is at an all-time low, so too is confidence in its ability to manage other aspects of the economy and the country. This month, for the first time in history, the Canadian dollar was trading on the world currency markets at less than 80 cents as

compared to the U.S. dollar. The level today is 76.99 cents and many experts are predicting that the dollar will fall to 75 cents some time this summer.

An estimated $24 billion was erased from the value of shares traded on the Toronto Stock Exchange in the first quarter of this year, the worst quarter since 1934. This lack of confidence at all levels has resulted in apprehension and a deep sense of insecurity across the land. Canadians, being asked again to tighten their belts and lower their expectations, are growing increasingly angry with a government which does neither.

The nation is deeply in debt, an estimated $135 billion in debt. This year alone the government's deficit is expected to reach $16 billion and some place it as high as $18 to $20 billion. The cost of interest on the public debt will be about $16 billion this year, the equivalent of $1,750 per taxpayer. One dollar in five is now being spent to pay interest on the debt.

Given these astronomical financial burdens, one would expect the government to place a priority on the reduction of its own expectations and spending. Such is not the case. Despite the staggering deficit and the threat of further economic chaos, the government continues its wasteful spending.

• (1730)

The money grab undertaken by this government is evident in the estimates it is presenting to Parliament for approval, probably later today. More than $94 million has been budgeted for the Department of Consumer and Corporate Affairs for the fiscal year ending March 31, 1983. Approval for this amount should be denied until the government introduces programs which would be of benefit to the consumer and to businesses, both segments with their backs to the wall. But it is sheer folly and dangerous to our future for the government to insist that the solutions to our problems are in the hands of others. We can, and we should, be implementing a series of sound and practical programs to encourage investment, development, productivity and employment.

The government also seeks to spend more than $9 million on the Metric Commission this fiscal year for a program the majority of Canadians overwhelmingly opposed and one that is causing confusion, anger and added costs.

Then there is the $103 million the government plans to spend for health and social services. Both these are important government services, but I strongly suggest that if Canadians were given the opportunity to work and did not have to struggle to obtain the necessities of life, the need for health and social services would drastically decline.

This nation has a number of very serious problems to solve and overcome. The greatest tragedy of all is the government's response to Canada's economic woes. Although it is responsible for the disastrous situation in which we find ourselves, the government repeatedly refuses to adopt new policies of economic renewal and recovery, opting instead to place the blame somehwere else. It would be unreasonable to suggest that Canada is alone and apart from other nations in these hard times. Rather than whimpering in resignation over the situation and the rest of the world, we should be responding to these influences in a positive way. Yet this government remains committed to a policy of high interest rates as a means of "wrestling inflation to the ground". It says high interest rates are inevitable and caused primarily by the economic policies of the United States. This attitude of the government cannot be justified and must be condemned. Our deficit and the growth of unnecessary government spending are at the root of our economic problems. This government is costing the taxpayer more than it is worth. Our interest rates are high, not because the money supply is tight but because it is expensive to support a government whose grandiose schemes and plans bear no relation to the problems at hand and whose spending is out of control. It is expensive to support a government whose plans for raising even more money to throw away causes the economic base of the nation to crumble.

Even with the resulting changes in the November budget, instead of solving our problems it has created worse ones. The National Energy Program, which raised gasoline prices far above the promised increase of 14 cents a gallon, is now in shambles. Twenty-eight months after the promise of a better, brighter future Canadians are wondering if they have one to look forward to at all.

The personal hardships being suffered by individual Canadians are matched by, and in some ways the result of, the disastrous effect of this government's policies on industry. The automobile industry is a prime example of one of those hardest hit. Canadian automobile sales are at a ten-year low. The government introduced some amendments to its November budget to ease the burden for those involved in daily car rentals, but something should also be done to change the penalties on those leasing cars on a regular basis. It is a known fact that many automobile dealers, both large and small, derive considerable income from the leasing of vehicles to businessmen, professional men and others, and this has certainly declined drastically since the budget.

There is not an area or region in Canada which has managed to escape the massive problems created by the economic mismanagement of this government. The part of the country I represent, northern Ontario, is no exception. All of Ontario, once a wealthy, prosperous, have province, is now a have-not province. While the problems of the economy are felt throughout the entire province, those in the northern area are feeling the effects more deeply. Although there is a number of industries of some size in northern Ontario, the economic base of the region consists essentially of small and medium-size businesses. The impact of inflation and the high interest rate policy of this government has all but wiped out this financial base. Companies which have been growing and expanding on a regular basis are either struggling to keep their doors open or are going out of business altogether. I have seen many cases of this in my own riding and, yes, in my own town, where one business went bankrupt and another, because of high costs, just folded its tent and closed up. That was the end. This has resulted in the loss of jobs in various communities and exerted

unbearable pressures on the economic and social services the communities offer. We do not often hear of these problems because the jobs involved are not of the scale of those lost when giant industries lay off or cut back, but they are of relative and equal importance. When a small business goes under, that frequently causes problems for other businesses which supplied either the firm in question or the people who worked for it.

I have spoken of the snowball effect of the loss of a business to a community, and today we are seeing more and more of this happening. If something is not done soon, many communities may never recover.

This government should consider the immediate expansion of the scope and guidelines of the Small Business Development Bond. Measures contained in the November budget did enlarge the eligibility criteria but then restricted application to those businesses on the verge of collapse or bankruptcy. Before waiting until a business goes under for the first time, the government should be offering assistance to small businesses which have proved their ability to swim, even against the tide. The change would be a sound and obvious way to generate much needed employment across the country.

Tourism is one of the major industries in all of Canada, and particularly in my area of northern Ontario. There is not a community, large or small, which does not welcome travelling visitors to our beautiful area of the country. Some would suggest that because the Canadian dollar is worth less than the American dollar, visitors from the United States will be flocking to this region and will help the economy of the area. While we do have our share of American tourists, the people in that country are also pinching pennies, and the flow of tourists is not great. While tourist traffic is of admitted benefit, its reduction is not the main reason that the industry is in trouble. And I point out that Canadian tourists spend a great deal more than American tourists. It is on that basis that we should be worrying even more.

The mining industry in Canada is also in trouble. This has created monumental problems in northern Ontario where many mines are located. In the first quarter of this year mining companies have lost $119 million; 8,150 employees have been fired, and 50,000 others are facing temporary layoffs. The Minister of State for Mines (Mrs. Erola) has described mining as the backbone of the Canadian economy but has admitted that the government is doing nothing but keeping a close watch on the situation and studying ways of sparking an upturn. That is a typical response. The government spends and spends and then studies the problems the spending creates.

As I said to the House last week, the Prime Minister, having promised prior to his trip to the Versailles Summit conference that he would come back with solutions to our problems, left empty-minded and returned empty-handed. My motion at that time was that the Prime Minister, having failed in his attempt to change world thinking—let alone that of Canadians—should call a general election and let the people of this country select a government capable of getting the nation back on its feet.

Mr. Deputy Speaker: Order. I hate to interrupt the hon. member, but the time allotted to him has expired. He may continue with the unanimous consent of the House.

Some hon. Members: Agreed.

• (1740)

Mr. Darling: There are sound policies and options open to a government which is serious about resolving the problems of the Canadian economy. The government has repeatedly demonstrated that it cannot do the job; Canadians know there are others who can.

Some hon. Members: Hear, hear!

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, I believe that Canada is on a perilous course. I want to do all I can to change that direction. I want the Government of Canada to stand for hope instead of despair. I want new leadership to turn the economy around and get Canada, moving forward again. I want policies to create jobs, unite the country, make the aged secure, and reduce the terrible burden of taxation and rising prices on Canadians in the lower and middle-income groups. I want policies to restore the work ethic, strengthen the family unit and be responsive to the needs and demands of the Canadian people.

It is clearly time for a change in the policies of the government, and I want to do all I can to bring them about. If the government wants to adjourn the House before it deals with the tragic problems facing Canadians, it will do so over the strongest objections that I can muster.

With over one million Canadians unemployed, our dollar shrinking to the lowest level in our history, with inflation raging and real growth near zero, it is time for all Canadians of every political persuasion to unite and develop policies for the economic recovery of our nation.

The government says that it has done all it can. It is tired and worn out. The Minister of Finance (Mr. MacEachen) tells us to lower our sights and reduce our standard of living. Mr. Speaker, I reject policies that discourage growth and discriminate against investment. I reject the theory that the Canadian economy must slide more deeply into recession before it can regain its potential heights of achievement. I reject the government's policies. I believe that to live is to grow and that if we lower our expectations we will lower our achievements.

It is true that resources may indeed be finite, but man's ingenuity is not. We are a nation of immense possibilities and great potential. We inhabit one of this planet's greatest treasure stores of minerals and natural wealth. In energy alone we are the envy of the world. With our vast resources, the tar sands of Alberta, the untapped resources of the Arctic and the continental shelves, the coal fields of Saskatchewan and the

maritimes, our spectacular potential for hydroelectric development in Quebec and Labrador and in the Bay of Fundy—what industrialized nation would not envy Canada?

What people except Canadians can point to such abundant blessings, as we prepare to face the future and claim the twenty-first century as our own? Mr. Speaker, it is not just energy that provides us with unbridled opportunity. Our educated population, our vast arable lands, our unequalled fresh water resources, our unexcelled human resources of honest, hard-working people—with these and other aspects we have all the vital ingredients necessary for a real and lasting prosperity. All we need is the national will and the leadership to put all this to work for us.

There is one reason why Canada trails the western industrial nations in development, one reason why unemployment exceeds one million Canadians, one reason why the federal budget continues to skyrocket, and one reason for so much idle capacity in both our factories and our labour force. That reason is the mismanagement of our economy by this government.

Too often our extracted wealth is exported as raw materials, letting others manufacture the prosperity that rightfully belongs in Canada. We gain little when half of all goods purchased in Canada is made elsewhere from coal, oil, natural gas, wood or other materials extracted from our own reserves.

In these and other ways we have, over the past decade, the wasted years, turned our backs on the challenge of creating wealth. The legacy of this decade of experimentation has been a litany of economic problems. The cost of government has soared. Prices have exploded. Investment capital has either dried up or fled the country. Economic growth, the engine of jobs, has been stifled. In 1968, there were 375,000 Canadians out of work; in 1974, it was 500,000, and today, 1.25 million Canadians are looking for work and thousands of others in our school system will soon join the quest for employment.

The legacy of a government that has run out of ideas, lacked the imagination, the creativity and the courage to pursue innovation and encourage the free-enterprise system, has become an albatross around our necks. It is the tragic errors in judgment that have shackled the free-enterprise system, eroded our work ethic and dimmed our shining promise for tomorrow.

I believe that the free-enterprise system can deliver our incredible national potential. Within our vast borders lie tremendous forest and agricultural reserves—coal, iron, lead, uranium—indeed, most of the raw materials demanded by industrial growth. We have oil and natural gas and, more important, we have an abundance of fresh clean water—almost one third of the world's fresh water supply. We can be self-sustaining in food. In relation to our population, we have more arable land than any other nation, and we have not yet begun to farm the three oceans that wash our shores. And geography has situated us alongside the richest market in the world.

Today, with more than one third of the world's population about to embark on the industrial transition we have already gone through, the need for our expertise in developing large-scale public works such as transit systems, water purification plants, electrification and waste treatment facilities, has never been greater. The Arabian states, countries in the Far East, and South America need our high technology, our skills and commerce, and our know-how in transportation, banking and insurance.

There is indeed a world market for Canadian skills and Canadian products, but it will never be reached with a preoccupied, inward-looking government that wrings its hands and says, "We have done all we can." We need new policies to demonstrate faith once again in our ingenuity and individual initiative. We can generate the economic activity that will enable us to be a compassionate nation.

By turning our economy around we can restructure our badly overworked tax system so that it deals fairly with lower and middle-income groups. We can then let the wives of farmers and working Canadians join the Canada Pension Plan. We can elevate the standard of living of our senior citizens who now live in poverty, and we can work to enable them to remain independent in their own homes as long as they are able to do so and to treat them with compassion and thoughtfulness when they are not.

A blueprint for the economic development and recovery of our nation will require a package of many things. Two of the most dynamic are an enlightened science policy and a modern transportation system which can enable us to produce our goods more efficiently and transport them to the markets of the world.

I have talked to Canadians who feel they have no future in their country. I have visited senior citizens who are waiting out their lives in empty idleness, and I have looked into the faces of our young people, our nation's greatest hope, and seen disillusionment and anger because their country has no place for them to work and their government gives them the impression that it has given up or that it does not care.

I do not lightly dismiss the difficulty of leading the economic recovery of our nation, but these are not normal times and Canada is not an ordinary country.

At the bottom of the Great Depression, before he lit the light of hope in the United States, President Roosevelt said, "The only thing Americans have to fear is fear itself". He referred to an attitude that was prevalent in his country and an attitude that is growing now in ours.

We must recognize that the quality of government and its attitudes, as well as policies, can be either a serious deterrent or a major contributor to technological and industrial development with their intended social pluses and minuses. It is therefore the responsibility of government to set challenging yet reasonable economic, social and national objectives leading to a scientific, technological and industrial policy, and energetically and consistently to support and encourage all aspects of that policy. A national objective supported by tax and investment policy should be set to match and eventually surpass those declared goals of competitive advanced nations

in the field of research and development. Industrial policy must concentrate on the strengths of Canada, both human and physical.

• (1750)

Our policy should clearly identify and deliberately support advancing technologies and industries such as the challenges in the electronic, microelectronic, communications and biotechnological fields. Our policy should also support a strong basic research role through national and academic institutions. With the changing complexion of the world economy, Canada is faced with the opportunity to move forward on the wings of change with the new wave of industrialization that is starting to take hold in North America.

In reality, we have no choice. The large and growing number of unemployed Canadians is repugnant to this nation's social conscience, and a great but aging industrial structure, which has given Canadians one of the highest standards of living in the world and the most generous social justice progam, is finding it difficult to maintain those standards. Canada needs a new and enlightened industrial strategy to meet the challenge of a changing and developing world, and that policy requires a strong regional complement. We are merely in the beginning of a North American reindustrialization of such a magnitude that our regional problems may once again be overlooked unless we seize the opportunities that are presented and act to take advantage of them. Clearly we must build on strengths in areas of Canada that suffer from regional disparities, and this policy must be central to any national policy of economic recovery.

Before concluding my remarks, Mr. Speaker, I want to refer to four votes taking place tonight which are related to the economic issue now before the House. The purpose of those votes is to give all Members of Parliament an opportunity to indicate with their vote whether or not they feel these programs have been operated efficiently and fairly in the best interests of all Canadians. One vote will deal with the Canadian Home Insulation Program. All members who feel that it has been efficiently and fairly operated—and I am not one of them—will have the opportunity to express their feelings tonight. Another vote has to do with the Export Development Corporation, which has just financed a very large sale to another country at 9.7 per cent, which is a much lower rate than that at which Canadians, even the Canadian government, can borrow money. We will see whether or not all members feel its operation is commendable. A third vote will deal with the Canadian Oil Substitution Program and whether it has been efficiently and fairly operated. I do not think so, and other members will have an opportunity to show how they feel about it tonight. Finally, there will be a vote dealing with the Privy Council office, which is the catch-all for just about every research project which no other department wants to undertake. I hope members will avail themselves of the opportunity to show where they stand on that. Most certainly the members of my party will.

I feel there is a number of very challenging issues which face the government, not the least of which is development of the transportation system in the Atlantic provinces. We have in the Atlantic provinces the two deep-water ports of Halifax and Saint John. They contain the deepest water of any port on the Atlantic seaboard because of the configuration of the continental shelf. As hon. members know, the continental shelf is very shallow along the United States and the Atlantic seaboard, but the exceptions are found in Halifax and Saint John. We feel development of these two ports, which jut way out into the Atlantic, will enable them to receive the largest vessels in the world, bringing with them armadas of profit for Canadians. We can sell that transportation facility to the entire Atlantic seaboard for unloading huge ships and trans-shipping by rail or smaller vessel the cargo they carry. This means that Saint John and Halifax become assembly plants for all types of manufactured goods which can be exported to world markets through the two ports.

For the rest of the Atlantic provinces to avail themselves of this prosperity we need in place a modern transportation system. That, Mr. Speaker, is what we do not have in the Atlantic provinces. The Minister of Transport (Mr. Pepin), in an ill-advised move, wiped out one half of the rail passenger service in New Brunswick and Nova Scotia, and it has not been replaced yet with the high-speed trains which he indicated would make it a pleasure for us to not have this less expensive form of transportation. We have under study now before the air transport committee of the Gander Transport Commission applications for inter-city air transportation which, if a decision is forthcoming soon, will help solve the inter-maritime problems in transportation. But the heavier transportation of which I speak requires modern rail transportation, modern vessel transportation, and the development of our two deep-water ports which I think can help this come about.

Another area I hope the government will look at is in the field of electrical energy and the development of Fundy tidal power in concert with the Gull Island and Muskrat Falls development in the same grid in eastern Canada.

I notice my time has expired, Mr. Speaker. In fact, I am two minutes over, and I would like to thank you for your courtesy.

Mr. Fisher: Mr. Speaker, I wonder if we could call it six o'clock?

Mr. Deputy Speaker: The hon. member for Portage-Marquette (Mr. Mayer).

Mr. Fisher: Mr. Speaker, since the previous speaker had a couple of minutes left on his time I wonder if he would be so kind as to allow me a question?

Mr. Deputy Speaker: Does the hon. member for York-Sunbury (Mr. Howie) accept a question?

Mr. Howie: Yes.

Some hon. Members: No.

The Royal Family

Mr. Fisher: Mr. Speaker, I listened with great interest to the comments made by the hon. member for York-Sunbury (Mr. Howie). I thought he gave us an interesting speech. It had a nice blend of—

Mr. Deputy Speaker: If the hon. member is going to ask a question, he should ask it.

Mr. Fisher: Mr. Speaker, I simply wanted to tell the hon. member how much I appreciated his thoughtful comments. At the same time I think he was a little bit short on one or two of the details—

Mr. McDermid: Ask the question.

Mr. Wilson: Mr. Speaker, I believe you had recognized the hon. member for Portage-Marquette (Mr. Mayer). I think the hon. member for Mississauga North (Mr. Fisher) is just killing time because they do not have a speaker ready. We have a speaker ready to go.

Mr. Deputy Speaker: The hon. member for Portage-Marquette.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, this is a very important debate because the country is clearly looking to this place for some leadership.

Mr. Deputy Speaker: The Parliamentary Secretary to the Minister of Finance (Mr. Fisher) on a point of order. What is his point of order?

Mr. Fisher: Mr. Speaker, I believe we had arranged that I could ask a question of the hon. member for York-Sunbury, and he still had some time left.

Mr. Deputy Speaker: The hon. member does not have a point of order. The Chair has recognized the hon. member for Portage-Marquette.

Mr. Mayer: I believe that the motion put forward by my leader is a very appropriate motion in the sense that normally opposition days are taken up with—

Mr. Deputy Speaker: Order, please.

* * *

THE ROYAL FAMILY

MESSAGE OF CONGRATULATIONS ON BIRTH OF SON TO PRINCE AND PRINCESS OF WALES

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I rise to ask for the unanimous consent of the House to move a motion. It will be evident from the contents of it that it will be appropriate to do so.

Mr. Deputy Speaker: Is there unanimous consent for the Deputy Prime Minister (Mr. MacEachen) to move a motion?

Some hon. Members: Agreed.

Mr. MacEachen: Mr. Speaker, I move, seconded by the hon. member for Victoria (Mr. McKinnon):

That an humble Address be presented to Her Majesty, to offer the congratulations of this House on the birth of a Prince, a son to Their Royal Highnesses, the Prince and Princess of Wales; and assuring Her Majesty that this happy event affords the greatest joy and satisfaction to Her faithful Members of the House of Commons.

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

Some hon. Members: Agreed.

Motion agreed to.

Mr. MacEachen: Mr. Speaker, I move, seconded by the hon. member for Victoria (Mr. McKinnon):

That a message be sent to the Senate informing Their Honours that this House has passed an Address to Her Most Excellent Majesty the Queen, expressing congratulations on the occasion of the birth of a Prince, son of Their Royal Highnesses, the Prince and Princess of Wales, and requesting Their Honours to unite with this House in the said Address.

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

Some hon. Members: Agreed.

Motion agreed to.

Mr. Deputy Speaker: It being six o'clock, I do now leave the chair until 8 p.m.

At 6.02 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—NON-CONFIDENCE MOTION—THE ECONOMY

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

That this House approves the government taking immediate action to lower interest rates, stimulate production, investment and jobs, strengthen the dollar and lower the rate of inflation.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, this is an important debate or discussion which we are having this evening because it deals with the economy. If one stopped and asked any Canadian on the street today what is his or her main concern, I am sure it would be something to do with the economy. In line with the remarks made by the hon. member

for Crowfoot (Mr. Malone) last Friday, I think that in many ways we are experiencing, if not a real depression, at least a psychological depression because many people have partially given up hoping or believing that anyone knows what they are doing in the country.

I believe many people have rightly looked to the government for some answers. That is fair game and proper. In many cases they have the right to look to government for solutions because the average taxpayer in the country works for one level of government or another. From January 1 to the beginning of June, average Canadian taxpayers have worked approximately five months for government, and when governments take a lot away in terms of their earnings, in terms of their gross national product, or however one wants to define it, I think taxpayers and citizens in general have a right to expect something in return. When so much is taken away from people in the form of taxation, they have a right to expect something back. When the government becomes so large in terms of its meddling or interference in our lives or in the economy, again it is fair game that citizens should expect something back from governments. It is in that kind of context that I think we should approach the debate this evening.

This is what we in the opposition tried to do in framing the motion. Most motions on opposition days condemn the government for one thing or another. This motion does not do that. It asks:

> That this House approves the government taking immediate action to lower interest rates, stimulate production, investment and jobs, strengthen the dollar and lower the rate of inflation.

It is asking the government to do something. It is not condemning it for past sins, although we could easily do that. In the name of common sense and in the name of some urgency, it is asking that the government do something. There is a lot of urgency because of the present economic situation.

I should like to leave the government with some suggestions this evening as to what can be done. Too often we in the opposition are accused of simply criticizing and not offering any suggestions. I should like to make three or four suggestions along the lines of those which have been made already, and I should like to close with some specific suggestions as to what could be done in some of the areas with which I am familiar.

The first one about which I want to talk is the National Energy Program. Many statistics have been bandied about in speeches and in articles in various newspapers across the country. I think it should be obvious from all the statistics—and I do not want to get into them this evening—that the National Energy Program is causing massive problems in the country. If we look at it in terms of the investment it has chased out of the country, it makes no sense whatsoever to discourage Canadians from investing in Canadian industries and in Canadian energy related industries, to discourage foreign investment from coming into the country to invest in our industries, and at the same time to raise interest rates to attract that money back into the country. It does not make any sense to anyone.

Essentially the same thing is being done with FIRA. We all want to own our country. One of the goals of the National Energy Program is that we have 50 per cent ownership of the energy industry by the year 1990. That is truly a laudable goal with which we all agree. I think we would have to question what Canadian would not agree with Canadians owning 50 per cent of the industry by 1990. FIRA is in somewhat the same category. It wants to encourage ownership of Canadian industry. There is nothing wrong with that, but many people find it hard to live with the fact that FIRA is too discretionary. It is almost akin to making up the rules as one goes along. If FIRA had some firm guidelines or some firm rules at which potential investors could look and know that the government would adhere to them over the life of the investments people were contemplating, FIRA would probably work and work well. Essentially FIRA is a game played, and the rules are made up as the game progresses. This discourages people from investing in Canada.

I am not referring only to big industry. For example, last Friday I had an opportunity to speak with a banker in Brandon. As a matter of fact, he was my banker, so I was all the more interested in talking with him. He pointed out that many small industries—and we were not talking about millions of dollars; we were talking about probably tens or maybe hundreds of thousands of dollars—are affected by FIRA. He said that people have given up applying to FIRA for permission to buy because of the red tape through which they must go. They submit and get a proposal back, they resubmit and get another proposal back. This discourages people from investing in the country. Again, it makes no sense to me—and I do not think it makes sense to many Canadians—that with FIRA and the National Energy Program Canadian dollars are discouraged from staying in the country and investment is discouraged from coming in from the outside, investment which creates jobs in the country. To counter this they raise interest rates, which attracts money back into the country, and we all know what happens when we raise interest rates at home. It hurts business, it hurts Canadian business. Surely the best way to buy out or own our own country is to have a healthy, expanding and vibrant Canadian economy. By raising interest rates people are simply driven out of business. That is no way in which to own our country.

Since I do not have a lot of time, I want to go fairly quickly through the points I want to make this evening. Let us talk about the budget for a minute. The budget is a document which, in effect, discourages production in Canada. We have heard about inflation. A basic definition of inflation is simply too much money pursuing too few goods. I suggest that what the government and what the Bank of Canada has done up to the present time was to emphasize the supply of too much money over too few goods. If the government were serious in addressing Canada's inflationary problem I believe that one of the logical solutions it could pursue would be to study ways to make use of its fiscal policies, which is essentially the taxation policy of the government, as well as using the Bank of Canada

to encourage production. I do not understand how inflation can be brought down by pursuing a policy which raises interest rates to such a level as to discourage people from spending their money. This has the effect of lowering demand and inflation but it also chases people out of business, which results in a shortage of goods. If there are not enough goods on the market, the price will go up. Therefore there must be a point at which a rise in interest rates contributes more to the inflationary spiral than relieves the problem. When one looks back at these three areas, the National Energy Program, FIRA and the budget, one realizes that the main intent of the government has been to have greater central control of the Canadian economy through its bureaucracy.

• (2010)

I would like to make a point with respect to bureaucracy in my part of the country. I consider the first bureaucrat to have gone to western Canada to be John Palliser. I would like to repeat what he said about that part of the country. He was sent to the Red River area by the British Parliament to explore it and report on its potential for settlement in 1860. He visited Red River, and what he had to say upon his return is worth noting. He said:

> The Red River is an oasis in the midst of a desert, a vast treeless prairie on which scarely a shrub is to be seen. The climate is unfavourable to the growth of grain; the summer though warm enough is too short in duration, so that even the few fertile spots could with difficulty mature a potato or a cabbage.

I want to point out that he was talking about Manitoba, where I come from, which now produces, I suggest, the finest potatoes in North America. He defines the area which has come to be well known as "Palliser's Triangle". It runs approximately from Boissevain in southwestern Manitoba, to Saskatoon, to the Waterton lakes. He said that that area, "presents a barrier to continuous growth of settlements between the Mississippi Valley and the states on the Pacific coast." He went on to say:

> This central desert extends, however, but a short way into the British territory, forming a triangle having for its base the 49th parallel from longitude 100d—

And I have already referred to the areas of Boissevain and Waterton lakes. The point is that Palliser was the first bureaucrat to visit that area, and he said it could not be settled. We did not listen to the bureaucrat. We settled the area. It was not the bureaucrats who settled it nor was it settled by a direction from the central government. Bureaucrats did not homestead and make sacrifices to achieve prosperity for that part of the country and the country as a whole. They said we could not do it.

What we see today are bureaucrats, through the National Energy Program, FIRA and many of the budget provisions, telling us not what we cannot do but what we can do by giving directions from this cocoon called Ottawa. They give directions from this hermetically sealed place that in many ways operates from outside the real world.

John Palliser was incorrect when he told us that it could not be settled, and it should be obvious that today's bureaucrats are incapable of giving direction to what should occur in Canada's economy today. The lesson we should learn is that we should be wary of turning too much control over to the centrally located bureaucrats.

I believe that the excessive involvement of the bureaucracy in the affairs of the economy of our country has led to many of our difficulties. I suggest that it is responsible for a million and a quarter unemployed. For example. Our lumber industry has literally collapsed in northwestern Ontario and in northern British Columbia while at the same time we are told that there are 50,000 to 60,000 housing starts which are needed but have not begun. It makes no sense to people when they see how rich we are in human and natural resources, resources which need to be utilized but the use of which cannot be co-ordinated. As Adam Smith once said, we need the invisible hand working among us helping to make decisions on an individual basis deciding what is best for the individual.

Another drawback to our recovery is the fact that there are too many government grants. Taxes are being collected and given back in the form of grants. These grants are more in the form of penalties which dictate what the recipient does instead of providing incentives to begin new ventures. One gentleman described a government grant as taking a quart of blood from one arm and transferring it to the other arm while losing half of it on the way over. This is true of the bureaucracy. The taxpayer's money is taken from them but much of it is lost in the process of returning it. Money is the lifeblood of our country and our productive capability.

We need a tax system which will review that productivity through incentives instead of penalizing success.

In the time I have left I wish to make a few comments on the Bank of Canada. The purpose of any parliamentary democracy is to have Parliament accountable to the people who sent us here. However, I submit that the Bank of Canada is involved in fiscal and taxation policies in Canada to a greater extent than are many members who sit in the opposition who are elected and accountable. I believe it is not properly accountable to Parliament when it has so much involvement with fiscal policy. For example, the Bank of Canada can increase the money supply to help the government of the day finance deficit. However, we know very little about how the Bank of Canada operates. There is some question, for instance, as to whether it understands or is able to calculate accurately what the money supply is. Yet we are told interest rates are being raised to regulate the money supply and thereby lower demand and inflation.

I would like to reiterate a suggestion which I made approximately one year ago. In order to make the Bank of Canada more accountable we should seriously consider appointing two members of the House to the board of directors of the Bank of Canada. At present, there are 12 members on the board. I defy anyone in the House, or anyone listening, to name one of those directors. Yet the Bank of Canada has great influence on our daily lives. If two Members of Parliament were elected to the board it would make the Bank of Canada much more accountable for the daily running of its affairs. This would be a very positive step, I suggest.

I listened very attentively to the Minister of Finance (Mr. MacEachen) this afternoon when he replied to our party's leader. He told us that we are sharing in an international recession, which is something we realize. I believe Canadians would say that they are having more than their share of recession as a result of this government's policy. However, that is not the problem. The problem is for the government to identify some of the areas in which it can take action. We have all made suggestions as to areas in which the government could cut back in its spending. The Minister of Finance mentioned the fact that we in the opposition have said nothing about monetary policy. As I said, I do not see how pursuing a monetary policy to the extent that it raises interest rates to the level at which they drive people out of business is a responsible solution. I do not believe you could find anyone who has gone broke, lost his job, lost his home or has had family problems as a result of interest rates who believes this was necessary in order to protect the value of the Canadian dollar. No one who has lost his business through high interest rates gets much satisfaction from the fact that he did this to protect the Canadian dollar. That makes no sense to anyone, yet that is what this government is doing with monetary policy.

As far as an incomes policy is concerned, let me tell the Minister of Finance that the best way to have an incomes policy is to have a healthy economy which is growing, so that the citizens, the taxpayers of the country, are able to share in something that is progressive and growing. If we keep going the way this government is sending us, the government will not have to worry about an incomes policy because there will not be any income. So, I say again that I do not understand why the Minister of Finance should talk about an incomes policy.

• (2020)

He made reference to the fact that the opposition had not talked very much about a fiscal policy. Fiscal policy simply means examining the expenditures of the government. If one looks at the votes we will go through this evening, one will find that Vote 40 of the Department of Agriculture should be deleted from the estimates. Let me tell hon. members about some of the things that we could delete as far as the fiscal policy of this government is concerned. There were $111,000 spent to study improvement in the spreadability of butter. I am sure we could live without some kind of academic study on improving the spreadability of butter.

Mr. Deans: It is easy. Leave it out of the fridge.

Mr. Mayer: We could refer to many other areas. The hon. member for Mississauga South (Mr. Blenkarn), whose seat is in front of mine, moved a motion under Standing Order 43 pointing out that the Department of Finance should very seriously consider looking at all the estimates with the idea of cutting back on 10 per cent of government spending. This was a serious suggestion. We do have some suggestions relating to fiscal policy.

The Minister of Finance said that we in the opposition had not said anything about inflation. Let me tell the Minister of Finance that there are two sides to the equation of inflation. In the classical definition of the economist, inflation is simply too much money chasing too few goods. If we ignore the productive side of that equation, I think we do it to our detriment, because we simply cannot attack the inflationary problem by trying to screw down the supply of money and therefore to restrict the purchasing power of consumers. I want to suggest that what we need is more productive policies from the government so that people can have some faith in the future of this country. After all, we do have more natural resources per capita than any country in the world.

Let me close by telling a story which is rather humorous. We are not in a very humorous situation, but I think we all must have a sense of humour. This story reminds me of the way in which this government is carrying out its economic policies. It concerns a man who bought a hot air balloon. I am sure that those of us in the chamber are familiar with hot air and I think Your Honour has heard this story before. The man who bought the balloon asked his friend to go with him one Sunday afternoon, in the heat of the day, to fly this hot air balloon. They went out into the country into a field and went up in the hot air balloon. In the middle of the afternoon some cumulus clouds drifted by and they became very nervous about where they were because they had never flown a balloon, they could not see the ground, and they did not know what kind of predicament they were in. All of a sudden they drifted into an opening in the clouds. They looked down and saw a man in a field. One of the men in the balloon hollered down and asked, "Where are we?" The gentleman in the field looked up and said, "You are in a balloon". Just then the balloon drifted into some clouds and they could no longer talk to the man on the ground. One of them said, "That man must be an economist". His friend asked, "What would make you think that?" He said, "Who else but an economist could give us such accurate, precise, yet utterly useless information?" In many ways, that is the kind of information and those are the kinds of policies that we are getting from this government.

I would hope that the government would pay attention to some of the suggestions that we in the opposition have made here this evening and act on them.

Some hon. Members: Hear, hear!

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Mr. Speaker, it is clear that these times are difficult times for every country in the world, including Canada. I want to stress that we on this side of the House are very conscious of and very concerned about the unemployment levels, the high interest rates that Canadians are facing, the lack of growth in our economy and all the difficulties this situation means for individuals and families all across the land. In the debates which have taken place today and previously, the opposition, particularly the Conservative opposition, has tried to blame all those difficulties on the budget and the National Energy Program, ignoring what is happening in the rest of the world today, particularly in the industrialized

world. We are encountering a situation today in which we have about 30 million unemployed in the industralized world.

I would like to spend a few minutes discussing the National Energy Program because of the importance which appears to be given to it by the opposition in connection with our current difficulties. I would certainly be very pleased to see importance given to this program, if it were also combined with some rational, fair-minded understanding of what the program is all about. But, unfortunately, what we have seen and heard more often than not are biased and hysterical reactions based on misunderstandings or deliberate distortions of our energy policies and goals.

Conservative critics have portrayed Canada's economy as the all but devastated victim of an energy program designed to scare off foreign capital. In the few minutes available to me today, I would like to respond to this line of thinking or, should I say, to that brand of scaremongering.

Mr. Gamble: Scaremongering of your own.

Mr. Lalonde: The Leader of the Opposition (Mr. Clark) stated that he would absolutely change the National Energy Program, and in this he was merely echoing the views of his backbenchers who were saying that they would scrap the National Energy Program. What do they mean? Do they mean that they would scrap the conservation programs and the $500 grant that we have given to over a million Canadian families in the last two years in order to help them convert, to insulate their homes and reduce the costs of heating their homes?

Some hon. Members: Yes, yes.

Mr. Lalonde: I hear the Conservative opposition saying, "Yes". That is part of their program. Would they abolish the off-oil substitution program whereby we are paying people up to $800 to switch off oil to natural gas or to electricity, and the programs whereby they would expand the distribution of natural gas to the maritimes? I see that an hon. member from Vancouver is nodding his head and saying, "Yes". Would they scrap the hundreds of millions of dollars in the research and development provided under the National Energy Program? Some now say that they would not. Would they scrap the agreements with the provinces whereby we will have a secure and sure environment for energy investment in the oil and gas industry between now and 1986?

Mr. Epp: Marc, your nose is growing.

Mr. Lalonde: Would they scrap those agreements with the three western provinces and Nova Scotia? Would they do away with the tax breaks for the oil and gas industries, whereby the Government of Alberta and the Government of Canada have given $7.4 billion in tax breaks to the industry in the last two months?

Mr. Mayer: Oh, how much did you take away?

Mr. Lalonde: What would they do? Are they proposing higher prices for consumers than they are at the present time?

Mr. Gamble: Not as high as yours.

Mr. Lalonde: We know what they have in mind. What they have in mind is to attack our Canadianization program, and we saw the best evidence of that this afternoon in the speech by the Leader of the Opposition.

Some hon. Members: Shame, shame!

Mr. Lalonde: That is what they have in mind. We heard the speech this afternoon in which the Leader of the Opposition attacked our Canadianization policies as being contrary to the best interests of Canadians. This criticism can be expected on the part of some of the foreign investors who gained particular advantages in the Canadian energy industry, operating for many years under a set of rules and incentives which inadvertently favoured their progress over that of smaller companies and prospective new companies in the industry. To expect that from the Conservative Party of Canada is rather strange. It is all the more strange that they are turning into mere echoes of foreign companies in this regard.

We have addressed that problem in our energy program with a new incentive system that opens up the oil and gas sector to more and more Canadian companies willing to invest in the search for oil and gas. However, we have ensured that the incentive to find oil and gas remains powerful for all companies, regardless of nationality. Let me review just a little of the background in this regard.

• (2030)

The basic reality facing Canadians as they entered the 1980s was this. They would have to pay more and more for their oil and gas and in the process would finance the vast majority of the costs of replacing what they used. Yet Canadians did not have anything resembling a fair chance to share in the benefits of that huge investment. It was not optional that they be afforded this opportunity. It was a prerequisite for the kind of vigorous growth that will be required in the petroleum industry in the years ahead.

It is the judgment of the Government of Canada and the vast majority of Canadians that an increase in domestic participation in the petroleum industry is a national priority. As of October 1980, no less than 72 per cent of upstream oil and gas revenues were accounted for by foreign-owned companies. The goal, which must sound ludicrously modest to most Americans and other foreigners, is 50 per cent Canadian ownership of these revenues and Canadian control of a significant number of the larger corporations by 1990.

I cannot emphasize too much that our goal allows for the foreign-owned sector of the petroleum industry to grow and prosper in real terms if it chooses to take advantage of the opportunities. Our policies are pro-Canadian, not anti-foreigner. I believe that the future course of development in our promising offshore and frontier regions will demonstrate particularly the accuracy of that description.

Let me repeat. Our policies are designed to ensure a fair share of the total benefits for Canadians, not just through direct participation as investors but also as providers of goods and services and across the broad range of socioeconomic impacts that major offshore developments can bring.

We want to minimize the costs of all kinds and maximize the benefits. It is a challenge calling for a comprehensive policy approach, and that is what we have provided. Our policies are in keeping with our international obligations. They are fair to Canadians, fair to foreigners and fair to all others who work and invest in Canada.

It is absolute rubbish to claim, for example, that the Canada Oil and Gas Act requires oil companies to give preference to Canadian suppliers. What Canadian suppliers want and need is not preference but an opportunity to be considered and to compete, not to be ignored as they have been in the past.

Another argument that we often hear from the Conservative Party and in some other circles is to the effect that Canada's prosperity has been primarily created by foreign investment and that any change in that supposed situation endangers Canada's economic future.

The fact is that Canadians have for many years provided the vast majority of the funds needed to finance the expansion of the energy industry and of the economy as a whole. These funds were in large measure provided to the extremely profitable growth of foreign subsidiaries in Canada.

In that context, it is interesting to note that even under the National Energy Program, the multinational oil companies are still doing very well in Canada. However, we know that the oil and gas industry had become a net exporter of capital in the latter part of the 1970s, long before the introduction of the National Energy Program. So, it was simply wrong to picture the oil and gas industry's dramatic improvement in financial fortunes during the 1970s as having anything to do with an inflow of foreign capital.

As I have said, we need foreign capital now and in the future, and we have ensured that the incentive will be there in the energy industry. However, we also need, and we are getting, a basic change in the participation of Canadian investors and Canadian companies in this industry. To obtain a fair share of the benefits, Canadians must share more in the direct ownership and, I might add, the risks of direct ownership of the oil and gas industry. That is what has begun to happen under the National Energy Program.

Of course, it is clear in retrospect that these have not been the easiest times for Canadian companies to be increasing their debt loads in direct response to the need for greater Canadian participation in the oil and gas industry. Oil price expectations have changed dramatically. Interest rates have remained higher than expected as a result of policies beyond the control of the Government of Canada. Markets for oil and gas have been softer than expected as a result of the general economic slowdown around the world.

To lay the blame for the effects of this kind of international financial and economic difficulty at the door of a Canadian energy program is transparent nonsense, yet it is propagated by the Conservative Party and some foreign critics of the program.

Thus we have the attempts to blame the Alsands shutdown and the National Energy Program while the Colony oil shale project in the United States, in which Exxon have invested a billion dollars, is abandoned for supposedly economic reasons. Again, the opposition blames the decline in over-all drilling in Canada on the National Energy Program while in the United States it is just the oil industry tightening its belt in the face of lower prices and soft markets.

There is a very serious need for perspective in these matters. I invite those interested to read a very revealing article in *Fortune* magazine of June 14, 1982, entitled "Getting Lean and Mean in the Oil Business". You would think you were reading the most depressing article in the *Alberta Report*, yet in the United States they do not have a national energy program. This article reports that the oil and gas industry in the United States is going through very difficult times indeed.

What we have in Canada at the present time is a situation where for both Canadian and foreign companies there is a very positive environment for investment in the oil and gas industry. For example, let me tell hon. members that the after-tax rate of return is more favourable in Canada than in most other oil areas.

A foreign company operating in Canada which is currently taxable will have a rate of return after-tax of 27.7 per cent. In Norway, the rate of return for a stand-alone project would be 18.3 per cent, 24.4 per cent in the United Kingdom and 21.6 per cent in the United States. That is the situation in terms of return on investment. If you compare the after-tax cut of $100 worth of exploration, it shows that a foreign company operating in the United States pays out $54, whereas the same company operating in Canada expends only $40.

• (2040)

The incentive for oil and gas exploration in Canada is much greater than in the United States because of better geological promise. In the United States 12 barrels of oil are found for each foot drilled. In Canada the discovery rate is 43 barrels per foot drilled. In the United States 200,000 cubic feet of gas are found per foot drilled. In Canada 860,000 cubic feet are found per foot drilled. That is the situation in which companies in the oil and gas field are invited to invest in this country. It is a good environment for Canadian companies, and it is interesting to note in particular the comments made by a large number of small Canadian companies in connection with the moves made by the Government of Alberta and the Government of Canada in the last two months. It is interesting to note that even for foreign-owned companies Canada is still a place where it is better to invest than almost any other place in the world. That is the situation today, and that is the situation which will be maintained under this government.

The Acting Speaker (Mr. Blaker): There may not necessarily be a House agreement, but I understand there is agreement

between some hon. members that the Chair should recognize the Minister of Public Works (Mr. Cosgrove), followed by the hon. member for Winnipeg North (Mr. Orlikow) and then by the hon. member for Capilano (Mr. Huntington). Does any hon. member wish to comment, or may I proceed in that fashion?

Mr. Nielsen: *D'accord.*

Hon. Paul J. Cosgrove (Minister of Public Works): Mr. Speaker, I was reminded today in an editorial in the *Toronto Sun* headed "Paul's Plan" of the maxim that it pays to advertise. It is somewhat ironic to get that reminder from a newspaper which has not always been supportive of government advertising in the past, but the statement is made that this government has not sufficiently advertised the Canada mortgage renewal plan. As I begin my comments I must take issue with that statement. The article says: "There hasn't been much about the mortgage assistance plan." I recall very well, as I am sure do other hon. members, the complaint right after the budget that newspaper advertisements were taken out and that empty space was held so that the government could advertise the plan the day following the budget announcement. I find it somewhat ironic that the accusation is made that that program has not been advertised sufficiently. I recall very well hon. members opposite flashing a newspaper advertisement entitled "Attention Home Owners". There was criticism of that advertising at the time.

What is more important is that the plan has been advertised since the majority of the members of this House supported it. There have been further widespread advertisements in newspapers across the country. We have repeated that newspaper ad and attempted to draw the plan to the attention of Canadians renewing their mortgages. I have distributed information, documents and kits on the plan to all hon. members on both sides of the House so that they could bring the plan to the attention of constituents who call their offices inquiring about it.

I take issue with the Toronto newspaper which says the plan has not been advertised enough. I know there has been some free publicity. It has not been tremendously positive all the time but, nonetheless, there have been newspaper comments—free publicity I suppose—in newspapers such as *The Financial Post*.

Obviously, I must accept the admonition that it pays to advertise, and we should talk more about government programs, but I do not accept the admonition in *The Toronto Sun*. The reason I say that is the article itself. The introduction to that criticism about lack of advertising contains the contention that only 400 people have responded to the plan. We know that some 1,400 people have responded to the plan. We know that about 1,000 people have been approved under the plan. We know that in response to the last advertisement, which was national, 7,766 people clipped brochures, wrote in and asked for further information on the plan, which has gone out. I know I have to publicize and advertise when, for example, the plan has been described—inadvertently—by the official critic in th Conservative opposition as being a plan providing a grant of some $300 when it provides $3,000. This afternoon the housing critic of the New Democratic Party again alleged that only about 300 people have made application under the plan when, as I have indicated, over 1,000 people have already been approved under the plan.

What is the background of the plan? I think it is worth reviewing and publicizing. In April, 1980, the Speech from the Throne of this government in starting its mandate said that the government would:

> —act to assist those unable to bear the burden of renegotiating their home mortgages in the present abnormal situation so that the spectre of foreclosure will be avoided.

Those were the words. That is the way the program started. That was the commitment given by the government. The plan was to carry out that commitment.

Then there was the further assertion that this program could be introduced without the government's embarking upon a major subsidy program. I underline that because the thrust of my remarks will be that even though we are pressed to advertise and even though we are pressed to increase funding under this plan and other plans, the government must of course be practical and provide plans in a way that is efficient and takes into account all the demands upon the government for more funding for housing in these days.

Recently the critic for housing in the official opposition moved a motion under Standing Order 43 which I do not accept. That motion was:

> That this House directs the Minister of Finance to reinstitute the MURB provision and to designate those funds allocated for the Canada rental supply plan to non-profit and co-operative housing as part of his financial and economic statement to this House.

The minister has promised to make a statement to this House. A need has been demonstrated. I recall giving a reminder to hon. members on both sides of the House this afternoon about a response to constituents in very difficult circumstances. Last fall interest rates were over 20 per cent. Constituents wrote inquiring what could be done by me at the time of the budget and subsequently. I am very pleased that we have this program and that $350 million has been set aside by the Minister of Finance (Mr. MacEachen). We have been able to respond to a number of Canadian families. Our response has been more than the individual requests of members in the House who have taken the time to write to me and to bring to my attention individual cases of constituents who have been hard pressed and who have asked for help. As I say, over 1,000 families have been assisted under this plan. It is a plan which addresses the difficulties of families. On renewal of a mortgage, when a family has paid up to 30 per cent of their income toward meeting principal, interest and taxes, they are then assisted by the government, either by way of deferral of interest or by way of an outright grant of up to $3,000. The plan had to be funded. The commitment was made in the Speech from the Throne. The finances were provided; $350 million were allocated by the Minister of Finance. We appreciate that that funding provided for that specific need might be in competition with requests of hon. members for funding for

other needs identified by their constituents. Such needs are identified and requests are made by Canadians facing other difficulties in these difficult times. In difficult times and when resources are scarce, the government has been pressed for a plan and a way by which to respond which will provide some practical relief and some sensitivity to the needs of Canadians. However, at the same time the government must take into account that the funds allocated come from only one place, and that is the taxpayer. We all know that. We have indeed picked our priorities. We have set funds aside and attempted to publicize as best we can, within limits, the allocation of those funds and how they will be used. To those Canadians who do not benefit from specific plans I say I sincerely hope there is an understanding that Canadians who have sacrificed and worked to pay off their mortgages will support the government by being willing to support those in need. The government responds first to those who need help most. Roughly half the Canadian population rents and is not building up equity in shelter needs. We hope that those people will also find comfort in the fact that they are supporting Canadians who otherwise would face the prospect not only of losing their homes, but also of being in the position of looking for rental accommodation, which is difficult to find.

Finally, for those Canadians who are not paying up to 30 per cent of their income for accommodation, we hope that support under the Canada mortgage renewal plan will assist the people who would otherwise face losing their homes. This involves the government putting its priorities on the line, and stating what it feels is important in response to difficult times.

• (2050)

My critic in the Conservative Party said that the Minister of Finance should reintroduce the MURB program. As minister reporting to Parliament for Canada Mortgage and Housing, I do not promote that proposal. I do not think that it addresses those Canadians who are facing the most critical need. Amongst those, of course, are renters who are having difficulty finding accommodation. Is any Member of Parliament unaware of the publicity about people trying to find affordable accommodation? Rather than support the MURB program, which was primarily a tax incentive program for Canadians looking for means to shelter income, we chose to allocate the $350 million to people seeking rental accommodation.

The Canada rental supply plan was designed to produce 30,000 moderate rental units in Canada, one third of which would be designated to serve Canadians whose means are very limited and who are therefore supported by this government and many provincial governments, on a rent geared to income basis. We feel that this plan responds to those people who would have to rent, to people who need support to meet their rental payments and to the handicapped. Five per cent of all those units are designed for handicapped persons. We believe that program is a much more effective way of serving people who have actual and pressing needs.

I cannot support the motion of the housing critic of the Conservative Party that we return to the MURB program. We do not see that as a good course of action at this time when resources are scarce. By definition it means that we would have to decide where the assistance should go first. We believe that the government's initiatives through the Canada renewal plan and the Canada rental supply plan serves another objective which is to provide jobs quickly—although not as quickly as we would wish—in the construction industry. I wish the House had responded to my request last December that the legislation be passed right away. In that case, the plans could have been in place sooner. The rental supply plan will generate 30,000 units of housing accommodation. In turn, that will generate at least 60,000 person years, directly and indirectly, in construction.

In this way the government is addressing priority social needs as well as addressing the problem of employment in the trades. Employment has been severely undermined by the fact that the public is not buying property at current interest rates and by the fact that in the United States, which is our biggest market for lumber products, housing is perking along at about 50 per cent of the rate in Canada.

These plans not only serve the needy, they serve to stimulate the economy, and they serve to provide jobs in an area which all of us know requires attention.

The government has taken other initiatives in the housing field since the budget. I can argue, and I will demonstrate, that our concern is for people in need. In our response to people in need, we have supported employment. As a matter of fact, the thrust of the opposition's motion is that we should be addressing that very problem. And we are, Mr. Speaker. The Canada home renovation plan is an example. It is designed to provide up to a $3,000 grant for home improvements to households who earn less than $30,000 per year. There is a graduated reduction from the amount of grant available as the income goes up to $48,000.

The effect of this plan is to help home owners who had difficulty financing renovations at current interest rates. It will accomplish two other things as well. First of all, it will create an additional 10,000 person years in the construction industry, which is so hard pressed. As well, the $3,000 grant is conditional upon individuals spending at least $6,000. That has the benefit of levering funds from the private sector to support the trades that need employment at this time. That is an effective program and it has been well received. Many communities across the country have responded, and at this point the plan is almost totally subscribed.

The improvement in the Canada home insulation plan was designed with the same thoughts in mind, to support people in need of assistance, with a $500 grant. The plan is now available to people whose homes were constructed up to 1971, which is a move from the 1961 deadline. In addition to serving the conservation of energy, that plan will employ 20,000 people across the country.

I began my comments with reference to the criticism which appeared today in *The Toronto Sun* that reminds us that it pays to advertise. I am taking this opportunity to respond to the criticism and comments made by hon. members opposite

by pointing out that these plans are available. They will serve renovation needs, the purchase of homes, the finding of rental accommodation and assistance to families that have been most severely affected by high interest rates. These plans are designed, in place, and can serve Canadians. The resources are there but they have not been fully utilized. I think I have demonstrated that the use of these plans will have the following effects: they will put Canadians to work in the trades; generate employment for people who are skilled in these trades but unemployed; they will bring new money into the economy, or should I say out of the banks, and put it to work generating employment in these trades.

• (2100)

I believe my comments fall in line with the thrust of the latter part of the motion put by the opposition today, that there has to be co-operation. What I am asking for, Mr. Speaker, is recognition and co-operation by all members who sought the assistance of the government for some of these plans, in order to take advantage of these plans so as to respond to their constituents who may not be aware of them, as *The Toronto Sun* says today. I believe in using our resources in a way which will first of all serve the needy, and secondly, support the economy and get people back to work. I am convinced, Mr. Speaker, that kind of co-operation is a common goal shared by all members of the House irrespective of their political philosophy or commitments.

Mr. Nielsen: Are you going to vote for the motion?

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the speech we got from the Minister of Finance (Mr. MacEachen) this afternoon was the usual defensive and apologetic speech we have come to expect from him in the last couple of years. It is a far cry from the kind of speeches he gave and legislation he used to support when he was the minister of labour and then the minister of national health and welfare and helped to bring into being the Canada Pension Plan and the medical insurance plan which have brought such great benefits to the people of Canada. In recent years he has become one of the most conservative members in the present government. He has become the complete captive of his officials who have consistently given him the wrong advice, advice which has produced the highest unemployment rate in the history of Canada, the highest rate of inflation, and a situation which is becoming worse almost daily.

In his speech this afternoon the minister brought forth figures with which he tried to demonstrate that, while we were having difficulties in this country, we were doing quite well as compared to other countries.

We decided to accept the challenge in that argument and obtain figures showing the per capita income of Canadians in 1968, when the Prime Minister (Mr. Trudeau) was first elected, and for 1980, just to see what has happened. We were not completely successful but we were able to get from the United Nations 1979-80 year book the per capita income figures for a number of western industrialized countries for the years 1970 and 1978, the figures are very interesting, Mr. Speaker, and disprove completely the minister's contentions this afternoon. In 1970 the per capita income of Canadians was the third highest in the western world, behind Sweden and the U.S. In 1978 we were eighth, behind Switzerland, Germany, Sweden, Denmark, the U.S. and The Netherlands. Not only that, Japan had an average per capita income in 1970 of just half of Canada's, and they had almost caught up with us by 1978. I should point out that I am not including OPEC countries such as Saudi Arabia and Kuwait, as the Prime Minister accused the leader of my party of doing some weeks ago. I am talking about the industrialized countries.

When the minister says we are doing quite well, Mr. Speaker, he is just dead wrong. He has admitted that we are in a recession, one deeper and more prolonged than any forecaster had predicted. That is not quite true. It is deeper and more prolonged than the minister's so-called experts had predicted. There were other experts who had predicted precisely what has happened. The minister says our problems are due to high interest rates and high inflation which are stifling investment. That is true, Mr. Speaker. He said there are no easy solutions to our problems, and that is true. But then he said the first priority of the government is to create more jobs, and to do that we must get our inflation down. That is what the government has been saying for the last six years, and to achieve that end, between the Minister of Finance and the Governor of the Bank of Canada, we have had high interest rates. How are we going to improve the economy and get people to invest in productive capacity when companies are not making profits, when they are working at less than 70 per cent of capacity and paying 18 per cent and 20 per cent interest? How are we going to improve the economy when interest paid on savings is running anywhere between 13 per cent and 16 per cent for term deposits, and when last year's Canada Savings Bonds paid 19.5 per cent interest? People who have money to put into savings are not completely stupid. They are not going to invest their money, even in blue-chip companies, when they will get at best 6 per cent or 7 per cent, and the value of their stock has dropped in the last couple of years by probably 25 per cent or more.

As usual, Mr. Speaker, the minister had no real advice to the Canadian people. The Prime Minister has been saying lately that we have to tighten our belts. What are the Prime Minister and the Minister of Finance saying? They are saying that Canadians should be satisfied with wage or salary increases of 6 per cent or 7 per cent. Mr. Speaker, the cost of living has risen in the last year by almost 11.5 per cent. So what the Minister of Finance and the Prime Minister are saying to the Canadian people is that they should accept a reduction in their standard of living of 5 per cent or 6 per cent. They are not going to do that voluntarily, and they should not. If you could persuade people to reduce their standard of living and purchasing power by 5 per cent or 6 per cent, at a time when industry is working at less than 70 per cent of capacity, all you would do would be to make the position of Canadian industry and business even worse. So, Mr. Speaker, I say that

the few proposals we got from the Minister of Finance really offered no hope to the Canadian people.

The same can be said for the speech by the Leader of the Official Opposition (Mr. Clark). He said we need to produce a feeling of confidence for the Canadian people. I say to him, as I said a few moments ago to the Minister of Finance, how can you get Canadians to have confidence in our economy, how can you get them to invest in productivity improvements in Canadian plants and industry, when they can see that those plants are now working so far below capacity? Why should people invest in new plants and equipment when industry cannot sell the goods it now produces with existing plants and equipment. Why should they invest in Canadian industry when they can put their money into government bonds or term deposits and make substantially more than they would by putting it into even the best of the blue-chip companies?

• (2110)

Then the Leader of the Opposition said that we need to have government restraint. He was very careful not to indicate where a Conservative government would cut back. In other words, where the restraint would come from. Some Conservative Members of Parliament have not been as careful as the Leader of the Opposition was today. Some Conservative members since November, 1980, have not infrequently expressed admiration for the kinds of policies which are being enacted in the United States under the leadership of President Reagan. Let us look at those policies for which, I think, some Conservatives have a great deal of admiration. Let us just take a look at what President Reagan has done to get restraint in the American economy. He has cut back on medicare and medicaid. He has cut back very drastically on the food stamp program, which is the closest thing the Americans have to our family allowance system. He has cut back on financial assistance to American states and cities. He has cut funding to American universities. He has cut back support for research and development and he has urged cutbacks in the American social security benefits.

If that is the kind of restraint that Conservative Members of Parliament believe in, they ought to be honest with the Canadian people.

Mr. Gamble: You should, too.

Mr. Orlikow: I think the Conservatives ought to tell Canadians that that is how they would cut back on government expenditures. If they did that, I am certain the Canadian people would not want to support parties which advocate those kinds of programs.

Mr. Gamble: What about the giveaways?

Mr. Orlikow: I wish the hon. member would rise in his seat in his own time and tell us which are the giveaway programs. Is medicare a giveaway program?

Mr. Gamble: What about foreign aid?

Mr. Orlikow: Is social security a giveaway program?

An hon. Member: What about the CBC?

Mr. Orlikow: Is hospital insurance a giveaway program? Those are the kinds of giveaway programs that I want to continue and expand. If hon. members want to cut back on those, they ought to tell us.

Unemployment has reached a crisis situation. Unemployment is at a 40-year high. Some economists, either tenured economists in our Canadian universities or economists with good paying, secure jobs in the Department of Finance or even economists with the Economic Council, are telling us that we should not worry about unemployment, that the situation is not very serious. We are told that we are into the post-industrial age, and we have to accept the fact that our manufacturing industries will gradually disappear. I wish some of those so-called experts would talk to some of my constituents.

One of my constituents whom I met last week came to this country from Portugal in 1959. He came to Canada because he had been told and had read that this was a great country. He came here prepared to work, and he did work for 13 years for the Swift Canadian packing plant in Winnipeg. Swift is a multinational company. It is one of the giants in the food industry. After working there for 13 years, Swift Canadian closed its plant in Winnipeg and put 600 people out of work. This constituent of mine got a job with another Canadian giant. This time his job was with the CPR as a machinist's helper. He was doing a good job, but after two and a half years, because of a slowdown in the economy, he was laid off. I wish those so-called experts who think unemployment is not very serious would talk to my constituents and to thousands of others who, through no fault of their own, are no longer working.

As the Minister of Finance said this afternoon, we have 1.25 million people unemployed. But those are official figures. The minister and other members of the House know that those figures include only those people unemployed who are still actively looking for work. There are areas in Canada; in Newfoundland, in Cape Breton, in the Gaspé and in the Interlake area in Manitoba—where it is no use looking for work. People are not looking for work in those areas any more and they are not counted in the unemployment figures. We have probably another 300,000 or 400,000 unemployed, if they were included in the statistics.

Bankruptcies have increased by almost 40 per cent. We now have 800 to 900 businesses that go bankrupt every month. Probably for every one that goes bankrupt there are four or five businesses that close up voluntarily before having to declare bankruptcy. It is no longer only the unskilled people in the slow growth areas who are unemployed. Today, we find it is no longer only the small, inefficient companies that are going bankrupt. Today we find that vacancies for accountants, executives, engineers, scientists and other professionals have decreased by 47 per cent in the last year. University graduates are finding it more and more difficult to get jobs. Statistics Canada tells us that 32,000 managers and administrators are unemployed. I am sure that every Member of Parliament knows some person in his or her constituency who has a middle

or senior executive job who has worked 25 or 30 years for a company and suddenly, now that he is in the 50 to 60 year age group, he is either out of work, laid off or the company is closing up. The jobless rate for this occupational group, which he always thought was immune to unemployment, is now running at 3.5 per cent. This means that unemployment is no longer a problem only for the lower-income groups but also for middle and high-income groups.

Bankruptcies are no longer a problem for just small and inefficient companies, we are seeing more and more well established companies, companies which operated successfully during the Great Depression of the 1930s, which are now going bankrupt. Our large companies are finding it increasingly difficult to face these difficult times. A recent article in *The Wall Street Journal* states that Massey is edging closer to joining the bankruptcy list. Analysts at Merrill Lynch Royal Securities published a report on mining listing seven companies as "near the edge", with financial conditions that are, or could become, precarious. These companies include Brenda, Denison, Falconbridge Nickel, Hudson Bay Mining, Inco, Sherritt Gordon and Teck. This is not at all surprising when one realizes that interest payments are killing these companies.

Mr. Huntington: That is right.

Mr. Orlikow: According to financial reports, 66 per cent of all corporate cash flow is now going into paying interest. That compares to 25 per cent of all corporate cash flow going into interest payments just a year ago.

I presume members of the Conservative Party are chuckling because they believe in high interest rates.

Mr. McDermid: Don't be silly.

Mr. Orlikow: Last year, Massey-Ferguson paid out 187 per cent of its cash flow in interest payments. Global Communications paid out 167 per cent. Those companies will not be able to continue much longer.

We have been told again and again that we have to get our inflation rate down. We have an agreement between the federal government and the governments of Alberta and Saskatchewan which says that in the next 13 months the price of a barrel of oil in Canada will go up by $10.25. Every dollar increase in the price of a barrel of oil adds one half per cent to the cost of living. We are looking at an increase of close to 5 per cent in the cost of living in the next year because of the price of energy.

How can we get the cost of living down when that kind of thing is occurring? Payments of unemployment insurance benefits are at an all time high. They increased in March of this year by 48 per cent over March, 1981. From city after city we are receiving reports of sharp increases in welfare. This is happening because many of the people who are unemployed have now exhausted their unemployment insurance benefits. The process is accelerating—more and more people who were laid off last year will exhaust their benefits, and then they will go on welfare.

• (2120)

We in our party believe that it is absolutely insane to pay hundreds of thousands of people who are willing and able to work. These people could produce many of the things we need in the country, yet they are paid to sit at home and to draw unemployment insurance benefits or welfare.

In the few moments remaining I should like to make some concrete suggestions as to how to deal with the emergency we are in now. I would like to list a few important steps which we believe should be taken. We believe that the government should scrap its high interest policy. It should admit that the policies followed on the advice of the deputy minister of finance and the Governor of the Bank of Canada have been a failure. We need a made-in-Canada interest rate which would be much closer to the actual increase in the cost of living than the present 5 per cent to 6 per cent gap. We need an emergency housing program which would revive the forest, construction, furniture and appliance industries. We believe that $500 million should be invested to produce 50,000 more homes than we are now producing this year and that that would produce 100,000 jobs. We want the government to bring in a tax cut of $2 billion which would essentially go to low and middle-income Canadians.

Mr. Kelly: Reaganomics.

Mr. Orlikow: No, not Reaganomics. President Reagan believes in giving the reductions in income tax to top income earners. That is the exact opposite to what we would want.

We believe that Canadians need a reduction in income tax to meet increased costs of living. We believe that that would produce 50,000 new jobs. We want policies to get the manufacturing industry, which in recent years has been cut to ribbons, back into production. We believe that the government should do these things and that these policies would provide jobs for Canadians. Perhaps they would not provide jobs for every Canadian because we live in a world which is going through a recession. But must we accept the fact that a million and a quarter Canadians need to be unemployed? We believe that we need a policy of full employment rather than the kinds of policies which we have had from the government.

Hon. Ron Huntington (Capilano): Mr. Speaker, after listening to the minister responsible for housing, I thought I should take a minute to read the motion which we are debating this evening. It reads:

> That this House approves the government taking immediate action to lower interest rates, stimulate production, investment and jobs, strengthen the dollar and lower the rate of inflation.

Lowering interest rates is the only single made-in-Canada benefit which can have a major impact that will save the economy. No one questions that interest rates will be lower once the economy collapses. Do we want interest rates to be once again at 5 per cent with no one able to borrow? That is

what we are heading into if we continue along with the government policies that are in place today. Thousands more Canadian people will be broken in pocket book and in spirit if the government and its bureaucracy continue to impose this bookkeeping type of economic discipline on the average Canadian. Admittedly, material expectation levels have to be brought down, but does the government also want to destroy the expectations for work, achievement and security?

The only difference of opinion between the government and a large majority of Canadians is whether interest rates are to be brought down now or whether many more Canadians are to be added to the roll call of casualties of present policies. The benefits of lower interest rates are many. First, we would have more competitive production and exports from our industry. We would also, with lower interest rates, be able once again to start building and modernizing new plants with new investment. Housing would once again become viable in this great country. There would be a substantial reduction in government borrowing costs. We would be able to remove that terrible burden from the backs of Canadian taxpayers. There would be substantial increases in tax revenues to the government if we lowered interest rates. Also there would be lower transfer payments for unemployment and welfare costs. We would have, as a result of rising revenues to the government, a lower federal deficit.

One of the two principal negatives of lower interest rates, which are quoted by all those associated directly or indirectly with present government policies, is that they will cause more inflation. I could hardly believe my ears today when I heard the Minister of Finance (Mr. MacEachen) say in the House that lower interest rates will cause more inflation. To the people on the government side and their advisers who keep saying this, I say that the opposite is the case. High interest rates have not decreased inflation in the country. They delivered lower inflation in the United States, but the cause of high interest rates there was the Eurodollar call on its reserves. Their problem is not our problem. We can control our own destiny if we manage our affairs properly. Throughout the world the nations with the lowest interest rates have the lowest rates of inflation. The literature, the statistics and magazines are full of proof in that regard. It is logical that businesses being subject to high interest rates have higher interest costs which have to be incorporated into their prices?

The second negative we keep hearing from the government and its advisers against low interest rates is that they cause a weakening of the currency. I heard the minister say this in the House today when he spoke. I say again to hon. members of the government that the opposite is the case, for around the world the nations with low interest rates have strong currencies. All we have to do is to look at Switzerland and Japan. Switzerland has an interest rate of about 6 per cent and Japan has an interest rate of about 7.75 per cent; both have strong currencies. To some considerable degree their strong currencies are the direct consequence of the normal function of future exchange markets. Why do we in Canada not learn that?

Now I should like to move to the part of the motion to "stimulate production, investment and jobs". Over time we Canadians as a whole live only as well as the total which we produce. To achieve our previous standard of living and to maintain the promise and opportunity this very rich and great land offers, it is necessary to have all of us increase our expectations for work, achievement and security. Increased production, investment and jobs require continuing and increased purchasing power and desire in the domestic market, particularly through productive investment. It is no good having people with savings and capital sitting on 15 per cent and 20 per cent rates of interest. The need for that money is out in the creative areas which create jobs, modernize plants and deliver wealth. Increased production also requires export markets. Both domestic and export markets reap the maximum benefits from long-term financing at reasonable cost. In other words, lower interest rates and demands are placed on the cash flows of the productive elements of the nation.

Why has this Liberal government moved the country to short-term financing where mortgages are on a one-year term, at a floating rate and very difficult to renew for most people?

To strengthen the dollar we must address the policies of the Bank of Canada. One of my colleagues spoke about that tonight. I believe that this is where we are going wrong.

• (2130)

To enjoy confidence and stability and to reduce inflation we must have a strong dollar. This means that the Bank of Canada must have undoubted reserves to cover foreseeable obligations. In the long run, these reserves will have to be earned through the export of goods and services or the sale of Canadian assets. I would prefer the former.

Prudent management of our short-term position, combined with long-term borrowings, can give us breathing room for long-term correction, if we have the will. Devaluation makes for little improvement in exports. It only causes significant further inflation.

My reading tells me that for each cent the Canadian dollar drops we increase the upward pressure on the cost-price index by one third per cent to one half per cent.

Since the Minister of Finance was asking many questions of my leader today, I will ask him some questions. What is wrong with the Bank of Canada borrowing adequate funds internationally on a medium to long-term basis to maintain undoubted reserves and to permit orderly repayment of private and corporate borrowings? The nationalization program of the Minister of Energy, Mines and Resources (Mr. Lalonde) and the follow-through from the private sector has cost this country some $18 billion to $19 billion of call on its reserves. We now have to address that. This would not increase our over-all external debt. The debits and credits would balance.

Another question: why does the Bank of Canada not maintain a forward exchange market in the Canadian dollar at levels which will eliminate undue pressure on domestic interest rates?

Why does the government budget not provide something like $2 billion a year for the Bank of Canada operating deficit

which could be recovered many, many times from the tax on profits on increased revenues within our productive sector and from reduced UIC payments? I would suggest that the factor might be as high as thirty to one on that.

Why does the Minister of Finance not increase the withholding tax to 30 per cent on all foreign interest payments from Canada on loans with less than a 60-month term?

I have another question. Why does the Minister of Finance not introduce penalty taxes with respect to price and wage increases in order to break the current inflation spiral?

All of these things would take the heat off the currency flows and would allow the Canadian government and the Bank of Canada to lower interest rates. We will never get back into the international game unless we start managing interest rates and our economic health. If that is what we as Canadians want, it is time that the government took action.

I have offered these questions because I think they have to be asked, examined and answered. The Keynesian economics are not addressing the rigidities which once again come into our national lives and economies. These rigidities have to be addressed if we are to resolve the present downturn in the business cycle.

Let me now turn to the other part of the opposition motion which concerns inflation and its reduction. This is really public enemy number one. It is behind the interest rate dilemma that we face today and the correction which we are going through, which is very painful indeed.

If we stimulate the economy it will be necessary to have some restraint. Otherwise, we have suffered this pain for nothing. In my opinion, we will need a tax-based policy, as just suggested. We also need an addition to a pact, or a social contract with organized labour, with some form of price restraint so that recovery from the bad days of this recession will not be too sudden and set the inflationary spiral in motion again. I believe that is an essential element of long-term recovery.

If the government continues its present path millions more will suffer as a result of a complete collapse. It will take ten or more years to recover. I have lived through the thirties. Not everyone in the House is of that age. It was rough. That is why I appreciate everything that this country has given me and others, and the benefits that have attracted so many new Canadians to this country. It is all at stake once again, but we do have the knowledge that we can crack the nut if we have the will.

These bookkeeping methods of the government and the Bank of Canada are doing more damage to this country than a massive physical catastrophe, for when you have an earthquake or some other disaster, the people come together to work and somehow get organized into some kind of disciplined form and know exactly what to do to rebuild what once was. However, today the whimper and the cry at large within this country is, "What can I do? What is going on?"

The other night there was a simple little rally in my riding. It normally would have attracted 90 to 150 people. There were over 700 people there asking, "What is going on? What can we do to help? Is there no way out?"

I have asked some questions here tonight in the few minutes I have and have made some suggestions that somehow or other will break through that impasse of the Keynesian economists who cannot, will not, and are not addressing the rigidities of supply and the reaction to supply-demand that we need to get back to.

We talk about an oil surplus. The oil surplus is ridiculous. There is no oil surplus in this world. If one ever saw an example of the supply-demand working, it was when the people started driving smaller cars, turning their thermostats down and reducing consumption. As a result supply came up and world price dropped. Why not go back to that fundamental natural law instead of trying to mismanage it?

With no government leadership and direction, the only positive action that is taking place in Canada today is an outflow of our intellectual talents, the enterpreneurial talents that risk, build and create jobs and an outflow of capital from the country. I just read that over $18 billion, I believe, of private capital has left Canada this year. What a national tragedy! I see the entrepreneurs, the skills, the talents in the engineering field and the business field packing up to go south where the free enterprise system will survive alongside the corporate giants because their laws address behaviour and they have competition laws that allow free enterprise to survive. That is a national tragedy. The present government policies are destroying the country from within. We are destroying ourselves mentally and spiritually all because of bookkeeping which causes high interest rates done by those still seeped in Keynesian technology. That day has gone. There must be a new dawn.

I attended an international economic conference and very senior economists were there. I have listened to economists debating in this country. It is a debating society. They do not have answers. Somehow or other we, as a people and as a government, must start opening up our minds to these new management technologies and techniques available within the Bank of Canada. I would ask hon. members of the government to read *Hansard* and to read some of those questions I have asked in these few remarks tonight and ask why these things cannot be done, because very good international banking people are telling me that it is entirely possible. That is the way in which a country like Switzerland operates. It is not exactly the way Japan operates, but it operates on those fundamental principles. A low interest rate is the only way we will bring down inflation in this country . We must get ourselves ready for the GATT era, and if we are to do so, we must start changing tax laws, tax policies and monetary policies which interfere with the creation and the production of work and jobs.

Some hon. Members: Hear, hear!

● (2140)

Mr. Huntington: In this country we have the ability, the talent, the technology, the universities, the people and the will to do it. But we must move our attitudes into the twentieth century. Those of us in organized groups must stop demanding more from the system than the system has to offer. If the private sector is to survive and blossom again, the managers and owners in the private sector will have to realize that those enterprises are there to serve employees, suppliers and consumers. Our tax laws must deliver us back to addressing tax costs, not profits. If we are to move into the area of free trade, a country like Canada can no longer continue under a customs union which favours one part at the expense of others. But we can address that if we get our act together and move on proper, creative, new economic thrusts which can take us into the twenty-first century.

That is where it is at, and that is what our young people coming out of our schools and universities today want from this government, from this Parliament. That is what we must deliver. The challenge is ours, yet we play around in stupid, little, narrow, political games, trying to knife each other when the country is going right down the drain with these socialist, old-fashioned, Keynesian, new, international world order policies and thrusts. Look at Britain. It nationalized industry after industry. The payrolls of some of those manufacturing industries were larger than their gross revenues, and they are finished. That country has had the hard struggle of returning those out to bottom-line management. I keep coming back to what Professor Florey had to say. The government controls the private sector. No one controls the public sector. So why continue with these nationalization policies? I say to Your Honour and others on that side, vote against this motion and you vote against the lowering of interest rates, which we can do as a country if we determine our own style.

Some hon. Members: Hear, hear!

Mr. Huntington: Vote against this motion and you vote against the stimulation of production of goods and jobs which are desperately needed. Vote against this motion, and you are voting against a stronger dollar. All of these things are the key elements to a lower rate of inflation which is the future of our kids and of our country.

Some hon. Members: Hear, hear!

[*Translation*]

The Acting Speaker (Mr. Blaker): Order, please. It being 9.45 p.m., it is my duty to interrupt proceedings and to put forthwith every question necessary to dispose of the supply proceedings now before the House under the provisions of Standing Order 58 (10).

[*English*]

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

● (2150)

(*Division No. 202*)

YEAS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Korchinski
Kushner
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss)
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitges
Munro (Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Speyer
Stewart
Taylor
Thacker
Towers
Vankoughnet
Wilson
Wise
Wright
Young—120.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Blenkarn
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins

Messrs.

Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro
(Hamilton East)
Nicholson
(Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Thomson
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Wenman
Whelan
Yanakis—147.

● (2220)

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

(*Division No. 203*)

YEAS

Messrs.

Althouse
Andre
Anguish
Baker
(Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark
(Yellowhead)
Clarke
(Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Crombie
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Korchinski
Kushner
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDonald
(Miss)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitges
Munro
(Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Orlikow
Paproski
Parker
Patterson
Reid
(St. Catharines)
Riis
Robinson
(Burnaby)
Roche
Rose
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright
Young—126.

NAYS

Messrs.

Allmand
Appolloni
(Mrs.)
Axworthy
Bachand
Baker
(Gander-Twillingate)
Beauchamp-Niquet
(Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell
(Miss)
(South West Nova)
Campbell
(LaSalle)
Campbell
(Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne
(Chicoutimi)
Dionne
(Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
(Argenteuil-Papineau)
Gourde
(Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro
(Hamilton East)
Nicholson
(Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—144.

Madam Speaker: I declare the motion lost.

MOTION FOR CONCURRENCE IN VOTE 40, DEPARTMENT OF AGRICULTURE

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That Vote 40, in the amount of $5,623,000 under the Department of Agriculture—Canadian Dairy Commission—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1983 (less the amount voted in Interim Supply), be concurred in.

Madam Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five members having risen:

The House divided on the motion (Mr. Johnston) which was agreed to on the following division:

(Division No. 204)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—144.

NAYS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Korchinski
Kushner
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitges
Munro (Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright
Young—126.

Madam Speaker: I declare the motion carried.

Vote 40 agreed to.

● (2230)

MOTION FOR CONCURRENCE IN VOTE 1, DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That Vote 1, in the amount of $94,142,000 under the Department of Consumer and Corporate Affairs—Consumer and Corporate Affairs—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1983 (less the amount voted in Interim Supply), be concurred in.

Madam Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five members having risen:

The House divided on the motion (Mr. Johnston) which was agreed to on the following division:

(*Division No. 205*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—144.

NAYS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Korchinski
Kushner
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitges
Munro (Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright
Young—126.

● (2240)

Madam Speaker: I declare the motion carried.

Vote 1 agreed to.

MOTION FOR CONCURRENCE IN VOTE 5, MINISTRY OF STATE FOR ECONOMIC DEVELOPMENT

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That Vote 5, in the amount of $8,871,000 under the Ministry of State for Economic Development—Northern Pipeline Agency—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1983 (less the amount voted in Interim Supply), be concurred in.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five members having risen:

The House divided on the motion (Mr. Johnston) which was agreed to on the following division:

(*Division No. 206*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—144.

NAYS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Korchinski
Kushner
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitges
Munro (Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright
Young—126.

● (2250)

[*Translation*]

Madam Speaker: I declare the motion carried.

Vote 5 agreed to.

MOTION FOR CONCURRENCE IN VOTE 1—ADMINISTRATION

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That Vote 1, in the amount of $17,529,000 under the Department of Energy, Mines and Resources—Administration—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1983 (less the amount voted in Interim Supply), be concurred in.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five members having risen:

Madam Speaker: Call in the members. Shall we dispense with the bells?

Some hon. Members: Agreed.

The House divided on the motion (Mr. Johnston), which was agreed to on the following division:

Supply

(Division No. 207)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Camp bell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—144.

NAYS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Korchinski
Kushner
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitges
Munro (Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright
Young—126.

● (2300)

[*English*]

Mr. Deans: Madam Speaker, I rise on a point of order to ask whether the House might consider unanimous consent to allow the vote which has just been taken to apply to the next three votes, since I believe that the Official Opposition and the New Democratic Party will be voting the same way in the next three votes as they have in the one just preceding.

Madam Speaker: Does the House give its unanimous consent to allow the vote which has just been taken to apply to the next three votes?

Mr. Nielsen: If that is the case, with the New Democratic Party voting the same way as we are voting, that is acceptable.

Some hon. Members: Hear, hear!

Madam Speaker: Therefore, the vote which has just been taken applies to Votes 6, 7 and 8, I believe. I will check.

The next question is as follows—

Mr. Deans: I rise on a point of order, Madam Speaker. I am sorry, but I understood that it would apply to votes Nos. 7, 8 and 9. I thought we had just voted on No. 6, or, in other words, up to Vote No. 30, in the amount of $245,758,000 under the Department of Energy, Mines and Resources.

Madam Speaker: We have just voted on No. 5 in the amount of $113,944,000. That would apply. This page was marked "six" and this one is "seven". Therefore, it applies to Nos. 7, 8 and 9.

MOTION FOR CONCURRENCE IN VOTE 5, ENERGY, MINES AND RESOURCES

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That Vote 5, in the amount of $113,944,000 under the Department of Energy, Mines and Resources—Energy Program—Operating expenditures, in the Main Estimates for the fiscal year ending March 31, 1983 (less the amount voted in Interim Supply), be concurred in.

The House divided on the motion which was agreed to on the following division:

(*Division No. 208*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—144.

NAYS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Korchinski
Kushner
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitges
Munro (Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright
Young—126.

Vote 5 agreed to.

MOTION FOR CONCURRENCE IN VOTE 25, ENERGY, MINES AND RESOURCES

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That Vote 25, in the amount of $262,000,000 under the Department of Energy, Mines and Resources—Canadian Home Insulation Program, in the Main Estimates for the fiscal year ending March 31, 1983 (less the amount voted in Interim Supply), be concurred in.

The House divided on the motion which was agreed to on the following division:

(*Division No. 209*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané

Messrs.

de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne
(Chicoutimi)
Dionne
(Northumberland-
Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
(Argenteuil-Papineau)
Gourde
(Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro
(Hamilton East)
Nicholson
(Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—144.

NAYS

Messrs.

Althouse
Andre
Anguish
Baker
(Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark
(Yellowhead)
Clarke
(Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Crombie
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton
(Qu'Appelle-Moose
Mountain)
Hamilton
(Swift Current-Maple
Creek)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Korchinski
Kushner
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDonald
(Miss)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitges
Munro
(Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Orlikow
Paproski
Parker
Patterson
Reid
(St. Catharines)
Riis
Robinson
(Burnaby)
Roche
Rose
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright
Young—126.

Vote 25 agreed to.

MOTION FOR CONCURRENCE IN VOTE 30, ENERGY, MINES AND RESOURCES

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That Vote 30, in the amount of $245,758,000 under the Department of Energy, Mines and Resources—Canadian Oil Substitution Program, in the Main Estimates for the fiscal year ending March 31, 1983 (less the amount voted in Interim Supply), be concurred in.

The House divided on the motion which was agreed to on the following division:

(*Division No. 210*)

YEAS

Messrs.

Allmand
Appolloni
(Mrs.)
Axworthy
Bachand
Baker
(Gander-Twillingate)
Beauchamp-Niquet
(Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell
(Miss)
(South West Nova)
Campbell
(LaSalle)
Campbell
(Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne
(Chicoutimi)
Dionne
(Northumberland-
Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
(Argenteuil-Papineau)
Gourde
(Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro
(Hamilton East)
Nicholson
(Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith

Messrs.

Tardif	Trudeau	Weatherhead
Tessier	Turner	Whelan
Tobin	Veillette	Yanakis—144.
Tousignant	Watson	

NAYS

Messrs.

Althouse	Gilchrist	McKnight
Andre	Greenaway	McLean
Anguish	Gurbin	McMillan
Baker (Nepean-Carleton)	Gustafson	Miller
Beatty	Halliday	Mitges
Benjamin	Hamilton (Qu'Appelle-Moose Mountain)	Munro (Esquimalt-Saanich)
Blackburn	Hamilton (Swift Current-Maple Creek)	Murphy
Blaikie	Hargrave	Murta
Blenkarn	Hawkes	Neil
Bosley	Heap	Nickerson
Bradley	Hees	Nielsen
Broadbent	Hnatyshyn	Nowlan
Cardiff	Hovdebo	Nystrom
Carney (Miss)	Howie	Oberle
Clark (Yellowhead)	Huntington	Orlikow
Clarke (Vancouver Quadra)	Ittinuar	Paproski
Coates	Jarvis	Parker
Cook	Jelinek	Patterson
Cooper	Jewett (Miss)	Reid (St. Catharines)
Corbett	Keeper	Riis
Crombie	Kempling	Robinson (Burnaby)
Crosbie (St. John's West)	Kilgour	Roche
Crosby (Halifax West)	King	Rose
Crouse	Korchinski	Schellenberger
Dantzer	Kushner	Scott (Hamilton-Wentworth)
Darling	Lambert	Scott (Victoria-Haliburton)
Deans	La Salle	Shields
de Jong	Lawrence	Siddon
Dick	Lewis	Skelly
Dinsdale	Lewycky	Speyer
Domm	MacDonald (Miss)	Stevens
Ellis	MacKay	Stewart
Elzinga	Malone	Taylor
Epp	Manly	Thacker
Fennell	Mayer	Thomson
Forrestall	Mazankowski	Towers
Fraser	McCain	Vankoughnet
Fretz	McCuish	Wenman
Friesen	McDermid	Wilson
Fulton	McGrath	Wise
Gamble	McKenzie	Wright
Gass	McKinnon	Young—126.

Vote 30 agreed to.

MOTION FOR CONCURRENCE IN VOTE L40, EXTERNAL AFFAIRS

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That Vote L40, in the amount of $299,100,000 under the Department of External Affairs—Canadian International Development Agency—Loans, in the Main Estimates for the fiscal year ending March 31, 1983 (less the amount voted in Interim Supply), be concurred in.

Madam Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five members having risen:

Madam Speaker: Shall we dispense with the bells?

Some hon. Members: Agreed.

The House divided on the motion (Mr. Johnston) which was agreed to on the following division:

(*Division No. 211*)

YEAS

Messrs.

Allmand	Dupont	MacEachen
Althouse	Dupras	MacGuigan
Anguish	Erola (Mrs.)	Mackasey
Appolloni (Mrs.)	Ethier	MacLaren
Axworthy	Evans	MacLellan
Bachand	Ferguson	Malépart
Baker (Gander-Twillingate)	Fisher	Maltais
Beauchamp-Niquet (Mrs.)	Fleming	Manly
Bégin (Miss)	Flis	Marceau
Benjamin	Foster	Massé
Berger	Fox	Masters
Blackburn	Francis	McCauley
Blaikie	Frith	McRae
Blais	Fulton	Miller
Blaker	Garant	Munro (Hamilton East)
Bloomfield	Gauthier	Murphy
Bockstael	Gendron	Nicholson (Miss)
Bossy	Gimaïel	Nystrom
Breau	Gingras	Olivier
Broadbent	Gourd (Argenteuil-Papineau)	Orlikow
Bujold	Gourde (Lévis)	Ostiguy
Burghardt	Gray	Ouellet
Bussières	Guilbault	Parent
Caccia	Harquail	Parker
Campbell (Miss) (South West Nova)	Heap	Pelletier
Campbell (LaSalle)	Henderson	Penner
Campbell (Cardigan)	Herbert	Pepin
Chénier	Hervieux-Payette (Mrs.)	Peterson
Chrétien	Hopkins	Pinard
Collenette	Hovdebo	Portelance
Comtois	Hudecki	Regan
Corbin	Irwin	Reid (Kenora-Rainy River)
Corriveau	Isabelle	Riis
Cosgrove	Ittinuar	Roberts
Côté (Mrs.)	Jewett (Miss)	Robinson (Burnaby)
Cousineau	Johnston	Robinson (Etobicoke-Lakeshore)
Cullen	Joyal	Rompkey
Cyr	Kaplan	Rooney
Daudlin	Keeper	Rose
Dawson	Kelly	Rossi
Deans	Killens (Mrs.)	Roy
De Bané	Lachance	Savard
de Corneille	Lajoie	Schroder
de Jong	Lalonde	Simmons
Demers	Lamontagne	Skelly
Deniger	Landers	Smith
Desmarais	Lang	Tardif
Dingwall	Laniel	Tessier
Dion	Lapierre	Tobin
Dionne (Chicoutimi)	Lapointe (Charlevoix)	Tousignant
Dionne (Northumberland-Miramichi)	Lapointe (Beauce)	Trudeau
Dubois	LeBlanc	Turner
Duclos	Leduc	Veillette
	Lefebvre	Watson
	Lewycky	Weatherhead
	Loiselle	Whelan
	Lumley	Yanakis
	MacBain	Young—169.

NAYS

Messrs.

Andre	Gilchrist	McKenzie
Baker (Nepean-Carleton)	Greenaway	McKinnon
Beatty	Gurbin	McKnight
Blenkarn	Gustafson	McLean
Bosley	Halliday	McMillan
Bradley	Hamilton (Qu'Appelle-Moose Mountain)	Mitges
Cardiff	Hamilton (Swift Current-Maple Creek)	Munro (Esquimalt-Saanich)
Carney (Miss)	Hargrave	Murta
Clark (Yellowhead)	Hawkes	Neil
Clarke (Vancouver Quadra)	Hees	Nickerson
Coates	Hnatyshyn	Nielsen
Cook	Howie	Nowlan
Cooper	Huntington	Oberle
Corbett	Jarvis	Paproski
Crombie	Jelinek	Patterson
Crosbie (St. John's West)	Kempling	Reid (St. Catharines)
Crosby (Halifax West)	Kilgour	Roche
Crouse	King	Schellenberger
Dantzer	Korchinski	Scott (Hamilton-Wentworth)
Darling	Kushner	Scott (Victoria-Haliburton)
Dick	Lambert	Shields
Dinsdale	La Salle	Siddon
Domm	Lawrence	Speyer
Ellis	Lewis	Stevens
Elzinga	MacDonald (Miss)	Stewart
Epp	MacKay	Taylor
Fennell	Malone	Thacker
Forrestall	Mayer	Thomson
Fraser	Mazankowski	Towers
Fretz	McCain	Vankoughnet
Friesen	McCuish	Wenman
Gamble	McDermid	Wilson
Gass	McGrath	Wise
		Wright—100.

● (2310)

[*Translation*]

Madam Speaker: I declare the motion carried.

Vote 1 agreed to.

[*English*]

Mr. Deans: Madam Speaker, I wonder if I might again seek the unanimous consent of the House to consider Vote No. 11 to have the same count as No. 10, and to consider Votes Nos. 12, 13, 14, 15, 16, 18, 20, and 22 the same as Vote No. 9.

Some hon. Members: Agreed.

Madam Speaker: Does the House give its unanimous consent that this motion apply to the votes mentioned by the hon. member for Hamilton Mountain?

Mr. Nielsen: Madam Speaker, I wonder if the hon. member would go through those numbers again?

Mr. Deans: Madam Speaker, I would like to have the following consideration, that Vote No. 11, Vote No. 17 and Vote No. 21 be considered the same as Vote No. 10.

Mr. Nielsen: Madam Speaker, I am afraid that was a different proposition than the one I heard the first time. If the hon. member would get his act together and make a proposal, I will consider it.

Mr. Deans: Madam Speaker, I am trying hard not to play games. Let me make the proposal I made before, that Vote No. 11 be considered the same as Vote No. 10, that Vote Nos. 12, 13, 14, 15, 16, 18, 20 and 22 be considered the same as Vote No. 9.

Madam Speaker: That is not quite the same proposal as the first one. Perhaps we can repeat it and hon. members might agree to it. It is that Vote No. 11 be considered the same as Vote No. 12—

Some hon. Members: Ten.

Mr. Deans: Madam Speaker, the vote we have just taken was Vote No. 10. I would like to suggest for consideration that Vote No. 11 be considered—

Madam Speaker: I am sorry. The vote we have just taken was Vote No. 11. It was credit L40 in the amount of $299,100,000. That is the vote we have just taken.

Mr. Deans: Madam Speaker, I am very sorry, but could I just ask for guidance. What became of Vote No. 10?

Madam Speaker: Order, please. Will the hon. member give me two seconds. The numbers on this page do not correspond to the numbers I am getting when I am proposing the motions. I will just straighten this out. My memory serves me better than this sheet. We have just voted on credit L40 in the amount of $229,100,000.

Mr. Nielsen: That was $299 million.

Madam Speaker: Two hundred and ninety-nine million. That was No. 10.

Mr. Nielsen: Madam Speaker, this is the last remaining element of control that this Parliament has over expenditures. It is sufficiently important to exert that control by voting separately on each one of these motions.

MOTION FOR CONCURRENCE IN VOTE 10, DEPARTMENT OF FINANCE

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That Vote 10, in the amount of $1,119,000 under the Department of Finance—Inspector General of Banks—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1983 (less the amount voted in Interim Supply), be concurred in.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five members having risen:

Madam Speaker: Call in the members. Shall we dispense with the ringing of the bells?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: Are members playing games with me? Shall we dispense with the bells?

Some hon. Members: Agreed.

The House divided on the motion (Mr. Johnston) which was agreed to on the following division:

(*Division No. 212*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—144.

NAYS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Korchinski
Kushner
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitges
Munro (Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright
Young—126.

80116-33

● (2320)

Madam Speaker: I declare the motion carried.

Vote 10 agreed to.

Mr. Reid (Kenora-Rainy River): Madam Speaker, I rise on a point of order. We have been voting now for an hour and a half, and at the current rate we have another hour and a half of voting. Perhaps the House might want to rise for ten minutes and take—

Some hon. Members: No.

[*Translation*]

Mr. Pinard: Madam Speaker, I want to be sure there are no mistakes on the record as far as any of these votes are concerned which, as the House is aware, are very important. Just now, there seems to be some confusion between your numbering of the various votes and that done by the representative of the New Democratic Party. I will try not to

confuse the issue further, but it seems that the request made just now by the New Democratic Party members, which received the unanimous consent of the House, was to have the three votes following the one that had just been called considered as having been agreed to in the same proportion. Now, according to your numbering, one vote appears to have been omitted, and to make sure that is not the case, I would like to at least clarify what has already been done, and I shall not be referring to the remaining votes.

I understand, according to your own numbering, that the last vote was Vote No. 11. Please stop me if I am wrong.

Madam Speaker: This is Vote No. 12, but on those sheets it is a different number. According to my numbering, it is Vote No. 12, that is, Vote 10 in the amount of $1,119,000.

Mr. Pinard: Madam Speaker, we are talking about Vote 10, Department of Finance, and the vote recorded immediately before Vote 10 was Vote L40, Department of External Affairs. What I would like to clear up is that the four votes preceding Vote L40, External Affairs, are deemed to have been agreed to by the House in the same proportion as when we voted on Vote 1, Department of Energy, Mines and Resources. If that is agreed, the record is correct and I have nothing further to add. But if there is no unanimous consent, I would like to make sure that all votes following Vote 1 of the Department of Energy, Mines and Resources have been voted by the House.

Madam Speaker: Just to get things straight, I have the impression that the votes as numbered by the President of the Privy Council (Mr. Pinard) correspond exactly to what the House seems to have agreed to do.

● (2330)

[*English*]

Mr. Deans: Madam Speaker, as you know, I sent you a note, and the reason I rose the last time was for the same purpose. My understanding of the votes to date is that this evening we voted on the amendment of the New Democratic Party and on the main motion of the Leader of the Opposition (Mr. Clark). Then we voted on the following votes: vote 40 in the amount of $5,623,000 under Agriculture; vote 1 in the amount of $94,142,000 under Consumer and Corporate Affairs; vote 5 in the amount of $8,871,000 under Ministry of State for Economic Development; vote 1 in the amount of $17,529,000 Energy, Mines and Resources; vote 5 in the amount of $113,944,000 Energy, Mines and Resources; vote 25 in the amount of $262 million, Energy, Mines and Resources; vote 30 in the amount of $245,758,000, Energy, Mines and Resources, and then we voted, for some reason, on vote L40 in the amount of $299,100,000.

I followed it very closely, Madam Speaker, and my understanding to date was that we did not yet vote on vote 30 in the amount of $43,500,000.

[*Translation*]

Mr. Pinard: Madam Speaker, the hon. member is absolutely right, and that is why I rose to ask the unanimous consent of the House, because the votes that were called also cover Vote 30 in the amount of $43,500,000, Department of External Affairs. If there is no unanimous consent, we shall request a separate vote.

Madam Speaker: Does the House give its unanimous consent to the vote called for No. 6, that is, Vote No. 1, also applying to Vote No. 10, that is, Vote 30, in the amount of $43,500,000, External Affairs? Is there unanimous consent for the vote as recorded for Vote No. 6 to apply to Vote No. 10 as well?

[*English*]

Mr. Deans: Madam Speaker, I should like to propose that vote L40 in the amount of $299,100,000 under External Affairs be applied to vote No. 30 as well, in the amount of $43,500,000 under External Affairs.

Mr. Lambert: Madam Speaker, I think the basic difficulty is that the Chair is working from a numbered list that does not appear on the Order Paper. Everything is confused thereafter. I suggest that the Chair call vote No. 5, department such and such, and that that be the only title to a particular vote.

Madam Speaker: The hon. member for Hamilton Mountain (Mr. Deans) referred to an enumeration which corresponded to the one I had. That is why I answered him, referring to that enumeration. However, I quite agree that the best way to do it is to call the vote.

The hon. member for Hamilton Mountain is asking unanimous consent for the vote for credit L40 in the amount of $299,100,000 for the Department of External Affairs in the proportions registered by the House to be applied to the vote for credit No. 30 in the amount of $43,500,000, Department of External Affairs. Does the House give unanimous consent?

Mr. Nielsen: Madam Speaker, I am afraid that I have that vote recorded as 144 yeas and 126 nays. Everybody else seems to have come to the conclusion that the vote was not taken. If the House is in such confusion that they want to vote twice on the same motion, we are prepared to vote again.

Mr. Broadbent: Madam Speaker, my understanding is that at 25 minutes to 12 this group of rational individuals is set to take about two more hours to vote, if we proceed in this way. I should like to make a serious proposal, to which I hope all parties will agree, and that is that we set aside five minutes for the House leaders of the three parties to organize the vote. Instead of taking two more hours, it could be all over in 25 minutes and we could come back fresh and work in a civilized way tomorrow.

[*Translation*]

Mr. Pinard: Madam Speaker, before considering the suggestion by the hon. member, the Leader of the New

Democratic Party (Mr. Broadbent), I wish to say that an attempt was made well before the House started to vote, and our suggestion was turned down. Before considering his request, however, I would like to clear up the confusion about the vote on Vote 30 in the amount of $43,500,000, Department of External Affairs.

The Chair asked for the unanimous consent of the House. We said yes, the New Democratic Party members say yes and the member for Yukon (Mr. Nielsen) seems to be saying that if we have to vote twice, we are going to vote twice. Perhaps he could say yes or no and if it is no, we can vote on that particular vote. Let us clear this up once and for all.

[*English*]

Mr. Nielsen: Madam Speaker, the leader of the New Democratic Party and his supporters may be perfectly willing to dispense in such an easy fashion with the last vestige of any control or order over the expenditures of the House of Commons. We are not. We are bound by the Standing Orders that were altered in 1969, to follow this ridiculous process—and I agree that it is ridiculous. Nonetheless, those were the changes that were forced down our throats at that time by closure by that government. We are not prepared to dispense so easily and cavalierly with this right of control over the public purse, which is the last function that the opposition has—

Some hon. Members: Hear, hear!

Mr. Deans: Madam Speaker, I cannot allow that to pass. The facts of the matter are that we have already followed a practice not unlike this one in the past, and common sense tells us that where there is the opportunity to expedite the business of the House without forgoing any of the rights of Parliament, then common sense should prevail.

Some hon. Members: Hear, hear!

Madam Speaker: May I ask the House again if the House gives its unanimous consent, as was suggested by the President of the Privy Council (Mr. Pinard), that the vote as recorded in the proportions recorded for credit L40 in the amount of $299,100,000—that the proportion of the votes recorded be applied to vote 30, External Affairs, in the amount of $43,500,000?

Mr. Nielsen: I say again, Madam Speaker, as I said before, that the vote recorded for vote L40 under the Department of External Affairs is 170 yeas and 100 nays. The vote that I have recorded for vote 30 under Department of External Affairs is 144 yeas and 126 nays, so of course we cannot consent.

[*Translation*]

Mr. Pinard: In the circumstances, Madam Speaker, because of this infantile behaviour and this inability to say a straightforward yes, I request a separate vote on Vote 30 in the amount of $43,500,000.

[*English*]

Mr. Clark: Madam Speaker, the House leader of the Liberal Party and the Liberal government may regard Parliament as infantile—

Some hon. Members: Oh, oh!

Some hon. Members: Order!

Mr. Clark: We have faced his attempts to bulldoze democracy before. We did not stand down then and—

Some hon. Members: Hear, hear!

• (2340)

Mr. Clark: We will not allow the government House leader to treat this Parliament with that contempt.

Madam Speaker: The confusion comes from the fact that we are not sure that the vote recorded previously applied to Vote No. 30 in the amount of $43,500,000. Therefore, we have simply decided that a vote as recorded previously applied to that one. We have not voted formally on this particular vote. Therefore, there is no problem for the Chair to put it to the House and we will have a separate vote on it.

Mr. Johnston, seconded by Mr. Pinard, moves that Vote 30, in the amount of $43,500,000 under the Department of External Affairs—

Some hon. Members: Out! Out!

Madam Speaker: Order. The Chair will again put the question to the House, is that agreed?

Some hon. Members: Agreed.

Some hon. Members: Out!

Madam Speaker: Order.

Some hon. Members: Hear, hear!

Madam Speaker: Is everyone settled down?

Mr. Johnston, seconded by Mr. Pinard, moves that Vote 30, in the amount of $43,500,000—the hon. member for Vancouver South (Mr. Fraser).

Mr. Fraser: Madam Speaker, I have been trying with very great difficulty, as I am sure have all hon. members and the Chair, to follow these events tonight. But I do rise to point out to you, Madam Speaker, that what you are reading does not conform with the Order Paper of Monday, June 21, page XXII which says:

June 2, 1982—That Vote 30, in the amount of $250,000—

I am wondering, Madam Speaker—

An hon. Member: We are on page XIX.

Mr. Fraser: Madam Speaker, someone says we are only exhibiting our ignorance. I have to say that most of the members, certainly the public, are now long lost, and I would

ask that you make it very clear what vote we are voting on. In the interest of some common sense around here, perhaps Your Honour could relate what you are referring to to the document which most members have in front of them because they do not have the advantage of your list. That is not too much to ask for, Madam Speaker, and I say this in order to help you in a difficult moment.

Madam Speaker: I thank the hon. member. It seems to me that the question we are voting on is what is put to the House and what I read to the House. If that, for some reason, does not correspond with the Order Paper—

Mr. Lambert: Oh, now just a minute.

Some hon. Members: Oh, oh!

Mr. Lambert: We are not going to have that.

Madam Speaker: What was the hon. member's reference, because this corresponds exactly? We have page 1982 of the Order Paper and Notices.

Some hon. Members: Oh, oh!

Madam Speaker: Page XIX.

Some hon. Members: Hear, hear!

Madam Speaker: That is exactly what I have just read to the House.

I think we have our pages straight now. The hon. member agrees?

MOTION FOR CONCURRENCE IN VOTE 30, DEPARTMENT OF EXTERNAL AFFAIRS

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That Vote 30, in the amount of $43,500,000 under the Department of External Affairs—Canadian International Development Agency—Operating expenditures and authority, in the Main Estimates for the fiscal year ending March 31, 1983 (less the amount voted in Interim Supply), be concurred in.

Madam Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five members having risen:

The House divided on the motion (Mr. Johnston) which was agreed to on the following division:

(Division No. 213)

YEAS

Messrs.

Allmand
Althouse
Anguish
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Benjamin
Berger
Blackburn
Blaikie
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Broadbent
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
Deans
De Bané
de Corneille
de Jong
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Fulton
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Heap
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hovdebo
Hudecki
Irwin
Isabelle
Ittinuar
Jewett (Miss)
Johnston
Joyal
Kaplan
Keeper
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Lewycky
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Manly
Marceau
Massé
Masters
McCauley
McRae
Miller
Munro (Hamilton East)
Murphy
Nicholson (Miss)
Nystrom
Olivier
Orlikow
Ostiguy
Ouellet
Parent
Parker
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Reid (Kenora-Rainy River)
Riis
Roberts
Robinson (Burnaby)
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rose
Rossi
Roy
Savard
Schroder
Simmons
Skelly
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis
Young—170.

NAYS

Messrs.

Andre
Baker (Nepean-Carleton)
Beatty
Blenkarn
Bosley
Bradley
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer

Messrs.

Darling	Jarvis	Neil
Dick	Jelinek	Nickerson
Dinsdale	Kempling	Nielsen
Domm	Kilgour	Nowlan
Ellis	King	Oberle
Elzinga	Korchinski	Paproski
Epp	Kushner	Patterson
Fennell	Lambert	Reid (St. Catharines)
Forrestall	La Salle	Roche
Fraser	Lawrence	Schellenberger
Fretz	Lewis	Scott (Hamilton-Wentworth)
Friesen	MacDonald (Miss)	Scott (Victoria-Haliburton)
Gamble	MacKay	Shields
Gass	Malone	Siddon
Gilchrist	Mayer	Speyer
Greenaway	Mazankowski	Stevens
Gurbin	McCain	Stewart
Gustafson	McCuish	Taylor
Halliday	McDermid	Thacker
Hamilton (Qu'Appelle-Moose Mountain)	McGrath	Thomson
	McKenzie	Towers
Hamilton (Swift Current-Maple Creek)	McKinnon	Vankoughnet
	McKnight	Wenman
Hargrave	McLean	Wilson
Hawkes	McMillan	Wise
Hnatyshyn	Mitges	Wright—99.
Howie	Munro (Esquimalt-Saanich)	
Huntington	Murta	

● (2350)

Madam Speaker: I declare the motion carried.

Vote 30 agreed to.

Mr. Deans: Madam Speaker, I rise on a point of order. I never get discouraged. I would ask for the concurrence of the House to have the vote that we have just taken recorded similarly for Vote 75 in the amount of $5,284,000 under the Department of Industry, Trade and Commerce and Vote 45 in the amount of $110,908,000 under the Department of National Health and Welfare. On the paper I have they would be listed under number 17 and number 21.

Madam Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Nielsen: Madam Speaker, we are seeing an attempt at grandstanding, which is quite outside of the Standing Orders.

Some hon. Members: Oh, oh!

Mr. Nielsen: They laugh over there at the right of the opposition to question supply by this process, the only process available to us. Standing Order 58(10) requires the Chair to put every question necessary to dispose of these proceedings forthwith successively without debate or amendment. That is what we should be doing without entertaining grandstanding points of order, propositions and negotiating on the floor of the House. These are the proceedings of supply. It is our last opportunity to oppose estimates.

Some hon. Members: Hear, hear!

Mr. Broadbent: Madam Speaker, I rise on a point of order. The Conservative House leader having—

Some hon. Members: Oh, oh!

Mr. Broadbent: Quiet down and listen for a change, Mr. Clark.

Some hon. Members: Shame.

Some hon. Members: Sit down, Ed.

Mr. Broadbent: Madam Speaker, I rise on a point of order. If the great respecters of parliamentary tradition to my right would listen, they would obey the rules and let the Speaker recognize the person who has the floor.

I would like to suggest to the Conservatives, having demonstrated their profound understanding of democracy, that perhaps they will give unanimous consent to allow the pages to go home at this point.

Some hon. Members: Oh, oh!

An hon. Member: If you cannot stand the heat, get out of the kitchen, Ed.

Madam Speaker: It might be more difficult to operate without the pages. They are essential to the operation of this House, especially at this late hour. However, if the House agrees, those pages who want to go home, might go home and those who want to stay, can stay and work.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Madam Speaker: The hon. member for Yukon (Mr. Nielsen) is right, of course, that unless the House gives its unanimous consent to other than what is provided for in the Standing Orders each vote should be taken separately. I did ask the House for its consent. Obviously, we do not have unanimous consent to apply certain votes to some of the votes.

I will now proceed.

Mr. Harquail: Madam Speaker, I plead my own rights with respect to the interventions we have already heard tonight in the event they could be misleading. We are also prepared to vote and we are here to vote. We call also for the protection of our own rights to continue with the vote in accordance with the way it is laid down in the Standing Orders.

Some hon. Members: Hear, hear!

MOTION FOR CONCURRENCE IN VOTE 20, DEPARTMENT OF FINANCE

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That Vote 20, in the amount of $11,094,000 under the Department of Finance—Insurance—Program expenditures, in the Main Estimates for the

fiscal year ending March 31, 1983 (less the amount voted in Interim Supply), be concurred in.

Madam Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five members having risen:

The House divided on the motion (Mr. Johnston) which was agreed to on the following division:

(*Division No. 214*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—143.

NAYS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Korchinski
Kushner
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitges
Munro (Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright
Young—125.

Madam Speaker: I declare the motion carried.

Vote 20 agreed to.

MOTION FOR CONCURRENCE IN VOTE 1, DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That Vote 1, in the amount of $43,532,000 under the Department of Indian Affairs and Northern Development—Administration—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1983 (less the amount voted in Interim Supply), be concurred in.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five members having risen:

The House divided on the motion (Mr. Johnston) which was agreed to on the following division:

(Division No. 215)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—143.

NAYS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Korchinski
Kushner
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitges
Munro (Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright
Young—125.

● (0010)

Madam Speaker: I declare the motion carried.

Vote 1 agreed to.

MOTION FOR CONCURRENCE IN VOTE 5, DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That Vote 5, in the amount of $9,094,106 under the Department of Industry, Trade and Commerce—Trade-Industrial Program—Metric Commission, in the Main Estimates for the fiscal year ending March 31, 1983 (less the amount voted in Interim Supply), be concurred in.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five members having risen:

The House divided on the motion (Mr. Johnston) which was agreed to on the following division:

(*Division No. 216*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—143.

NAYS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Korchinski
Kushner
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitges
Munro (Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright
Young—123.

● (0020)

Madam Speaker: I declare the motion carried.

Vote 5 agreed to.

[*Translation*]

MOTION FOR CONCURRENCE IN VOTE 65, EXPORT DEVELOPMENT CORPORATION

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That Vote 65, in the amount of $58,000,000 under the Department of Industry, Trade and Commerce—Export Development Corporation, in the Main Estimates for the fiscal year ending March 31, 1983 (less the amount voted in Interim Supply), be concurred in.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion, the yeas have it.

And more than five members having risen:

Madam Speaker: Call in the members. Shall we dispense with the ringing of the bells?

Some hon. Members: Agreed.

The House divided on the motion (Mr. Johnston) which was agreed to on the following division:

(*Division No. 217*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—142.

NAYS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Korchinski
Kushner
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitges
Munro (Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright
Young—123.

● (0030)

Madam Speaker: I declare the motion carried.

Vote 65 agreed to.

[*English*]

Mr. Deans: Madam Speaker, I would like to suggest in the interest of the members that perhaps we might consider the vote just taken, which I read to be vote No. 60, to be applied equally to Votes Nos. 18, 20 and 22.

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: There is no unanimous consent.

[*Translation*]

MOTION FOR CONCURRENCE IN VOTE 75, FOREIGN INVESTMENT REVIEW AGENCY

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That Vote 75, in the amount of $5,284,000 under the Department of Industry, Trade and Commerce—Foreign Investment Review Agency, in the Main Esti-

mates for the fiscal year ending March 31, 1983 (less the amount voted in Interim Supply), be concurred in.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion, the yeas have it.

And more than five members having risen:

Madam Speaker: Call in the members. Shall we dispense with the ringing of the bells?

Some hon. Members: Agreed.

The House divided on the motion (Mr. Johnston) which was agreed to on the following division:

(*Division No. 218*)

YEAS

Messrs.

Allmand
Althouse
Anguish
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blackburn
Blaikie
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Broadbent
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
Deans
De Bané
de Corneille
de Jong
Deniger
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Fulton
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Heap
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hovdebo
Hudecki
Irwin
Isabelle
Ittinuar
Jewett (Miss)
Johnston
Joyal
Kaplan
Keeper
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Lewycky
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Manly
Marceau
Massé
Masters
McCauley
McRae
Miller
Munro (Hamilton East)
Murphy
Nicholson (Miss)
Nystrom
Olivier
Ouellet
Parent
Parker
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Reid (Kenora-Rainy River)
Riis
Roberts
Robinson (Burnaby)
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rose
Rossi
Roy
Savard
Schroder
Simmons
Skelly
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis
Young—164.

NAYS

Messrs.

Andre
Baker (Nepean-Carleton)
Beatty
Blenkarn
Bosley
Bradley
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Corbett
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Hnatyshyn
Howie
Huntington
Jarvis
Jelinek
Kempling
Kilgour
King
Korchinski
Kushner
Lambert
La Salle
Lawrence
Lewis
MacDonald (Miss)
MacKay
Malone
Mayer
Mazankowski
McCain
McCuish
McDermid
McKenzie
McKinnon
McKnight
McLean
McMillan
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nickerson
Nielsen
Nowlan
Oberle
Paproski
Patterson
Reid (St. Catharines)
Roche
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright—96.

Madam Speaker: I declare the motion carried.

Vote 75 agreed to.

MOTION FOR CONCURRENCE IN VOTE 10, CANADIAN UNITY INFORMATION CENTRE

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That Vote 10, in the amount of $25,073,000 under the Department of Justice—Canadian Unity Information Office, in the Main Estimates for the fiscal year ending March 31, 1983 (less the amount voted in Interim Supply), be concurred in.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour of the motion will please say yea.

Some hon. Members: yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five members having risen:

Madam Speaker: Call in the members. Shall we dispense with the ringing of the bell?

Some hon. Members: Agreed.

The House divided on the motion (Mr. Johnston), which was agreed to on the following division.

(*Division No. 219*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—142.

NAYS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Korchinski
Kushner
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitges
Munro (Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright
Young—125.

● (0040)

Madam Speaker: I declare the motion carried.

Vote 10 agreed to.

Mr. Lachance: Madam Speaker, I rise on a point of order. I would like to draw your attention to the fact that I was in the House during the last roll call, even though the record will show that I did not take part in the vote.

MOTION FOR CONCURRENCE IN VOTE 30, ADMINISTRATION OF FEDERAL JUDICIAL AFFAIRS

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That Vote 30, in the amount of $250,000 under the Department of Justice for Administration of Federal Judicial Affairs—Canadian Judicial Council, in the Main Estimates for the fiscal year ending March 31, 1983 (less the amount voted in Interim Supply), be concurred in.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five members having risen:

Madam Speaker: Call in the members. Shall we dispense with the ringing of the bells?

Some hon. Members: Agreed.

The House divided on the motion (Mr. Johnston) which was agreed on the following division:

● (0050)

(*Division No. 220*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Baker (Nepean-Carleton)
Beatty
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Blenkarn
Bloomfield
Bockstael
Bosley
Bossy
Bradley
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Cardiff
Carney (Miss)
Chénier
Chrétien
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Collenette
Comtois
Cook
Cooper
Corbett
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Cullen
Cyr
Dantzer
Darling
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Dick
Dingwall
Dinsdale
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Domm
Dubois
Duclos
Dupont
Dupras
Duquet
Ellis
Elzinga
Epp
Erola (Mrs.)
Ethier
Evans
Fennell
Ferguson
Fisher
Fleming
Flis
Forrestall
Foster
Fox
Francis
Fraser
Fretz
Friesen
Frith
Gamble
Garant
Gass
Gauthier
Gendron
Gilchrist
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Greenaway
Guilbault
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Harquail
Hawkes
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hnatyshyn
Hopkins
Howie
Hudecki
Huntington
Irwin
Isabelle
Jarvis
Jelinek
Johnston
Joyal
Kaplan
Kelly
Kempling
Kilgour
Killens (Mrs.)
King
Korchinski
Kushner
Lachance
Lajoie
Lalonde
Lambert
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
La Salle
Lawrence
LeBlanc
Leduc
Lefebvre
Lewis
Loiselle
Lumley
MacBain
MacDonald (Miss)
MacEachen
MacGuigan
Mackasey
MacKay
MacLaren
MacLellan
Malépart
Malone
Maltais
Marceau
Massé
Masters
Mayer
Mazankowski
McCain
McCauley
McCuish
McDermid
McGrath
McKenzie
McKinnon
McLean
McMillan
McRae
Mitges
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murta
Neil
Nicholson (Miss)
Nielsen
Nowlan
Oberle
Olivier
Ostiguy
Ouellet
Paproski
Parent
Patterson
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Reid (St. Catharines)
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Roche
Rompkey
Rooney
Rossi
Roy
Savard
Schellenberger
Schroder
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Simmons
Smith
Speyer
Stevens
Stewart
Tardif
Taylor
Tessier
Thacker
Thomson
Tobin
Tousignant
Towers
Trudeau
Turner
Vankoughnet
Veillette
Watson
Weatherhead
Wenman
Whelan
Wilson
Wise
Wright
Yanakis—239.

NAYS

Messrs.

Althouse	Heap	Nystrom
Anguish	Hovdebo	Orlikow
Benjamin	Ittinuar	Parker
Blackburn	Jewett (Miss)	Riis
Blaikie	Keeper	Robinson (Burnaby)
Broadbent	Lewycky	Rose
Deans	Manly	Skelly
de Jong	Miller	Young—26.
Fulton	Murphy	

[*English*]

Mr. Nielsen: Madam Speaker, on a point of order. I wonder if we could have an explanation as to which side of his mouth the hon. member for Hamilton Mountain (Mr. Deans) was voting from.

Some hon. Members: Oh, oh!

Madam Speaker: Are we right in presuming that the hon. member for Oshawa (Mr. Broadbent), the hon. member for Hamilton Mountain and the hon. member for Mission-Port Moody (Mr. Rose) should be counted with the nays?

An hon. Member: Agreed.

Mr. Clark: More or less!

[*Translation*]

Madam Speaker: I declare the motion carried.

Credit 30 agreed to.

MOTION FOR CONCURRENCE IN VOTE 10, HEALTH AND SOCIAL SERVICES

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That Vote 10, in the amount of $103,448,000 under the Department of National Health and Welfare—Health and Social Services—Grants and contributions, in the Main Estimates for the fiscal year ending March 31, 1983 (less the amount voted in Interim Supply), be concurred in.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five members having risen:

Madam Speaker: Call in the members. Shall we dispense with the ringing of the bells?

Some hon. Members: Agreed.

The House divided on the motion (Mr. Johnston) which was agreed to on the following division:

(*Division No. 221*)

YEAS

Messrs.

Allmand	Duclos	Lumley
Appolloni (Mrs.)	Dupras	MacBain
Axworthy	Duquet	MacEachen
Bachand	Erola (Mrs.)	MacGuigan
Baker (Gander-Twillingate)	Ethier	Mackasey
Beauchamp-Niquet (Mrs.)	Evans	MacLaren
Bégin (Miss)	Ferguson	MacLellan
Berger	Fisher	Malépart
Blais	Fleming	Maltais
Blaker	Flis	Marceau
Bloomfield	Foster	Massé
Bockstael	Fox	Masters
Bossy	Francis	McCauley
Breau	Frith	McRae
Bujold	Garant	Munro (Hamilton East)
Burghardt	Gauthier	Nicholson (Miss)
Bussières	Gendron	Olivier
Caccia	Gimaïel	Ostiguy
Campbell (Miss) (South West Nova)	Gingras	Ouellet
Campbell (LaSalle)	Gourde (Lévis)	Parent
Campbell (Cardigan)	Gray	Pelletier
Chénier	Guilbault	Penner
Chrétien	Harquail	Pepin
Collenette	Henderson	Peterson
Comtois	Herbert	Pinard
Corbin	Hervieux-Payette (Mrs.)	Portelance
Corriveau	Hopkins	Regan
Cosgrove	Hudecki	Reid (Kenora-Rainy River)
Côté (Mrs.)	Irwin	Roberts
Cousineau	Isabelle	Robinson (Etobicoke-Lakeshore)
Cullen	Johnston	Rompkey
Cyr	Joyal	Rooney
Daudlin	Kaplan	Rossi
Dawson	Kelly	Roy
De Bané	Killens (Mrs.)	Savard
de Corneille	Lachance	Schroder
Demers	Lajoie	Simmons
Deniger	Lalonde	Smith
Dingwall	Lamontagne	Tessier
Dion	Landers	Tobin
Dionne (Chicoutimi)	Lang	Tousignant
Dionne (Northumberland-Miramichi)	Laniel	Trudeau
Dubois	Lapierre	Turner
	Lapointe (Charlevoix)	Veillette
	Lapointe (Beauce)	Watson
	LeBlanc	Weatherhead
	Leduc	Whelan
	Lefebvre	Yanakis—140.
	Loiselle	

NAYS

Messrs.

Althouse	Beatty	Bosley
Andre	Benjamin	Bradley
Anguish	Blackburn	Broadbent
Baker (Nepean-Carleton)	Blaikie	Cardiff
	Blenkarn	Carney (Miss)

Messrs.

Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Corbett
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Dantzer
Darling
Deans
de Jong
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Korchinski
Kushner
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss)
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitges
Munro (Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Nystrom
Oberle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright
Young—119.

Madam Speaker: I declare the motion carried.

Vote 10 agreed to.

● (0100)

MOTION FOR CONCURRENCE IN VOTE 45, MEDICAL RESEARCH COUNCIL

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That Vote 45, in the amount of $11,908,000 under the Department of National Health and Welfare—Medical Research Council—Grants, in the Main Estimates for the fiscal year ending March 31, 1983 (less the amount voted in Interim Supply), be concurred in.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five members having risen:

Madam Speaker: Call in the members. Shall we dispense with the ringing of the bells?

Some hon. Members: Agreed.

The House divided on the motion (Mr. Johnston) which was agreed to on the following division:

(*Division No. 222*)

YEAS

Messrs.

Allmand
Althouse
Anguish
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Benjamin
Berger
Blackburn
Blaikie
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Broadbent
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
Deans
De Bané
de Corneille
de Jong
Demers
Deniger
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Forrestall
Foster
Fox
Francis
Frith
Fulton
Gamble
Garant
Gass
Gauthier
Gendron
Gilchrist
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Heap
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hovdebo
Hudecki
Huntington
Irwin
Isabelle
Ittinuar
Jewett (Miss)
Johnston
Joyal
Kaplan
Keeper
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Lewycky
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Manly
Marceau
Massé
Masters
McCauley
McRae
Miller
Munro (Esquimalt-Saanich)
Munro (Hamilton East)
Murphy
Nicholson (Miss)
Nystrom
Olivier
Orlikow
Ostiguy
Ouellet
Parent
Parker
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Reid (Kenora-Rainy River)
Riis
Roberts
Robinson (Burnaby)
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rose
Rossi
Roy
Savard
Schroder
Simmons
Skelly
Smith
Speyer
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis
Young—176.

NAYS

Messrs.

Andre
Baker (Nepean-Carleton)
Beatty
Blenkarn
Bradley
Cardiff
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Corbett
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Dantzer
Darling
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Hnatyshyn
Howie
Jarvis
Jelinek
Kempling
Kilgour
King
Kushner
Lambert
La Salle
Lawrence
Lewis
MacDonald (Miss)
Malone
Mayer
Mazankowski
McCain
McCuish
McKenzie
McKinnon
McKnight
Mitges
Murta
Nickerson
Nielsen
Oberle
Patterson
Reid (St. Catharines)
Roche
Scott (Victoria-Haliburton)
Shields
Siddon
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright—68.

● (0110)

Madam Speaker: I declare the motion carried.

Vote 45 agreed to.

MOTION FOR CONCURRENCE IN VOTE 1—PROGRAM EXPENDITURES—PRIVY COUNCIL

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That Vote 1, in the amount of $28,639,667 under the Privy Council—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 1983 (less the amount voted in Interim Supply), be concurred in.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

And more than five members having risen:

Madam Speaker: Call in the members. Shall we dispense with the ringing of the bells?

Some hon. Members: Agreed.

The House divided on the motion (Mr. Johnston) which was agreed to on the following division:

(Division No. 223)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—140.

NAYS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Corbett
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Dinsdale
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble

Messrs.

Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hnatyshyn
Hovdebo
Howie
Huntington
Ittinuar
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Korchinski
Kushner
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDonald
(Miss)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitges
Munro
(Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Nystrom
Oberle
Orlikow
Paproski
Parker
Patterson
Reid
(St. Catharines)
Riis
Robinson
(Burnaby)
Roche
Rose
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wenman
Wilson
Wise
Wright
Young—123.

● (0120)

Madam Speaker: I declare the motion carried.

Vote 1 agreed to.

MOTION FOR CONCURRENCE IN MAIN ESTIMATES, 1982-83

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That the Main Estimates for the fiscal year ending March 31, 1983, laid upon the Table, Tuesday, February 23, 1982, except those items disposed of earlier this day and less the amounts voted in Interim Supply, be concurred in.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: On division.

Motion agreed to.

MOTION FOR CONCURRENCE IN SUPPLEMENTARY ESTIMATES (A)

Hon. Donald J. Johnston (President of the Treasury Board) moved:

That the Supplementary Estimates (A) for the fiscal year ending March 31, 1983, laid upon the Table, Tuesday, June 1, 1982, be concurred in.

Madam Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: On division.

Motion agreed to.

Mr. Johnston thereupon moved that Bill C-121, an act to grant Her Majesty certain sums of money for the public service for the financial year ending March 31, 1983, be read the first time and be printed.

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

Mr. Johnston thereupon moved that Bill C-121, an act to grant Her Majesty certain sums of money for the public service for the financial year ending March 31, 1982, be read the second time and referred to the Committee of the Whole.

Motion agreed to, bill read the second time and the House went into committee thereon. Mr. Francis in the Chair.

[*English*]

The Chairman: Shall Clause 2 carry?

Some hon. Members: Agreed.

Mr. Nielsen: On division on all of them.

Clauses 2 to 6 inclusive agreed to.

Mr. Lambert: Mr. Chairman, I rise on a point of order. I should like to get clarification on a statement directly from the President of the Treasury Board, that this Appropriation Act contains no legislative enactment, so that we can have quoted, as we were earlier today, that certain practices objected to by the hon. member for Calgary Centre had been approved, allegedly, by an Appropriation Act, giving legislative authority for those particular points. The question is, simply, are there any legislative enactments contained in the language of this bill?

● (0130)

Mr. Johnston: As I pointed out in the course of the debate on the point of order on Friday, there are no new legislative decisions contained in this bill.

Mr. Nielsen: Mr. Chairman, reading from page 22 of the bill of schedule A, Privy Council office, Vote 1, Privy Council we read the following:

Program expenditures, including the operation of the Prime Minister's residence; the payment to each member of the Queen's Privy Council for Canada who is a Minister without Portfolio or a Minister of State who does not preside over a ministry of State of a salary equal to the salary paid to Ministers of State—

The question I want to ask at this time concerns the Minister of State no one knows for what. We are not permitted to ask. The provisions of the Financial Administration Act, Section 23, require that upon appointment a minister of state, in order to lawfully hold that position and draw that salary, must have a responsibility allotted to him. This Minister of State—I cannot even name him correctly because we do not know his responsibility—is not so appointed.

Unless that matter is cleared up to our satisfaction—perhaps he has a responsibility by now—Section 23 of the Financial Administration Act certainly clearly sets forth that he must do. I would suggest that the Prime Minister explain what

that responsibility now is before we are called upon to vote for this measure. I believe, unlike the vote that was just taken a moment ago, there is in our practices a prohibition, or at least an inhibition, applying to members voting on a measure in which they have a pecuniary interest unless they declare that interest. However, I will not press that point. I do press, however, the point of the responsibility, if I could have a reply from the Prime Minister.

The Chairman: This morning, the Speaker did rule on the point of order raised by the hon. member for Yukon, and ruled that this item was admissible.

[*Translation*]

Mr. Pinard: Mr. Chairman, the member for Yukon is raising a point of parliamentary practice. Both parliamentary practice and Standing Order 58(10) are perfectly clear on the fact that at this stage, there shall be no questions put nor any debate; questions are to be read by the Chair immediately and put to a vote.

[*English*]

Mr. Nielsen: Mr. Chairman, the items are at this stage. I am not referring to a point of order raised today. I am referring to a question which surely the Prime Minister is required to explain in response to a civil question put to him. What responsibility does the Minister of State from Hochelaga-Maisonneuve have?

Mr. Trudeau: Mr. Chairman, the member is asking a civil question. I would be happy to deal with it at some other time. However, the rules at this time call for us to vote without debate, and that is what I propose to do.

The Chairman: Shall Schedule A carry?

Mr. Clark: Mr. Chairman, this is one of the rare occasions when we have the Prime Minister in committee. Perhaps there is no explanation. Perhaps there are no services performed by the Minister of State from Hochelaga-Maisonneuve.

This House of Commons has just been put in a situation imposed upon us by closure by a former Liberal government of having to ram through billions of dollars of estimates without adequate debate. We now have a situation where we are asked to approve a particular estimate that pays a ministerial salary to a minister who apparently does nothing at all except perhaps help the Minister of Justice and his various propagandist activities in the province of Quebec.

It is a very legitimate question. If the Prime Minister has something to tell the House—the Prime Minister has just indicated that he has nothing to tell the House. That clearly indicates that the Minister of State has no responsibilities that merit his collection of a substantial ministerial salary.

Some hon. Members: Hear, hear!

Mr. Clark: Why, in the name of God, are we paying this man so much money when his own boss does not know what in the world he does?

The Chairman: The rules of the House do not provide for debate at this stage. The hon. member has posed his question and, at this stage, as chairman of Committee of the Whole I must put the vote. Is the House ready for the question?

Mr. Pinard: Mr. Chairman, let me, just to set the record straight, and it is important for us to do it tonight because we have been misled by the opposition, once by the hon. member for Yukon and now by the Leader of the Opposition. The supply rules were adopted unanimously on December 20, 1968, and not by closure. He should know the facts before making such accusations.

Mr. Clark: Mr. Chairman—

Some hon. Members: Order, order.

Mr. Clark: Since the architect for the government side in the bells matter has now entered the debate, and since he is apparently answering for his silent Prime Minister who can tell Canadians nothing except that he intends to scare people to death while he is spending millions and millions of Canadian dollars—

Some hon. Members: Order.

The Chairman: The rules of the House provide at this stage that all questions shall be put, and I am quoting, " . . . forthwith successively, without debate or amendment" in accordance with Standing Order 58, subsection 10. With all due respect to the parties involved, the Chair will now put the question.

Mr. Nielsen: Mr. Chairman, on a point of order—

Some hon. Members: Order, order.

Mr. Nielsen: It is a long-standing practice of this House that members having a pecuniary interest in a matter upon which they vote are obliged to declare that interest. I therefore suggest that the Minister of State, for whatever responsibility he has, if he has one which I do not think he does, should rise in his place and declare whether or not he is minister of state drawing any money attached to that position.

Some hon. Members: Order.

The Chairman: The hon. member for Yukon again raises another point of order. I have to rule that it is quite apparent the capacity in which the hon. member would draw his salary. This does not relate to a personal conflict of interest that is in connection with whatever duties are assigned to him in the House of Commons.

Mr. Clark: What are they? There are none.

The Chairman: Again, I am referring to the rules of the House. The rules provide that at this stage questions shall be put forthwith successively without debate. I am therefore calling for the vote.

Some hon. Members: Take the vote.

Mr. Taylor: Mr. Chairman, on a point of order, we are not rubber stamps.

Some hon. Members: Sit down.

Mr. Taylor: We refuse to be rubber stamps.

The Chairman: With all due respect to the hon. member, we have Standing Order 58 which provides for votes to be called at a certain stage. I have recognized a number of members who have raised points or order and who have put questions to the government. At this stage I will ask those in favour of Schedule A to please rise.

Some hon. Members: Order.

Mr. Nielsen: Order. Learn your business.

The Chairman: The Chair is asking for yeas and nays on Schedule A.

Mr. Nielsen: No one has asked for yeas and nays.

Some hon. Members: Sit down.

Mr. Nielsen: A point of order.

Some hon. Members: Sit down.

• (0140)

Mr. Clark: Those fascists over there.

Mr. Nielsen: We are entitled, Mr. Chairman, to allow the—

The Chairman: On Schedule A, those in favour will please say yea.

Some hon. Members: Yea.

The Chairman: All those opposed will please say nay.

Some hon. Members: Nay.

The Chairman: Those in favour will please rise.

Mr. Nielsen: I rise on a point of order. I rise on a point of order!

Mr. Clark: Order! Order!

Mr. Nielsen: I want to be heard on a point of order!

Mr. Clark: Thief, thief, thief!

And the members of the Official Opposition having left the chamber:

The Chairman: All those in favour will please rise.

All those opposed will please rise.

Schedule A agreed to: yeas, 136; nays 24.

The Chairman: When shall Schedule B carry?

Some hon. Members: Now.

The Chairman: Those in favour will please say yea.

Some hon. Members: Yea.

The Chairman: Those opposed will please say nay.

Some hon. Members: Nay.

The Chairman: Those in favour of Schedule B will please rise.

Those opposed will please rise.

Schedule B agreed to.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

[*Translation*]

Mr. Johnston moved that the bill be concurred in.

[*English*]

Madam Speaker: On division?

Mr. Deans: No.

Mr. Trudeau: They want a vote.

An hon. Member: Ring the bells.

Mr. Deans: No.

Madam Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five members having risen:

Madam Speaker: Call in the members.

Some hon. Members: Dispense with the bells.

[*Translation*]

Mr. Pinard: Madam Speaker, I ask the unanimous consent of the House that the bells be dispensed with in calling this vote.

[*English*]

Madam Speaker: Does the House agree to dispensing with the bells?

Some hon. Members: Agreed.

Some hon. Members: Hear, hear!

The House divided on the motion (Mr. Johnston) which was agreed to on the following division:

(Division No. 224)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—140.

NAYS

Messrs.

Althouse
Anguish
Benjamin
Blaikie
Broadbent
Deans
de Jong
Heap
Hovdebo
Ittinuar
Jewett (Miss)
Keeper
Lewycky
Manly
Miller
Murphy
Nystrom
Orlikow
Parker
Riis
Robinson (Burnaby)
Rose
Skelly
Young—24.

● (0150)

Madam Speaker: I declare the motion carried.

Motion agreed to.

Mr. Johnston moved that the bill be read the third time and do pass.

Motion agreed to and bill read the third time and passed.

Madam Speaker: It being nearly two o'clock in the morning, this House stands adjourned—

[*Translation*]

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

On a point of order, Madam Speaker.

Madam Speaker: The President of the Privy Council (Mr. Pinard), on a point of order.

Mr. Pinard: Madam Speaker, in a few days it will be the first of July, and the first of July is Canada Day as we all know. Since this evening we seem to have cleared the air in this House and a more parliamentary spirit seems to prevail, I would ask the unanimous consent of the House for proceeding quickly with all stages of the bill to make the first of July Canada Day.

[*English*]

Mr. Deans: Madam Speaker, in the absence of the official opposition, I do not think that would be an appropriate move this evening.

[*Translation*]

Madam Speaker: There is no unanimous consent. It being nearly two o'clock in the morning, the House stands adjourned until two o'clock this afternoon, in accordance with the provisions of Standing Order 2(1).

At 1.54 a.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, June 22, 1982

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

UNEMPLOYMENT INSURANCE

STATUS OF FUND—MOTION UNDER S.O. 43

Mr. Dave Nickerson (Western Arctic): Madam Speaker, as the Liberal recession continues to put more and more Canadians out of work, the unemployment insurance fund is running dangerously low. Therefore I move, seconded by the hon. member for Bow River (Mr. Taylor):

That the Minister of Employment and Immigration table the latest figures showing the extent of this depletion and advise the House of how much he plans to increase unemployment insurance premiums to make up the shortfall.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ESTIMATES

POSITION TAKEN BY GOVERNMENT AND SUPPORTERS—MOTION UNDER S.O. 43

Mr. Don Blenkarn (Mississauga South): Madam Speaker, last evening the government clearly indicated to the country that it has no intention of cutting back on government expense. The opposition stuck its neck out and was prepared to eliminate programs totalling nearly $1.5 billion, yet the government blindly has decided to spend its way into national bankruptcy. I therefore move, seconded by the hon. member for Brampton-Georgetown (Mr. McDermid):

That this House condemns the government and the members of the Liberal Party who blindly voted to maintain programs of government expense that are no longer essential in this time of economic depression.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

CANADA LABOUR CODE

SUGGESTED AMENDMENTS—MOTION UNDER S.O. 43

Mr. Rod Murphy (Churchill): Madam Speaker, in light of the 1,000 deaths, 20,000 disabling injuries, and 15,000 fatal cancer-causing incidents occurring each year in the Canadian workplace, I move, seconded by the hon. member for Winnipeg-St. James (Mr. Keeper):

That this Liberal government stop stalling on promises made two years ago, and that the Minister of Labour introduce changes to Part IV of the Canada Labour Code, accepting the recommendations of the NDP task force entitled "Graveyard Shifts, Life and Death on the Job in Canada" released yesterday, and use that as a basis for government action to save the health and lives of Canadian workers.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

PORTS

CHURCHILL—MEASURES TO IMPROVE UTILIZATION—MOTION UNDER S.O. 43

Mr. Doug Neil (Moose Jaw): Madam Speaker, whereas the government has never given serious thought to the proper utilization of the Port of Churchill, I therefore move, seconded by the hon. member for Portage-Marquette (Mr. Mayer):

That the Minister of Transport discuss the potential of Churchill with the responsible ministers from the three prairie provinces; consider the construction of ships with icebreaking capability for use on the Hudson Bay Route which would have the effect of not only lengthening the shipping season but of acting as a stimulant for our shipbuilding industry; and further discuss with the Minister of Defence the possibility of manning the icebreakers with naval personnel from the Canadian Armed Forces.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

METRIC CONVERSION

EXEMPTION SOUGHT FOR INDEPENDENT FOOD RETAILERS—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, I rise on a matter of pressing necessity for the small retail food store owners of Canada. At yesterday's emergency meeting for some of the members of the working group on scales, the wishes of the small independent food retailers were overridden by a self-interested group of government and metric scale company employees. This meeting was no more than a setup to lend false justification to the government's policy. Therefore I move, seconded by the hon. member for Bow River (Mr. Taylor):

That the government finally give at least one part of the small business community in Canada a break and allow some of them to be exempt from these ridiculous regulations—passed by order in council—which force them to buy expensive new metric weigh scales at a time when hundreds of them are staring bankruptcy in the face and are being forced to close their doors.

It should be noted that our national electronic and newspaper networks announced the heir apparent to the Canadian throne in our conventional Canadian form of weights and measures as a strapping, healthy, bouncing boy of seven pounds one and a half ounces.

Some hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE ECONOMY

INCREASE IN CONSUMER PRICE INDEX—MOTION UNDER S.O. 43

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, I rise under the provisions of Standing Order 43. In light of today's announced increases in the consumer price index, notably the increase in food costs, I move, seconded by the hon. member for The Battlefords-Meadow Lake (Mr. Anguish):

That this House recognizes that the increase in the CPI has been 47 per cent in the period 1977 to 1981 and is cognizant that farm costs have risen much faster than the CPI during that period—notably, fuel costs up 85 per cent; fertilizer costs up 70 per cent; tractor costs up 65 per cent; pesticide costs up 50 per cent—and urges that the government forgo the proposed July 1 increase in the energy agreement of $2.25 a barrel, or seven cents per gallon, which becomes effective September 1.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1410)

CANADA DAY CELEBRATIONS

PROPOSED FIREWORKS AT YELLOWKNIFE, N.W.T.—MOTION UNDER S.O. 43

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Once again the Liberal government's priorities are going up in smoke. The city of Yellowknife has been told to take $83,000 for daylight fireworks or get nothing for the Dominion Day celebrations even though it requested that the money be used for desperately needed health services. I move, seconded by the hon. member for Grey-Simcoe (Mr. Mitges):

That this House demands that the government see daylight by eliminating the wasteful and frivolous expenditures on badges, balloons and fireworks and redirect these funds to other areas in desperate need of additional support such as the bankrupt farmers and the unemployed, and that Yellowknife be commended for taking a practical and common sense stand on this explosive issue.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

DOMINION DAY

FUNDING FOR CELEBRATIONS IN ALBERTA—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. In that the federal government has allocated $270,000 for the Province of Alberta to celebrate Dominion Day at a time when a large number of young married couples are having a hard time buying groceries, I move, seconded by the hon. member for Wetaskiwin (Mr. Schellenberger):

That the $270,000 be used for the more practical purpose of assisting in some positive way the people who are unemployed, declaring bankruptcy, and are having difficulties putting groceries on the table for their families.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

ESTIMATES

VOTE ON FUNDING FOR MEDICAL RESEARCH COUNCIL—MOTION UNDER S.O. 43

Mr. Jim Fulton (Skeena): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. In view of the fact that a vote was taken last night on funding for the

Medical Research Council, with 176 in favour and 68 opposed, and in light of the fact that the objectives of the Council are to expand the scientific and technological base for health care and to provide a research base for health services across Canada, and since 68 Conservatives voted against funding for scientific medical research into health care, while some 20 Conservatives found their party policy so stupid they did not vote for or against the funding, and some seven other Tories were so disgusted with their neanderthal party policy that they voted for health care, I move, seconded by the hon. member for Winnipeg-Birds Hill (Mr. Blaikie):

That the people of Canada be informed that a Conservative government would destroy medicare more quickly than the Liberals, and by terminating funds for medical research would be opting for the long sought Tory policy of free enterprise medical research—where research is done only on diseases that affect the wealthy.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

THE ADMINISTRATION

DEMAND FOR GENERAL ELECTION—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. The fiscal programs of this federal Liberal government are disastrous failures. This government wrestles inflation, and inflation goes up and up; it presents a budget, and farm and business bankruptcies double; it bolsters the dollar, and the dollar sinks lower and lower; it talks about new jobs, and unemployment soars; and it argues at Versailles against high interest rates, and then increases the interest rates in Canada. Therefore I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That this House requests the Governor General to call an election because this government has lost all credibility, and heaven help Canada if we have to put up with this administration for another three years.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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EDUCATION

FACILITIES FOR HEARING IMPAIRED STUDENTS—MOTION UNDER S.O. 43

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Cutbacks in the American education budget could affect hundreds of Canadian deaf students who are now planning to study in the U.S.A. because no university facilities exist for them in Canada. Gallaudet College in Washington, D.C., the world's only liberal arts college for the deaf, is under pressure from the U.S. government to stop accepting deaf Canadian students. Therefore I move, seconded by the hon. member for Kamloops-Shuswap (Mr. Riis):

That this House urges the federal and provincial governments to co-operate in offsetting the lack of opportunities for such students as may be prevented from attending Gallaudet College, and further co-operate in the setting up of various community college and post-secondary programs for the hearing impaired in Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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THE PRIME MINISTER

MOTION UNDER S.O. 43

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Given the fact that another prominent Liberal in British Columbia, Senator George van Roggen, has now condemned the Prime Minister for moving the Liberal Party too far to the left and for his inability to understand the aspirations and concerns of western Canadians, adding to a long list including former MPs Jack Davis, Ron Basford, Art Phillips, and Liberal guru, Gordon Gibson, as well as B.C. Liberal leader, Shirley McLoughlin, I move, seconded by the hon. member for Vancouver South (Mr. Fraser):

• (1415)

That the Prime Minister admit that the Liberal Party of central Canada has absolutely nothing in common with Liberals in B.C. who are little more than closet Progressive Conservatives.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

INCREASE IN CONSUMER PRICE INDEX

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, in the absence of the Minister of Consumer and Corporate

Affairs, which I find typical, yet weird, on a day that the consumer price index has taken a sharp increase, I will direct my question to the Minister of Finance. Today's consumer price index confirms that nothing is working and that the government has done the impossible. Interest rates are up, unemployment is up, bankruptcies are up, and now the cost of living is going up again. Since today's figures show the complete bankruptcy of the government's anti-inflation policy, what hope will the Minister of Finance be able to give consumers of Canada in terms of getting out of this horrible inflationary spiral?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, as the hon. member knows, yesterday we had a very full day's debate on the economic situation. I participated in that debate and gave my views on the situation and what had to be done in order to bring about changes in the very worrying high inflation which still continues in Canada. I am certainly disappointed that the decline we have experienced for some months in the CPI has reversed itself and that this month shows an increase. Even though it is primarily due to increased food prices and due to changes in provincial retail sales taxes, it is still a matter of concern to me and to all members of the government.

Mr. Scott (Hamilton-Wentworth): Madam Speaker, I will read the minister's speech again in *Hansard*, but I do not know what hope he offered to the average supermarket shopper. The minister and any supermarket shopper will know that high food costs, especially of imported goods, account for the largest increases in today's figures. The lower the Canadian dollar continues to fall, the higher the consumer price index will rise in the next year.

RATE OF INFLATION

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, I want to ask the minister, whose government spends so much time criticizing the American administration, why it is that they are getting their inflation rate down to around 6 per cent while our inflation rate is going up, and we are now at twice the level of U.S. inflation?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have had occasion to refer to the good performance in the United States in bringing down inflation, but I notice today that that trend has also been reversed in the United States. There has been a one per cent increase, month to month in the rate of inflation there which, on an annualized basis, would be 12 per cent.

Mr. Scott (Hamilton-Wentworth): During the first five months of this year the American inflation rate was four points lower than ours has been. That was a monthly estimate, and they estimate that by the end of the year their inflation rate will be down to around 5 per cent. That gives American consumers some hope.

BANKRUPTCIES

INCREASE IN NUMBER

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, now that we have the Minister of Consumer and Corporate Affairs in his place, I should like to deal with an area of his responsibility, the bankruptcy branch of Corporate Affairs. In view of the startling statistics that there have been 11,429 personal bankruptcies between January and May of this year, meaning personal tragedy for many Canadians, and that the government's economic policies are destroying families, what help, hope, or specific policies can the Minister of Consumer and Corporate Affairs give these people? Does he have any specific policies in mind which he is recommending to his colleagues in cabinet?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I am a little surprised that the hon. member should ask me what my department intends to do to help Canadians who are having financial problems, since it is a fact that for months we have been trying to get a bill through the House that will facilitate the settlement of such problems. The hon. member certainly cannot expect my department to provide macroeconomic solutions, but it is clear that if, through legislation, we can facilitate financial settlements between a person and his creditors, we could most certainly adopt this bill to amend the Bankruptcy Act, which has been eagerly awaited not only by financial institutions and consumer associations but also by the provinces, who have asked the Canadian government to pass this legislation so that they can set up their own provincial system. I trust the hon. member will discuss the matter with his colleagues so that we will be able to pass this bankruptcy legislation as soon as possible.

• (1420)

[*English*]

Mr. Blenkarn: Madam Speaker, the Minister of Consumer and Corporate Affairs knows that we have agreed to one more speaker on that bill, if he would bring the bill forward and complete the amendments on which he agreed with us in committee.

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THE ECONOMY

STATEMENT MADE BY MINISTER OF STATE FOR ECONOMIC DEVELOPMENT

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my supplementary question is directed to the Minister of Finance. The minister will know that his colleague, the Minister of State for Economic Development, stated in Banff that Canadians have never had it so good. Does the minister agree with that view, particularly in light of today's statistics where we now have an 11.8 per cent inflation rate and where it looks

like we will have an 8 per cent drop in productivity in Canada, when we have 10.3 per cent of the people declared to be unemployed—really more, in fact—and when our banana dollar is selling for 76.86 cents? Does the minister agree with the view that Canadians have never had it so good?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have not looked at the statement alleged to have been made by my colleague. However, my appreciation of the situation in the country was set out yesterday afternoon in some detail. I certainly described the situation which presently exists in the Canadian economy as being a very serious one. That is my view, that is serious. As I pointed out, we are undergoing a very difficult situation, largely caused by the world recession and high interest rates in the United States but also being inflamed in this country by persistently high inflation rates. That is my assessment of the situation at the present time.

COST OF GOVERNMENT PROGRAMS

Mr. Don Blenkarn (Mississauga South): Madam Speaker, one of the major problems we have is the massive amount of the deficit, now projected at $17 billion, perhaps $18 billion. Last evening the government did not go along with the efforts of this party and of almost all of the opposition with respect to eliminating $1.5 billion, approximately, in government programs.

The Minister of Finance knows that there are a great number of priorities for the country which are not perhaps priorities today. Is it the minister's view that all of the matters that were suggested by the opposition as unnecessary in today's economic recession are, in fact, necessary as far as the government is concerned?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, last night we did have a series of votes and I must say that I was astonished at some of the proposals that were put forward by the opposition which, if accepted, would have caused serious disruption in the economic and social life of the country.

QUERY RESPECTING GOVERNMENT INTENTIONS

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Minister of Finance. For over a year the minister and his cabinet colleagues have been trying to convince the people of Canada that high interest rates were necessary to bring down the cost of living. Not even his backbenchers in the Liberal party believe that any more. Does the Government of Canada have one specific new idea today that will enable Canadians to cope better with increasing prices?

• (1425)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Yes, Madam Speaker. There are certainly quite a number of new ideas.

Mr. Broadbent: That answer was at least succinct. It might have been a little helpful if the minister had told the people of Canada what he has in mind.

COST OF OIL—ANNOUNCEMENT OF BUDGET PRESENTATION ON JUNE 28

Hon. Edward Broadbent (Oshawa): I will try to get some specifics from the minister. The people of Canada do not need to have today's figures to know that for home owners, mortgage prices on the one hand, and energy prices on the other for those Canadians who drive a car, as most do, were the two principal reasons why the cost of living went up year over year. Both of these items, mortgages and energy prices, are the direct responsibility of the government. Considering that next Thursday Canadians will be faced with another 7 cents a gallon increase in the cost of oil, will the government just once come down on the side of the consumer, and go to the producing provinces to try to negotiate a complete elimination or at least a postponement of that 7-cents a gallon increase?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has asked me to tell him what I have in mind. I want to inform him that on Monday evening next I will be telling the House of Commons what the government has in mind. That will be next Monday evening. I intend to cast my statement in the form of a budget speech.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Broadbent: Madam Speaker, all I can say to that, on behalf of 20 million plus Canadians, is we hope to God it is a lot better than the last one.

Some hon. Members: Hear, hear!

REQUEST THAT GOVERNMENT FOCUS ON CREATION OF JOBS

Hon. Edward Broadbent (Oshawa): Madam Speaker, will the minister assure us that at least, in the budget we are looking forward to, its central focus will be the creation of new jobs for the thousands of men and women in this country who would rather be working instead of collecting unemployment insurance?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think I ought to answer the second last question by telling the hon. member that the price increase he has mentioned does not come into effect until next September rather than July, as he suggested. That is the fact.

Mr. Broadbent: It is at the wellhead next Thursday.

Mr. MacEachen: I wish the hon. member would listen to the answer. I want him to understand the economic situation here in Canada.

Some hon. Members: Hear, hear!

* * *

FINANCE

QUERY RESPECTING PROVISIONS IN 1981 BUDGET

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is directed to the Minister of Finance. I would tell him that after six retreats from the previous budget, and some 28 changes, we on this side welcome the budget the minister will be bringing forward on Monday night. Will the minister be withdrawing any more of the provisions of the last budget?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member will have to wait and see.

* * *

THE ECONOMY

LEVEL OF INTEREST RATES

Mr. Doug Lewis (Simcoe North): Madam Speaker, the minister will know that the government has been fighting inflation, which is what we have heard about today, with high unemployment and high interest rates. The 1982 deficit in the United States is $100 billion. The 1982 deficit in Canada is $17 billion. Our deficit per capita is 60 per cent higher than the deficit per capita in the United States. How does the minister expect to get interest rates down to a reasonable rate for Canadians?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think I attempted to explain in some detail my attitude and view as to the cause of very high interest rates in Canada. I believe that it is commonly understood and accepted that short-term interest rates in many countries of the world are higher than they would otherwise be in the absence of the current very high interest rates in the United States. But I also went on to say in my statement, and the hon. member will readily understand this, that we must make further progress in bringing down the rate of inflation in this country. I hope to be able to address these problems in more detail and possibly convince and satisfy the hon. member next Monday night. I recommend that he come in early and have a good seat.

• (1430)

Some hon. Members: Oh, oh!

HOUSING

MORTGAGE INTEREST RATES

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is directed to the minister responsible for housing. The minister will know, of course, that as a result of the increase in the prime rate last week, mortgages are now hovering around 20 per cent. Does the minister have any new advice or proposals to submit to his colleague, the Minister of Finance, which will provide some measure of relief to the half million Canadians who are facing mortgage renewals between June and October of this year?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I do not think the hon. member was present last evening when I spoke on the motion moved by the opposition party. I indicated that the initiatives taken in the last budget by the Minister of Finance, such as the Canada Rental Supply Plan and the Canada Mortgage Renewal Plan, set $350 million aside. Those programs have received only modest response from the public, but it is my feeling that the public may well not be aware of the provisions under those plans. I encourage the hon. member asking the question to assist the government, himself and his constituents, by making those plans readily known and available to his own constituents.

* * *

VETERANS AFFAIRS

APPLICATION OF INTEREST DEDUCTIBILITY FOR TAXATION PURPOSES

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is directed to the Minister of Finance. Veterans are not receiving the same financial benefits as average Canadians. They may only claim $100 for eligible interest deductibility, whereas other Canadians may claim $1,000. Will the Minister of Finance make the necessary changes to the tax laws to allow veterans the extra $900 worth of deductibility to which they are entitled, and remedy this obvious inequity?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I will certainly consider the hon. member's representations. Following the budget of November 12 there was some misunderstanding that certain groups might be adversely affected on the $1,000 deductible provision. At that time the veterans were mentioned. I had assured concerned persons at the time that they would not be affected, but I will further consider the hon. member's representations to see whether there is any continuing confusion at this point.

QUERY RESPECTING LEGISLATIVE CHANGES

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my supplementary question is directed to the Minister of Veterans Affairs. The minister knows that most legisla-

tive changes in his department take about ten years to develop, while veterans wait. Will the minister use every means at his disposal to persuade his colleague, the Minister of Finance, of the immediate need for this legislative change? What efforts has the minister made to date?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Madam Speaker, first of all I do not accept the premise of the hon. member's question that it takes ten years to introduce legislative changes as they affect the veterans. I think the hon. member is quite aware that all hon. members of this House have been very co-operative in terms of responding to legislative changes. I can tell him, in response to his proposal that the interest deductibility provision be considered, that it is under active consideration right at the moment.

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SUPPLY AND SERVICES

CONTRACT TO STAGE FIREWORKS DISPLAYS

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, my question is directed to the Secretary of State, in the absence of the Minister of Supply and Services. It concerns a very recently awarded contract for $430,000 to put on fireworks displays in 16 cities on July 1. Ampleman Pyrotechnie of Montreal, a small firm, underbid the winning firm this year. It did half of the job last year in half of the cities. It received its invitation to tender documents in the English language only, although the principals of the firm are French-speaking. Would the minister tell us why the contract was awarded to Hands Fireworks this year, and why the bidding practices were substantially changed on a matter of importance?

Hon. Gerald Regan (Secretary of State): Madam Speaker, I thank the hon. member for his question. I am afraid I am not able to give him full information on it today. I will take notice in the absence of the minister. I may say to him that my preliminary understanding, in the short period of time since last evening when I first heard of the situation, is to the effect that the person in question did not bid on the entire contract, but, rather, only on portions of it. However, I would appreciate the opportunity of inquiring further into the matter and giving a fuller answer, either through the Minister of Supply and Services or myself.

REQUEST THAT CONTRACT BE SPLIT

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, the contract was divided last year, as the minister will find. Mr. Cardinal was given four days in which to tender this year. The contract is of prime importance to the survival of his business, I gather. Is the minister prepared to look into the matter? If he finds that the bidding practices were substantially changed, is he prepared to divide the contract again between now and July 1 so that Mr. Cardinal's firm can survive in this manner?

Hon. Gerald Regan (Secretary of State): Madam Speaker, we are certainly prepared to look into the matter thoroughly to be assured that fair and equitable practice was followed. On behalf of the Minister of Supply and Services I will certainly undertake to report to the hon. member on the matter.

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HOUSING

ASSISTED HOME OWNERSHIP PROGRAM—REQUEST FOR EXTENSION OF GRANT PROVISION

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question, which is directed to the minister responsible for housing, specifically deals with AHOP homes, and primarily with a Hamilton area subdivision, though it has application across the country. Last year, when interest rates rose so substantially, the minister agreed to defer the $5,000 grant repayment for a year, and has subsequently decided that repayment should now be commenced at an interest rate level of 18 per cent. I ask the minister, given the fact that interest rates have once again risen to 20 per cent, and the same kinds of situations that prevailed a year ago prevail today, in fact, might even be worse, would the minister consider extending the $5,000 grant provision for four more years without any change, to allow those people the opportunity to keep their homes so that they can have decent places for their families to live?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, one of the first matters that came to my attention upon taking office in 1980 as the minister responsible for Canada Mortgage and Housing Corporation was, in fact, the AHOP program. As members know, that was a plan that provided preferred incentives to house purchasers for the first five years of occupancy of homes. In 1980, because of the difficulties with the program, its benefits and plans were extended for 12 months. I indicated that, if the situation did not improve, it would be reviewed. Indeed, it was reviewed and extended last year, in 1981. I can say to the hon. gentleman asking the question, the hon. member for Hamilton Mountain, that a review of that program by the government is under way and will take his representations into account.

REQUEST THAT MINISTER COMMUNICATE WITH HOME OWNERS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, would it be too much to ask the minister if he would correspond with all of the people who have been given 30 days in which to choose how they will commence their repayments, and assure them that, since the government is reviewing the program and giving consideration to extending the period for repayment, they need not respond to the letters they have received and that some further communication will be forthcoming?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, yes, I can give the assurance to the hon. member that

I will communicate in writing with the occupants of the homes he has described. Over the last 12 months I have written to approximately 15,000 Canadians and I will certainly continue that practice.

* * *

● (1440)

THE ECONOMY

INCREASE IN UNEMPLOYMENT

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is directed to the Minister of Finance. In February, 1980, when the present government and the present Minister of Finance took office, the unemployment level in Canada was 949,000. Today it is 1,250,000. That is 300,000 extra workers, with families to support, who are out of work. Will the Minister of Finance, with his policy, accept responsibility for the additional 300,000 Canadians out of work today as compared with the time when he took office?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): No, Madam Speaker, because the hon. member has referred back to 1980. From that date, unemployment in Canada gradually decreased until a year ago. Until last August unemployment in this country was at the lowest level it had been at in five years. When we had that very strong performance of the economy, I did not hear the hon. member paying us any compliments for that strong performance. The fact of the matter is that, in common with other countries, we have slipped into a recession, and that is the cause of the problems at the present time. It is not the policies of the Government of Canada. The policies of the Government of Canada are directed with the thought in mind of reducing unemployment as much as possible.

STANDARD OF LIVING

Mr. G. M. Gurbin (Bruce-Grey): My supplementary, Madam Speaker, is also to the Minister of Finance. If the Minister of Finance would check the record, he would know that on many occasions he has taken the credit for reductions in unemployment through his economic programs. He now fails to take the responsibility for the increase in unemployment with the same programs.

Madam Speaker, high interest rates are the most significant factor facing business, agriculture, and prospective home owners in Canada. If there are not major economic changes, the crisis we are facing will turn into a panic. The minister repeatedly tells us that he is the victim of international circumstances. I would like to ask the Minister of Finance, if that is the case, why since 1968, when Canadians enjoyed the third highest standard of living in the world, we have now slipped to thirteenth under his programs?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, it is not necesary to answer that question because the allegation in the question is unfounded and untrue.

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AUTOMOTIVE INDUSTRY

CANADIAN CONTENT IN IMPORTED VEHICLES

Mr. Joe Reid (St. Catharines): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. In a speech prepared for him and delivered in Toronto on his behalf before the auto parts manufacturers, it was stated that the Volkswagen agreement, with respect to Canadian content added, was the harbinger of things to come in the automobile industry. In the light of present circumstances, and in the light of the comments made by the Prime Minister of Japan, has the minister backed off from that position, or does he still take the Canadian content added as a thing to come?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, we still look to increase Canadian content in imported cars sold in this country, and that is a very important objective. I repeat, as I said in my speech to the auto parts manufacturers, which was given on my behalf by my parliamentary secretary, that the agreement with Volkswagen is a very good model for Canadians, and for countries wishing to sell cars into our market.

CONSEQUENCES OF GOVERNMENT POLICY

Mr. Joe Reid (St. Catharines): Madam Speaker, the minister has pointed out that he still looks to and accepts this as the model. In the light of the comments made by other representatives in his cabinet in this House, when does he expect to have some fruit fall from that production and that position being taken by the minister himself?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, we are working actively on a number of possibilities. I look forward to progress and hope to have announcements in the coming months. It will be a lot easier to ensure that progress, if the questions and comments by all my hon. friends' colleagues on that side of the House would not give aid and comfort to those who do not want us to achieve these objectives.

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[*Translation*]

SMALL BUSINESS

INQUIRY RESPECTING PARTICIPATION BY QUEBEC IN FEDERAL PROGRAMS TO ASSIST EXPORTS

Mr. Pierre Gimaïel (Lac-Saint-Jean): Madam Speaker, my question is directed to the Minister of State for Small Busi-

nesses and Tourism. According to an article that appeared in Monday's edition of the newspaper *La Presse*, the Quebec Minister of Industry, Tourism and Trade stated that small- and medium-sized business in Quebec were at the bottom of the scale, as far as assistance through federal export development programs was concerned. Could the minister inform us whether that is the case, and if so why, and if not, why do we have this statement by his Quebec counterpart, who, although he has thirteen corporations to think about, might have found the time to promote the Quebec private sector a little more?

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism)): Madam Speaker, I want to thank the hon. member for his question. I read the article which appeared in yesterday's *La Presse*, and I was rather surprised at what it said. This is probably, and unfortunately, just one more case of Quebec government members not having the slightest idea of what they are talking about. After reading the article, I checked the facts, and I found, for instance, that under the export development assistance program, in 1980-81, Quebec received 34 per cent of all the grants in this area, and a little over 26 per cent in 1981-82. In the case of projects financed by the Export Development Corporation, Madam Speaker, in 1981-82, Quebec is receiving over 36 per cent of the Corporation's expenditures on this type of financing. Consequently, I think my colleague, the Quebec Minister of Industry and Trade, should have done his homework first.

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[*English*]

FINANCE

INQUIRY RESPECTING CONTENT OF FORTHCOMING BUDGET

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is for the Minister of Finance. The minister today has made quite an incredible admission. He has effectively withdrawn his November budget, without that budget even being laid before the House in the form of legislation. I believe that is the first time that has ever happened, that a budget has died on the Order Paper like that. Will there be a new Ways and Means motion? Will the minister be withdrawing, in effect, his total budget of November 12, and be superseding that with a totally new set of policies to fight inflation, to increase employment, and to stabilize the Canadian dollar?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think the hon. member's history is quite incorrect. He told the House last week that he had spent his life in the marketplace, and knew a lot about it. I could never say that, but I have spent most of my life in the House of Commons. I know from my experience that what the hon. member has said about tax legislation and budgets is quite incorrect. He ought to check up on his facts.

NATURE OF WAYS AND MEANS MOTION

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, the minister has not answered the question I put to him. It is a question of great importance to Canadians who have been labouring under the measures that he put before the House last November. Will there be a totally new Ways and Means motion that supersedes the budget proposals put forward in November of last year? Will this be a total withdrawal? Will it be a new set of directions for the country that he is going to propose to the Canadian people on Monday night next?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, as I told his colleague a moment ago, I think the hon. member will have to wait until Monday night and hear what will be said on that occasion.

QUERY RESPECTING STATUS OF 1981 BUDGET

Hon. Bill Jarvis (Perth): Madam Speaker, it is the same minister who brought havoc to this country on November 12 last, robbed people of their jobs in my riding and in the ridings of all his colleagues, and who has compounded it by having seven months of uncertainty, with 28 changes. The people of this country do not have to put up with six more days of uncertainty. Is that November 12 budget dead? Has it reached the death it so richly deserved? Is it now in the ash can where it should have been in the first place? That is the question.

Madam Speaker: The hon. member for Durham-Northumberland.

EXTENT OF BUDGET DEBATE

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my question is also for the Minister of Finance. Will the Minister of Finance guarantee that the government will not attempt to close down this House at least until we have a full opportunity of seeing all the details of the budget and having a full debate in regard to resolutions and budget bills, before it attempts to gag us and trot us out of here for the summer?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think the hon. member should direct his question to the President of the Privy Council. My experience has been that it is not the goverment that has the last word in closing the House; it is usually the opposition.

● (1450)

PRESENTATION OF LEGISLATION

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, with the unprecedented new budget coming within seven months of the old one at a time when we have not even seen some of the budget resolutions from the old budget, can we have a guarantee that at least with the new budget we will have those resolutions and budget bills within a matter of a

few days after the presentation of this much needed new budget on Monday night?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I will do my very best to accommodate the hon. member.

INQUIRY OF THE MINISTRY

Mr. Rod Murphy (Churchill): Madam Speaker, I had a question for the Prime Minister but, in his absence, I will put it to the Minister of Finance. As a result of the Prime Minister's trip to western Canada last weekend, I should like to put a question to find out what he learned.

There have been a number of lay-offs, shutdowns, bankruptcies and closures in western Canada, including the Cominco Smelter at Trail and Kimberley Mines with 6,300 lay-offs; one quarter of the 12,800 forestry workers in B.C. laid off; in Alberta over 50,000 people laid off; in the Yukon 250 people laid off at Whitehorse Copper; Ipsco in Regina has laid off hundreds, and there have been cutbacks, lay-offs and shutdowns in every northern Manitoba community. I recognize that the list is too long to allow me to go on, Madam Speaker. May I ask the Minister of Finance if the Prime Minister learned anything as a result of his trip?

Madam Speaker: The hon. member for Churchill on a supplementary.

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FINANCE

QUERY RESPECTING MEASURES TO BE CONTAINED IN NEW BUDGET

Mr. Rod Murphy (Churchill): Madam Speaker, I presume the answer to my previous question is no.

During that same trip the Prime Minister complained about the conservatives in the Liberal Party. Perhaps he was talking about the federal cabinet. Will the Minister of Finance assure the country that this grandson of the November budget will not be another Conservative budget in drag, but that it will actually do something to produce housing starts and lower interest rates in this country?

Madam Speaker: The hon. member for York-Peel.

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THE ECONOMY

EFFECT OF GOVERNMENT POLICIES

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is also directed to the Minister of Finance. As the minister has been contemplating his budget, Mark II or III, could he inform the House, after reflection, to what extent he believes government spending and ballooning deficits have contributed to inflation, high interest rates, and the general economic decline in our country?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member is asking me to give an opinion on matters upon which he ought to be able to make up his own mind. If he wants to ask a question with respect to government policy I would be pleased to answer him, but I believe his question really is in the world of opinion in which he is as expert as I am.

EFFECT OF NATIONAL ENERGY PROGRAM

Hon. Sinclair Stevens (York-Peel): Madam Speaker, I should like to ask the Minister of Finance again if he would give us the benefit of his reflections at the present time. If he likes to say it is government policy, so be it. Has he come to any conclusion about the extent to which the National Energy Program and energy pricing have contributed to some of the economic malaise in this country, in particular the state of the oil and gas industry, the decline of our dollar, and high interest rates?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Yes, Madam Speaker, I did come to some conclusions on those points. I tried to set them out yesterday in my speech to the House of Commons when I said it was absolutely false to attribute all the difficulties that exist in the oil industry to the National Energy Program. My colleague, the Minister of Energy, Mines and Resources, took part in the debate last evening and illustrated very clearly that the same problems which Canada faces in that industry, exist in the United States. I do not believe that the National Energy Program has been introduced in the United States; at least *Business Week* magazine has not told us that yet.

* * *

BUSINESS OF THE HOUSE

EXTENT OF BUDGET DEBATE

Hon. David Crombie (Rosedale): Madam Speaker, my question is for the government House leader. The Minister of Finance has already indicated that next Monday night he will make a budget statement. Is it the intention of the government House leader and of the government to have a full budget debate following that statement? Second, will the government bring forward legislation pursuant to that budget?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, according to the Standing Orders of the House, when a budget is brought down, it is followed by six days of debate, and it is up to the government to decide on which days the debate will take place. During the session, we have, on occasion, interrupted the budget debate to consider various bills. As far as the present situation is concerned, I

have made no decision as yet. I shall be consulting my colleagues in the caucus and cabinet, and I intend to meet with the House leaders fairly soon. I should then be able to inform the House whether there will be a debate on six consecutive days or whether the debate will be interrupted. I shall try to reach some kind of agreement on arrangements for debate on legislation pursuant to the budget, if there is any legislation, since I have not seen the budget. It is therefore somewhat premature to inform the House specifically on what is to happen following the statement by the Minister of Finance Monday evening on June 28. However, I can assure the hon. member that we shall certainly abide by the Standing Orders of the House.

[*English*]

QUERY RESPECTING DATE OF SUMMER ADJOURNMENT

Hon. David Crombie (Rosedale): Madam Speaker, I think the essence of the question and the concern of all of us on this side and, I think, of all Canadians, is whether the government intends that the House will adjourn before the budget process is finished. Will the House leader give an assurance that the House will not adjourn before it has completed full debate on legislation with respect to the budget?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, that depends whether we have a debate on six consecutive days or the debate is interrupted so that we can consider legislation pursuant to the budget. It will depend on the results of negotiations I shall be having with the representatives of each party. As far as we are concerned, we are prepared to consider any serious proposal for limiting debate on certain aspects of the budget, if there is to be any urgent legislation arising from the budget, but at this time, it is too early, first of all, to speculate on the content of the budget and second, to decide on how we shall allocate the days provided under the Standing Orders for completing debate on the budget. Finally, I would not wish to make any assumptions regarding the House leaders' willingness or unwillingness to co-operate in limiting debate either on legislation pursuant to the budget or on an adjournment motion, if there is one.

* * *

[*English*]

INDUSTRY

EXTERNAL OBLIGATIONS OF MASSEY-FERGUSON

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. Is the minister conversant with the U.S. $25 million obligation that Massey-Ferguson has guaranteed in a foreign country, which will fall due at the end of this month and which will probably rebound to Massey-Ferguson for payment? What, if anything, is the government going to do to protect its position in light of this development which could force Massey-Ferguson into receivership?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, our obligation with respect to Massey-Ferguson is that reflected in the agreement which we entered into along with the Province of Ontario, to guarantee a portion of the new equity investment in Massey and it does not extend beyond that.

ROLE OF CHARTERED BANKS

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I am glad the minister mentioned that, because it is the basis of my supplementary question. Now that Massey-Ferguson has missed on its dividend payment regarding its preferred shares, thereby setting up the position whereby the banks could trigger the government's guarantee, I want to know whether the government has done anything to induce the banks not to pursue this option that is open to them, since both the banks and the government are at record lows and this could produce some kind of reaction. This would not be helpful in view of all the other guarantees the government has made to industries such as Canadair, Chrysler, and so on.

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, we are simply in a position to carry on our obligation under the agreement. That is as far as we have gone.

* * *

[*Translation*]

THE ROYAL FAMILY

MESSAGE OF CONGRATULATIONS ON BIRTH OF SON TO PRINCE AND PRINCESS OF WALES

Madam Speaker: I have the honour to inform the House that a message has been received informing the House that the Senate has agreed to an Address to Her Most Excellent Majesty the Queen expressing congratulations on the occasion of the birth of a Prince, son of Their Royal Highnesses, the Prince and Princess of Wales, and have filled up the blank spaces left therein with the words "Senate and".

* * *

• (1500)

[*English*]

THE GOVERNOR GENERAL

ADDRESS RESPECTING CONGRATULATIONS ON BIRTH OF SON TO PRINCE AND PRINCESS OF WALES

Madam Speaker: I have the Honour to inform the House that a message has been received from the Senate, as follows:

Resolved, That the following address be engrossed and presented to His Excellency the Governor General, namely:

To His Excellency the Right Honourable Edward Richard Schreyer, Chancellor and Principal Companion of the Order of Canada, Chancellor and Commander of the Order of Military Merit upon whom has been conferred the Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada:

May it please Your Excellency

The Senate ... of Canada, in Parliament assembled, have agreed to an address to Her Most Excellent Majesty the Queen expressing congratulations on the occasion of the birth of a Prince, son of Their Royal Highnesses, the Prince and Princess of Wales, and respectfully request that your Excellency will be pleased to transmit the said Address to Her Majesty the Queen.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, with the unanimous consent of the House, I move, seconded by the hon. member for Yukon (Mr. Nielsen):

That this House do concur in the address of the Senate to His Excellency the Governor General, respectfully requesting that His Excellency may be pleased to transmit the joint address to Her Most Excellent Majesty the Queen;

That the words "and House of Commons" be inserted in the said address from the Senate; and

That a message be sent to the Senate informing Their Honours that this House doth unite with the Senate in the said address.

[*English*]

Madam Speaker: Does the hon. President of the Privy Council (Mr. Pinard) have the unanimous consent of the House to move the motion?

Some hon. Members: Agreed.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

PETITION

MR. FULTON—TESTING OF CRUISE MISSILES ON CANADIAN SOIL

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the two hundred and seventy-second report of the Clerk of Petitions stating that he has examined the petition presented by the hon. member for Skeena (Mr. Fulton) and finds that it meets the requirements of the Standing Orders as to form.

PRIVILEGE

MR. CROSBY—REMARKS OF MR. CHRÉTIEN RESPECTING DONALD MARSHALL CASE

Mr. Howard Crosby (Halifax West): Madam Speaker, with your permission I would now like to pursue the question of privilege for which I gave written notice by letter dated June 17, 1982, and which I raised in this House the same day. At that point the Minister of Justice (Mr. Chrétien), to whom the question of privilege relates, was not present in the House and I undertook to wait until an appropriate day. The minister is now here so I now wish to present the question I raised.

Let me say clearly, Madam Speaker, that I recognize the burden is upon me to establish that my privileges as a member of this House were adversely affected by the minister's response to my question, and that I must establish a prima facie case that the response contained a misleading statement. I am also aware that I must move at the appropriate time for a reference to the proper standing committee of the House. I am guided in this regard by the precedent set by the hon. member for Durham-Northumberland (Mr. Lawrence) three years ago when he raised a similar question of privilege with regard to a ministerial statement.

Let me briefly outline the subject matter of my question of privilege. On June 15, 1982 I directed an inquiry to the Minister of Justice concerning the case of Donald Marshall, a Micmac Indian, resident of Nova Scotia, who was convicted in 1971 of the stabbing death of Sandy Seale. He spent 11 years in federal prison, but finally rumours were circulated that he was innocent of the crime. Investigations were conducted, and evidence was adduced that he was not guilty of this offence.

On June 15 I asked the minister what course of action he intended to follow in this matter and he said:

—I am reviewing it and I am having discussions with the Attorney General of Nova Scotia, but we have not as yet resolved the problem.

The very next day the same minister rose in this House in response to an inquiry about the Marshall case from his colleague in the Liberal Party and said:

—I referred the question to the Nova Scotia Supreme Court and asked the court to make a determination on this case—

In addition to the statement made in the House the minister issued a press release dated June 16, attached to which was a document pertaining to the proceedings in the appeal division of the Supreme Court of Nova Scotia. That document contains this statement:

And whereas the Attorney General of Nova Scotia and counsel acting on behalf of Donald Marshall, Jr., agree with the undersigned—

That is, the Minister of Justice.

—that this new evidence is of sufficient importance to be considered by this honourable court.

There are two vital points, Madam Speaker. First, Section 617 of the Criminal Code of Canada, under which the reference is being made, vests the minister with complete authority to make this reference. He does not have to refer to any other authority. He acts on his own. Secondly, even more importantly, there were no discussions between the Minister of Justice

and the Attorney General of Nova Scotia between the time the minister rose in this House on June 15 to say he was having discussions and the time he announced his decision to refer the matter to the Supreme Court of Nova Scotia. There were no discussions. It is evident from the document from which I have just quoted, which was attached to his press release dated June 16, 1982, that any discussions there were had taken place before that date. The only fair inference which can be drawn from the minister's statement on June 15 in this House was that he would discuss the matter with the Attorney General of Nova Scotia and then decide on a course of action.

The only sensible inference, Madam Speaker, which can be drawn from all the minister's statements in the House, his actions and the document signed by him and dated June 16, 1982, is that he had conferred with the Attorney General of Nova Scotia prior to June 15, 1982, and knew exactly what action he would take. If there is any defence, the minister can make it, but the facts speak for themselves. He knew the action he was going to take and he refused to stand in this House on June 15, in response to my inquiry, and tell me, this House and the Marshall family that he had made up his mind and would make his decision.

I will move the motion at the appropriate time, Madam Speaker.

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, I do not want to give a very long explanation. Of course, the member is right, I do not have to consult with anyone. It is my responsibility. But as it was a very important case in Nova Scotia I felt that it was my duty to communicate with the Attorney General, Mr. Harry How, or his officials about the matter. We had many options open to us and one was a referral. There was the possibility of recommending something else. There have been discussions, I have written to Mr. How and he has written to me and so on, and there were discussions the previous week.

On the Monday I was not in the House because I had been sick at home, and when I came into the office on Tuesday morning they told me that the problem was resolved. So the question came at two o'clock, but just as I was coming into the House of Commons I was told by my assistant that there was a problem, because we were consulting with the Attorney General of Nova Scotia and, although I was not obliged to, with the lawyer of Mr. Marshall, and I was consulting with the court, too, because it was a very unusual procedure. When I came into the House I was told by my assistant, on the advice of Mr. Rutherford, my senior adviser on this subject, that there was a major problem. So I accepted something in the morning, and I was told there was a major problem as soon as I was coming into the House.

During the question period there was some communication in fact—not with the Attorney General; I did not know there was a problem; there was discussion with the lawyers and with the Chief Justice of the appeal court of Nova Scotia. When I came out of the House they told me the matter was not resolved. There was some communication in the afternoon, according to my information, by Mr. Rutherford with the Chief Justice, and at the end of the afternoon Mr. Rutherford tried to reach, at four o'clock our time, Mr. Gale, who is an official to Mr. Harry How. He was not in his office. The problem was resolved. In the morning they tried to get Mr. Gale again and he was not in his office, but there was a discussion with Mr. How or his officials and there was an agreement on the courts and Mr. How was strongly in favour of a reference and not another course, of action. It was still a reference, with some change in the wording to meet some of the defendant's lawyer's preoccupation and that of the Chief Justice.

• (1510)

It was in that spirit at ten o'clock in the morning on Wednesday that I signed the legal document, and I gave the answer in response to a question asked by a Member of Parliament on this side of the House. I am informed there was some discussion on Tuesday afternoon with the Attorney General. I did not call him, I sent him letters. There was an exchange of correspondence. There was verbal exchange all along between Mr. How's officials and mine, the Chief Justice of Nova Scotia and the lawyers.

I do think that is a valid explanation, Madam Speaker. When I heard that the hon. member wanted to raise a question of privilege, I thought I had a good explanation to give to him and I tried to reach him many times.

Mr. Crosby: Nonsense.

Mr. Lawrence: He has been here. Where have you been?

Mr. Chrétien: Perhaps the hon. member did not want to talk to me. I placed a phone call.

Some hon. Members: Oh, oh!

Mr. Chrétien: I want to state the facts.

Mr. Lewis: As you see them.

Mr. Chrétien: I placed a phone call to the hon. member's office in Halifax yesterday morning. I telephoned his home. I left a message for him to return my call. I asked my parliamentary secretary to talk to him and give him the facts. I asked my parliamentary secretary to ask him if he wanted me to talk to him. He did not know. He wanted to raise a question of privilege.

I am not embarrassed at all. When I got up in this House, I was informed there was a major problem. I said in good faith that there were still some things that needed resolution. In fact, there was no need for further consultation with the Government of Nova Scotia because the final agreement with the lawyer and with the Chief Justice was along the lines suggested many weeks before by the Attorney General of Nova Scotia.

In those circumstances, I cannot be any more candid. All the facts are there. I think the explanation is valid and I am glad to have the occasion to say that. But the matter was not worth

raising a question of privilege about because the same information should normally have satisfied a member of the bar. Before lawyers make charges, usually they do not refuse to look at the evidence.

Mr. Jarvis: That is a pretty shabby explanation.

Madam Speaker: I will rule on that particular question of privilege later.

Mr. Crosby: Madam Speaker, I rise on a point of order. Will you give me an opportunity to respond to the minister's allegations?

Madam Speaker: No, I am afraid I cannot. Hon. members speak only once on a question of privilege. They cannot use a point of order to respond. I have heard the two presentations. I will read the arguments very carefully and rule on that question later.

Hon. Erik Nielsen (Yukon): There are two points on the point of order about which I seek clarification, Madam Speaker. Naturally it is within your discretion as to the number of members you hear and for what length of time you wish to hear representations on questions of privilege. But likewise, there is no standing order or practice that prevents members from speaking more than once on a question of privilege if the Chair wishes to hear them.

The second point is necessary because you said it so quickly that I did not hear. Are you reserving on the question of privilege or are you going to deal with it later this day?

Madam Speaker: The first point in answer to the hon. member for the Yukon is that no other member got up to seek the floor on this question of privilege except the hon. member for Halifax West, who rose and said he had a point of order. He stated that his point of order was to refute or rebut what the hon. minister said, to which I replied that could not be done.

Mr. Nielsen: It can if you allow it.

Madam Speaker: I am not saying that I would have heard a great number of other speakers, but no one rose. There is no problem there.

Second, I said that I would deal later on with this question of privilege.

Mr. Nielsen: Madam Speaker, I do not question your ruling at all. I simply point out that it is in the Chair's discretion as to whether or not the same member raising the question of privilege might be heard again. There is no rule against that, but if the Chair does not want to hear it, naturally that is at the Chair's discretion.

When you say that you are going to deal with the question of privilege later, Madam Speaker, does that mean later this day or on another sitting day?

Mr. Axworthy: Later.

Madam Speaker: On another day. I think the practice, though I stand to be corrected, is that members who raise a question of privilege are not allowed to speak a second time on the question of privilege.

An hon. Member: No.

Madam Speaker: It is a practice I have followed, at any rate.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. DOMM—IMPOSITION OF METRIC SYSTEM

Mr. Bill Domm (Peterborough): Madam Speaker, I have the pleasure to present a petition from the residents of the federal riding of Kootenay West, British Columbia, who now avail themselves of their right to present a grievance common to petitioners in the certain assurance that this honourable House will therefore provide a remedy. These petitioners bring to over 200,000 the number of people who oppose the mandatory imposition of the SI metric system in Canada. We believe the pace, degree and nature of change to SI metric should and must be determined voluntarily in the various sectors of trade and industry by the individual firms or industries directly concerned, and with minimal government interference.

MR. EPP—RECONSIDERATION OF GUN CONTROL LEGISLATION

Hon. Jake Epp (Provencher): Madam Speaker, I have the honour and duty to present a petition signed by approximately 1,000 constituents from the riding of Provencher. The signatories are residents of many small communities in eastern Manitoba.

Your petitioners oppose the provisions of Bill C-451 and bring it to the attention of yourself and the House.

* * *

CANADIAN FORCES SUPERANNUATION ACT

AMENDMENT RESPECTING PENSIONS OF PERSONNEL DISCHARGED FOR MISCONDUCT

Hon. Allan B. McKinnon (Victoria) moved for leave to introduce Bill C-658, to amend the Canadian Forces Superannuation Act (retirement for misconduct).

Some hon. Members: Explain.

Mr. McKinnon: Madam Speaker, the purpose of this bill is to limit the extraordinary discretion of the Treasury Board under the Canadian Forces Superannuation Act to reduce substantially pensions of Canadian Forces personnel who have

been discharged for misconduct, sometimes for less than major offences. It is to stop such miscarriages of justice that I introduce a bill that I hope some day will receive approval from all sides of the House.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Peterson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Madam Speaker, the following questions will be answered today: Nos. 3,829 to 3,884 inclusively, and 4,242 to 4,244.

Order Paper Questions

[*Text*]

CORRECTIONAL SERVICE OF CANADA

Question No. 3,829—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Carlton Centre, Halifax and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Carlton Centre

Table 1: Total number of inmates

1976	1977	1978	1979	1980
53	48	61	100	88

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1st of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Carlton Centre

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil (1)[i]	nil (1)	nil (1)	nil (1)	nil (1)
(b)	Second degree murder:	nil (6)[ii]	nil (6)	nil (4)	nil (4)	nil (4)
(c)	Attempted murder:	1	1	1	nil	1
(d)	Manslaughter:	2	1	4	2	1
(e)	Rape:	1	1	3	1	4
	attempted rape:	nil	nil	nil	nil	nil
(f)	Other sexual offences:	nil	nil	4	4	1
(g)	Assault [iii]:	nil	nil	1	1	nil
(h)	Robbery:	15	9	15	12	8
(i)	Weapons offences:	nil	nil	nil	1	nil
(j)	Break and enter:	15	4	10	15	16
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	2	2	10	6	2

Footnotes:
[i] and [ii] Number in brackets indicates inmates convicted of capital and non-capital murder prior to the 1976 Criminal Law Amendment Act (No. 2).
[iii] "Assault" includes the following offences: common assault, assault causing bodily harm, assault with intent and other assaults.
[iv] "Cannabis offences" are only identified by the CSC's national headquarters computer if they involve "cultivation of opium poppy, marijuana". Other cannabis offences such as "trafficking in marijuana" are included in (l) Other Narcotic Control Act offences.

The table indicates, for each offence, the number of inmates incarcerated on January 1 added to those admitted and transferred to the institution during the remainder of the year. This gives the number of inmates incarcerated throughout each year for each particular offence. It should be noted that the figures cannot be added either horizontally or vertically. Horizontally because an inmate convicted of a specified offence could remain at the same institution for each year, therefore, giving the impression that there were five inmates convicted of the offence when in reality there was only one and vertically because some inmates may have been convicted of more than one crime.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,830—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Shulie Lake camp, Parrsboro and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Shulie Lake Institution

Table 1: Total number of inmates

1976	1977	1978	1979	1980
23	63	61	78	68

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Order Paper Questions

Table 2

Shulie Lake Institution

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

	1976	1977	1978	1979	1980
(a) First degree murder:	nil	nil	nil	nil	nil
(b) Second degree murder:	nil (2)[ii]	nil (2)	nil (2)	nil	nil (2)
(c) Attempted murder:	2	nil	nil	nil	nil
(d) Manslaughter:	7	4	4	3	3
(e) Rape:	1	nil	1	1	nil
attempted rape:	nil	nil	nil	nil	nil
(f) Other sexual offences:	nil	nil	nil	nil	nil
(g) Assault [iii]:	1	1	2	nil	1
(h) Robbery:	8	4	10	13	13
(i) Weapons offences:	nil	nil	nil	2	1
(j) Break and enter:	14	nil	17	10	8
(k) Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l) Other Narcotic Control Act offences:	nil	nil	1	1	nil

Footnotes:
For elaboration concerning (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,831—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Springhill Institution, Springhill and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Springhill Institution

Table 1:

Total number of inmates

1976	1977	1978	1979	1980
800	845	853	968	969

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Springhill Institution

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

	1976	1977	1978	1979	1980
(a) First degree murder:	nil	nil	nil	nil	nil
(b) Second degree murder:	nil (20)[ii]	nil (20)	1 (19)	2 (18)	2 (18)
(c) Attempted murder:	nil	nil	nil	nil	1
(d) Manslaughter:	14	10	12	12	12
(e) Rape:	9	5	10	11	12
attempted rape:	nil	nil	nil	nil	nil
(f) Other sexual offences:	7	nil	3	nil	1
(g) Assault [iii]:	8	1	10	7	1
(h) Robbery:	53	17	59	62	79
(i) Weapons offences:	6	2	8	8	5
(j) Break and enter:	83	21	77	81	87
(k) Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l) Other Narcotic Control Act offences:	23	5	10	3	10

Footnotes:
For elaboration concerning (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,832—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Parrtown Centre, Saint John and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Parrtown Centre

Table 1:

Total number of inmates

1976	1977	1978	1979	1980
58	53	37	82	61

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Parrtown Centre

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil	nil	nil	nil	nil
(b)	Second degree murder:	nil (2)[ii]	nil (2)	nil (2)	nil (1)	nil
(c)	Attempted murder:	1	1	1	1	nil
(d)	Manslaughter:	1	nil	2	2	2
(e)	Rape:	5	4	1	3	1
	attempted rape:	nil	nil	nil	nil	nil
(f)	Other sexual offences:	nil	nil	nil	nil	nil
(g)	Assault [iii]:	2	nil	4	nil	nil
(h)	Robbery:	6	4	10	14	11
(i)	Weapons offences:	1	nil	nil	nil	1
(j)	Break and enter:	14	4	11	3	7
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	nil	nil	3	2	nil

Footnotes:
For elaboration concerning (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,833—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Westmorland Institution farm, Dorchester and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Westmorland Institution

Table 1: Total number of inmates

1976	1977	1978	1979	1980
256	232	232	334	302

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Westmorland Institution

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil (1)[i]	nil (1)	nil (1)	nil	nil
(b)	Second degree murder:	nil (7)[ii]	nil (7)	1 (7)	1 (7)	1 (7)
(c)	Attempted murder:	nil	nil	nil	nil	nil
(d)	Manslaughter:	5	4	3	4	4
(e)	Rape:	10	8	10	7	8
	attempted rape:	nil	nil	2	nil	nil
(f)	Other sexual offences:	3	2	1	2	nil
(g)	Assault [iii]:	5	2	2	4	2
(h)	Robbery:	38	20	22	23	20
(i)	Weapons offences:	2	1	nil	1	nil
(j)	Break and enter:	36	16	30	30	31
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	10	2	7	6	9

Footnotes:
For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,834—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Dorchester Penitentiary, Dorchester and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Dorchester Penitentiary

Table 1: Total number of inmates

1976	1977	1978	1979	1980
651	692	641	651	679

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Dorchester Penitentiary

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil (2)[i]	nil (2)	2 (2)	5 (2)	5 (3)
(b)	Second degree murder:	2 (26)[ii]	2 (25)	13 (25)	25 (25)	33 (25)
(c)	Attempted murder:	4	3	8	9	11
(d)	Manslaughter:	7	4	8	11	13
(e)	Rape:	11	8	8	9	6
	attempted rape:	1	1	1	1	1
(f)	Other sexual offences:	10	7	9	13	nil
(g)	Assault [iii]:	17	6	11	7	11
(h)	Robbery:	66	45	77	79	89
(i)	Weapons offences:	4	2	10	10	9
(j)	Break and enter:	62	25	58	59	57
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	12	8	4	3	4

Footnotes:
For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,835—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Pie IX Centre, Montreal and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Pie IX Centre (opened in 1980)

Table 1: Total Number of Inmates

1980
112

The above table indicates the total number of inmates for the year 1980. The figure includes all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Pie IX Centre

Number of inmates, per offence, who were serving their sentences during the year 1980

		1980
(a)	First degree murder	nil (1)[i]
(b)	Second degree murder:	nil (2)[ii]
(c)	Attempted murder:	1
(d)	Manslaughter:	5
(e)	Rape:	1
	attempted rape:	nil
(f)	Other sexual offences:	1
(g)	Assault [iii]:	1
(h)	Robbery:	30
(i)	Weapons offences:	1
(j)	Break and enter:	9
(k)	Cannabis offences [iv]:	nil
(l)	Other Narcotic Control Act offences:	15

Footnotes:

For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,836—**Mr. Kaplan:**

For the years 1976 to 1980, what was the number of inmates at the Benoit XV Centre, Montreal and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Benoit XV Centre (opened in 1977)

Table 1: Total Number of Inmates

1977	1978	1979	1980
9	60	68	60

The above table indicates the total number of inmates for each year 1977 to 1980. The figure for 1977 includes the original number of admissions plus all transfers to the institution during the year. For the following years the figure includes the inmates on register as of January 1 plus all admissions and transfers to the institution. For questions (a) through (l) see Table 2 below.

Table 2

Benoit XV Centre

Number of inmates, per offence, who were serving their sentences during the years 1977 to 1980

		1977	1978	1979	1980
(a)	First degree murder:	nil	nil	nil	nil
(b)	Second degree murder:	nil (5)[ii]	nil (4)	nil (2)	nil (2)

(c)	Attempted murder:	nil	4	2	nil
(d)	Manslaughter:	3	nil	2	1
(e)	Rape:	nil	2	1	2
	attempted rape:	nil	nil	nil	nil
(f)	Other sexual offences:	1	2	nil	nil
(g)	Assault:	nil	nil	nil	nil
(h)	Robbery:	14	20	18	12
(i)	Weapons offences:	nil	nil	nil	nil
(j)	Break and enter:	2	12	8	4
(k)	Cannabis offences [iv]:	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	1	3	3	2

Footnotes:
For elaboration concerning (ii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,837—Mr. Lawrence:

For the years 1976 to 1980, what was the number of inmates at the Sherbrooke Centre, Montreal and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Sherbrooke Centre (opened in 1979)

Table 1:	Total Number of Inmates	
	1979	1980
	80	121

The above table indicates the total number of inmates for the years 1979 and 1980. The figure for 1979 includes the original number of admissions plus all transfers to the institution during the year. For 1980 the figure includes the inmates on reister as of January 1 plus all admissions and transfers to the institution. For questions (a) through (l) see Table 2 below.

Table 2

Sherbrooke Centre

Number of inmates, per offence, who were serving their sentences during the years 1979 and 1980

		1979	1980
(a)	First degree murder:	nil	nil
(b)	Second degree murder:	nil (3)[ii]	nil (2)
(c)	Attempted murder:	2	2
(d)	Manslaughter:	4	1
(e)	Rape:	2	1
	attempted rape:	nil	nil
(f)	Other sexual offences:	1	nil
(g)	Assault:	nil	nil
(h)	Robbery:	44	36
(i)	Weapons offences:	2	1
(j)	Break and enter:	8	7
(k)	Cannabis offences [iv]:	nil	nil
(l)	Other Narcotic Control Act offences:	16	13

Footnotes:
For elaboration concerning (ii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,838—Mr. Lawrence:

For the years 1976 to 1980, what was the number of inmates at the Martineau Centre, Montreal and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Martineau Centre (opened in 1979)

Table 1:	Total Number of Inmates	
	1979	1980
	111	126

The above table indicates the total number of inmates for the years 1979 and 1980. The figure for 1979 includes the original number of admissions plus all transfers to the institution during the year. For 1980 the figure includes the inmates on register as of January 1 plus all admissions and transfers to the institution. For questions (a) through (l) see Table 2 below.

Table 2

Martineau Centre

Number of inmates, per offence, who were serving their sentences during the years 1979 and 1980

		1979	1980
(a)	First degree murder:	nil	nil
(b)	Second degree murder:	nil (6)[ii]	nil (5)
(c)	Attempted murder:	3	2
(d)	Manslaughter:	5	3
(e)	Rape:	1	1
	attempted rape:	nil	nil
(f)	Other sexual offences:	1	nil
(g)	Assault:	nil	nil
(h)	Robbery:	36	23
(i)	Weapons offences:	2	2
(j)	Break and enter:	12	8
(k)	Cannabis offences [iv]:	nil	nil
(l)	Other Narcotic Control Act offences:	15	16

Footnotes:
For elaboration concerning (ii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,839—Mr. Lawrence:

For the years 1976 to 1980, what was the number of inmates at the Ogilvie Centre, Montreal and how many were convicted of (a) first degree murder (b)

second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Ogilvie Centre

Table 1:

Total number of inmates				
1976	1977	1978	1979	1980
20	74	83	85	104

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Ogilvie Centre

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil (2)[i]	nil (1)	nil (1)	nil	nil
(b)	Second degree murder:	nil (5)[ii]	nil (5)	nil (6)	nil (2)	nil (2)
(c)	Attempted murder:	1	nil	nil	1	nil
(d)	Manslaughter:	5	2	3	3	3
(e)	Rape:	5	3	3	3	4
	attempted rape:	1	1	1	nil	nil
(f)	Other sexual offences:	2	2	1	1	nil
(g)	Assault:	nil	nil	nil	nil	nil
(h)	Robbery:	51	34	43	35	23
(i)	Weapons offences:	nil	nil	1	1	1
(j)	Break and enter:	7	4	11	10	2
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	2	1	11	12	13

Footnotes:
For elaboration concerning (i), (ii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,840—Mr. Lawrence:

For the years 1976 to 1980, what was the number of inmates at the Cowansville Institution, Cowansville and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Cowansville Institution

Table 1:

Total number of inmates				
1976	1977	1978	1979	1980
713	843	896	833	806

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1st of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Cowansville Institution

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil (1)[i]	nil (1)	nil (1)	nil (1)	nil (1)
(b)	Second degree murder:	nil (24)[ii]	nil (21)	7 (22)	8 (23)	9 (22)
(c)	Attempted murder:	6	6	9	14	16
(d)	Manslaughter:	25	18	32	34	36
(e)	Rape:	5	1	9	15	20
	attempted rape:	nil	nil	nil	nil	nil
(f)	Other sexual offences:	3	3	8	4	1
(g)	Assault [iii]:	2	2	1	1	1
(h)	Robbery:	152	90	146	139	141
(i)	Weapons offences:	4	nil	nil	3	4
(j)	Break and enter:	59	21	36	35	47
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	27	14	38	44	41

Footnotes:
For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,841—Mr. Lawrence:

For the years 1976 to 1980, what was the number of inmates at the Federal Training Centre, Laval and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and

attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Federal Training Centre

Table 1:				Total number of inmates
1976	1977	1978	1979	1980
766	904	915	848	757

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1st of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Federal Training Centre

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil (1)[i]	nil (1)	nil (1)	nil (1)	nil
(b)	Second degree murder:	nil (19)[ii]	nil (18)	12 (18)	15 (18)	17 (18)
(c)	Attempted murder:	2	nil	4	5	6
(d)	Manslaughter:	14	14	23	25	25
(e)	Rape:	10	6	17	15	15
	attempted rape:	1	nil	1	nil	nil
(f)	Other sexual offences:	5	3	1	1	nil
(g)	Assault [iii]:	1	1	nil	nil	nil
(h)	Robbery:	142	55	150	104	130
(i)	Weapons offences:	nil	nil	1	3	5
(j)	Break and enter:	62	13	39	31	38
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	19	4	9	13	16

Footnotes:
For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,842—Mr. Lawrence:

For the years 1976 to 1980, what was the number of inmates at the Leclerc Institution, Laval and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Leclerc Institution

Table 1:				Total number of inmates
1976	1977	1978	1979	1980
898	956	1,034	1,002	978

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1st of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Leclerc Institution

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil (4)[i]	nil (3)	1 (3)	1 (2)	1 (2)
(b)	Second degree murder:	nil (7)[ii]	nil (6)	2 (6)	2 (6)	2 (6)
(c)	Attempted murder:	11	9	10	9	9
(d)	Manslaughter:	19	12	12	16	10
(e)	Rape:	5	3	5	7	6
	attempted rape:	2	2	1	1	1
(f)	Other sexual offences:	6	3	6	5	nil
(g)	Assault [iii]:	1	nil	nil	2	2
(h)	Robbery:	178	114	189	189	182
(i)	Weapons offences:	6	nil	5	4	3
(j)	Break and enter:	89	41	68	62	64
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	29	10	49	37	42

Footnotes:
For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,843—Mr. Lawrence:

For the years 1976 to 1980, what was the number of inmates at the Archambault Institution, Sainte-Anne-des-Plaines and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Order Paper Questions

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Archambault Institution

Table 1:				Total number of inmates
1976	1977	1978	1979	1980
1,078	1,009	832	752	830

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1st of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Archambault Institution

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

	1976	1977	1978	1979	1980
(a) First degree murder:	nil (1)[i]	nil (1)	8 (1)	10 (1)	17 (1)
(b) Second degree murder:	nil (18)[ii]	nil (18)	10 (18)	14 (16)	17 (15)
(c) Attempted murder:	7	7	10	9	11
(d) Manslaughter:	4	3	7	7	7
(e) Rape:	8	5	4	4	5
attempted rape:	nil	nil	nil	nil	nil
(f) Other sexual offences:	nil	nil	1	2	nil
(g) Assault [iii]:	2	1	1	1	2
(h) Robbery:	112	77	98	96	114
(i) Weapons offences:	1	nil	2	3	4
(j) Break and enter:	31	19	33	27	34
(k) Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l) Other Narcotic Control Act offences:	6	5	12	10	13

Footnotes:
For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,844—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Correctional Development Centre, Laval and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For the Laval Correctional Development Centre

Table 1:				Total number of inmates
1976	1977	1978	1979	1980
385	618	1,082	478	556

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1st of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Correctional Development Centre

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

	1976	1977	1978	1979	1980
(a) First degree murder:	3	3	8	11	11
(b) Second degree murder:	1 (7)[ii]	1 (6)	6 (6)	9 (6)	10 (6)
(c) Attempted murder:	2	2	3	5	5
(d) Manslaughter:	6	6	7	8	4
(e) Rape:	nil	nil	3	3	1
attempted rape:	nil	nil	nil	1	nil
(f) Other sexual offences:	1	1	2	1	nil
(g) Assault [iii]:	1	1	2	1	1
(h) Robbery:	32	31	57	40	43
(i) Weapons offences:	nil	nil	1	2	2
(j) Break and enter:	8	5	34	30	18
(k) Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l) Other Narcotic Control Act offences:	2	1	2	6	7

Footnotes:
For elaboration concerning (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,845—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Regional Reception Centre, Sainte-Anne-des-Plaines and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For the Regional Reception Centre, Sainte-Anne-des-Plaines

Table 1:

Total number of inmates				
1976	1977	1978	1979	1980
1,476	1,853	1,608	1,725	1,665

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1st of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Regional Reception Centre

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil (4)[i]	nil (4)	1 (1)	1 (1)	1
(b)	Second degree murder:	nil (21)[ii]	nil (11)	nil (17)	1 (6)	5 (4)
(c)	Attempted murder:	6	5	5	1	nil
(d)	Manslaughter:	18	17	26	10	5
(e)	Rape:	4	2	2	4	6
	attempted rape:	nil	nil	1	nil	nil
(f)	Other sexual offences:	3	nil	2	1	nil
(g)	Assault [iii]:	1	nil	1	nil	nil
(h)	Robbery:	88	44	135	46	19
(i)	Weapons offences:	2	2	4	nil	nil
(j)	Break and enter:	31	17	40	18	9
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	9	9	27	15	2

Footnotes:
For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,846—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Portsmouth Centre, Kingston and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Portsmouth Centre: The statistics requested cannot be extracted from the records of Collins Bay Institution and are therefore included in our reply to Question No. 3,855 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,847—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Keele Street Centre, Toronto and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Keele Street Centre (opened in 1980)

Table 1:

Total Number of Inmates
1980
16

The above table indicates the total number of inmates for the year 1980. Each figure includes all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Keele Street Centre

Number of inmates, per offence, who were serving their sentences during the year 1980

		1980
(a)	First degree murder	nil
(b)	Second degree murder:	nil (1)[ii]
(c)	Attempted murder:	1
(d)	Manslaughter:	8
(e)	Rape:	1
	attempted rape:	nil
(f)	Other sexual offences:	nil
(g)	Assault [iii]:	1
(h)	Robbery:	8
(i)	Weapons offences:	1
(j)	Break and enter:	5
(k)	Cannabis offences [iv]:	nil
(l)	Other Narcotic Control Act offences:	14

Footnotes:
For elaboration concerning (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,848—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Montgomery Centre, Toronto and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

Order Paper Questions

For Montgomery Centre

Table 1:

			Total number of inmates	
1976	1977	1978	1979	1980
52	53	54	63	62

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1st of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Montgomery Centre

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil (1)[i]	nil (1)	nil (1)	nil (1)	nil (1)
(b)	Second degree murder:	nil (5)[ii]	nil (4)	nil (3)	nil (2)	nil (2)
(c)	Attempted murder:	3	2	1	nil	nil
(d)	Manslaughter:	8	5	6	4	3
(e)	Rape:	4	3	2	3	3
	attempted rape:	nil	nil	nil	nil	nil
(f)	Other sexual offences:	1	nil	nil	1	nil
(g)	Assault [iii]:	1	nil	nil	nil	1
(h)	Robbery:	22	15	20	18	6
(i)	Weapons offences:	2	1	nil	nil	nil
(j)	Break and enter:	1	nil	2	5	4
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	2	1	9	10	5

Footnotes:
For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,849—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Beaver Creek camp, Gravenhurst and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Beaver Creek Correctional Camp

Table 1:

			Total number of inmates	
1976	1977	1978	1979	1980
148	141	142	158	139

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1st of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Beaver Creek Correctional Camp

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil	nil	nil	nil	nil
(b)	Second degree murder:	nil (6)[ii]	nil (6)	nil (6)	nil (6)	nil (6)
(c)	Attempted murder:	nil	nil	nil	2	nil
(d)	Manslaughter:	10	6	5	6	5
(e)	Rape:	4	3	5	4	1
	attempted rape:	nil	nil	nil	nil	nil
(f)	Other sexual offences:	2	1	3	3	1
(g)	Assault [iii]:	2	nil	3	3	1
(h)	Robbery:	24	15	24	18	17
(i)	Weapons offences:	nil	nil	nil	2	3
(j)	Break and enter:	12	5	9	7	5
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	13	10	26	20	10

Footnotes:
For elaboration concerning (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,850—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Bath Institution, Bath and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Bath Institution

Table 1:

			Total number of inmates	
1976	1977	1978	1979	1980
159	168	213	211	226

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1st of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Bath Institution

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil	nil	nil	nil	nil
(b)	Second degree murder:	nil (12)[ii]	nil (12)	1 (12)	1 (11)	1 (10)
(c)	Attempted murder:	1	1	1	1	2
(d)	Manslaughter:	6	6	10	8	7
(e)	Rape:	1	1	3	2	2
	attempted rape:	nil	nil	nil	nil	1
(f)	Other sexual offences:	nil	nil	2	1	nil
(g)	Assault [iii]:	2	nil	1	1	2
(h)	Robbery:	33	22	36	30	28
(i)	Weapons offences:	2	2	1	nil	2
(j)	Break and enter:	21	12	15	16	16
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	9	5	9	12	9

Footnotes:
For elaboration concerning (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,851—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Pittsburg Institution farm, Joyceville and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Pittsburg Institution

Table 1: Total number of inmates

1976	1977	1978	1979	1980
220	203	212	247	257

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Pittsburg Institution

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil (1)[i]	nil (1)	nil (1)	nil (1)	nil (1)
(b)	Second degree murder:	nil (9)[ii]	nil (9)	nil (9)	nil (8)	nil (7)
(c)	Attempted murder:	nil	nil	nil	nil	nil
(d)	Manslaughter:	12	6	10	6	3
(e)	Rape:	2	2	3	3	2
	attempted rape:	nil	nil	nil	nil	nil
(f)	Other sexual offences:	2	1	2	1	nil
(g)	Assault [iii]:	5	1	3	3	2
(h)	Robbery:	32	24	37	29	26
(i)	Weapons offences:	4	3	3	4	2
(j)	Break and enter:	21	11	23	19	16
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	8	6	12	9	9

Footnotes:
For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,852—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Frontenac Institution farm, Kingston and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Frontenac Institution

Table 1: Total number of inmates

1976	1977	1978	1979	1980
263	219	241	274	264

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Frontenac Institution

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

	1976	1977	1978	1979	1980
(a) First degree murder:	nil (1)[i]	nil	nil	nil	nil
(b) Second degree murder:	nil (4)[ii]	nil (4)	nil (4)	nil (3)	1 (3)
(c) Attempted murder:	2	1	1	3	2
(d) Manslaughter:	6	4	9	7	4
(e) Rape:	3	2	3	2	2
attempted rape:	1	1	1	nil	nil
(f) Other sexual offences:	1	nil	1	4	2
(g) Assault [iii]:	4	3	3	1	2
(h) Robbery:	35	25	34	26	15
(i) Weapons offences:	1	1	2	3	1
(j) Break and enter:	24	14	22	15	14
(k) Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l) Other Narcotic Control Act offences:	8	4	9	10	4

Footnotes:
For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,853—Mr. Lawrence:

For the years 1976 to 1980, what was the number of inmates at the Warkworth Institution, Campbellford and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Warkworth Institution

Table 1: Total number of inmates

1976	1977	1978	1979	1980
731	766	563	402	876

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Warkworth Institution

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

	1976	1977	1978	1979	1980
(a) First degree murder:	nil (2)[i]	nil (1)	nil (1)	nil	nil
(b) Second degree murder:	2 (44)[ii]	2 (44)	11 (44)	15 (44)	18 (43)
(c) Attempted murder:	7	3	8	7	5
(d) Manslaughter:	26	15	27	22	24
(e) Rape:	37	23	39	46	51
attempted rape:	3	2	2	2	6
(f) Other sexual offences:	9	4	13	16	3
(g) Assault [iii]:	5	2	3	6	3
(h) Robbery:	95	46	98	95	93
(i) Weapons offences:	1	1	2	2	5
(j) Break and enter:	42	24	54	51	48
(k) Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l) Other Narcotic Control Act offences:	42	16	34	27	24

Footnotes:
For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,854—Mr. Lawrence:

For the years 1976 to 1980, what was the number of inmates at the Joyceville Institution, Joyceville and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Joyceville Institution

Table 1: Total number of inmates

1976	1977	1978	1979	1980
951	925	969	1,065	1,052

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Joyceville Institution

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil (2)[i]	nil (2)	1 (2)	1 (2)	1 (1)
(b)	Second degree murder:	nil (21)[ii]	nil (21)	5 (21)	6 (20)	8 (20)
(c)	Attempted murder:	5	4	7	8	9
(d)	Manslaughter:	21	14	16	17	20
(e)	Rape:	18	12	13	12	12
	attempted rape:	2	2	nil	2	1
(f)	Other sexual offences:	9	5	10	6	nil
(g)	Assault [iii]:	10	1	4	4	5
(h)	Robbery:	111	78	101	98	109
(i)	Weapons offences:	6	1	7	11	11
(j)	Break and enter:	84	34	63	63	62
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	28	17	31	20	18

Footnotes:
For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,855—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Collins Bay Institution, Kingston and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Collins Bay Institution

Table 1: Total number of inmates

1976	1977	1978	1979	1980
971	923	938	903	944

The above table indicates the total number of inmates for each year 1976 to 1980 for Collins Bay and Portsmouth Centre (figures cannot be extracted from Collins Bay's records, see question 3846). Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institutions during that year. For questions (a) through (l) see Table 2 below.

Table 2

Collins Bay Institution and Portsmouth Centre

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil (1)[i]	nil (1)	1 (1)	1 (1)	1 (1)
(b)	Second degree murder:	1 (24)[ii]	1 (21)	9 (18)	11 (18)	13 (16)
(c)	Attempted murder:	5	5	6	7	7
(d)	Manslaughter:	27	22	35	29	30
(e)	Rape:	8	5	6	3	4
	attempted rape:	nil	nil	nil	nil	nil
(f)	Other sexual offences:	2	2	1	1	nil
(g)	Assault [iii]:	14	7	5	9	10
(h)	Robbery:	127	85	139	146	156
(i)	Weapons offences:	4	3	3	4	8
(j)	Break and enter:	60	28	60	47	52
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	24	17	33	31	27

Footnotes:
For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,856—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Millhaven Institution, Bath and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

Order Paper Questions

For Millhaven Institution

Table 1:			Total number of inmates	
1976	1977	1978	1979	1980
649	631	597	527	602

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Millhaven Institution

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

	1976	1977	1978	1979	1980
(a) First degree murder:	3	2	20	26	32
(b) Second degree murder:	2 (25)[ii]	2 (23)	18 (21)	32 (21)	52 (20)
(c) Attempted murder:	4	4	8	10	10
(d) Manslaughter:	12	9	9	9	5
(e) Rape:	4	3	4	5	7
attempted rape:	1	nil	2	nil	nil
(f) Other sexual offences:	1	1	1	4	nil
(g) Assault [iii]:	6	3	5	8	5
(h) Robbery:	89	68	83	86	82
(i) Weapons offences:	5	2	2	6	7
(j) Break and enter:	31	15	23	25	34
(k) Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l) Other Narcotic Control Act offences:	7	7	7	7	7

Footnotes:
For elaboration concerning (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,857—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Prison for Women, Kingston and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Prison for Women

Table 1:			Total number of inmates	
1976	1977	1978	1979	1980
210	220	223	229	198

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Prison for Women

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

	1976	1977	1978	1979	1980
(a) First degree murder:	nil (1)[i]	nil (1)	1	3	3
(b) Second degree murder:	nil (7)[ii]	nil (7)	7 (6)	9 (6)	11 (5)
(c) Attempted murder:	nil	nil	1	1	2
(d) Manslaughter:	14	9	20	21	17
(e) Rape:	nil	nil	nil	nil	nil
attempted rape:	nil	nil	nil	nil	nil
(f) Other sexual offences:	1	1	nil	nil	nil
(g) Assault [iii]:	2	nil	3	2	2
(h) Robbery:	21	13	16	18	13
(i) Weapons offences:	nil	nil	nil	nil	nil
(j) Break and enter:	5	2	3	8	7
(k) Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l) Other Narcotic Control Act offences:	58	22	37	32	28

Footnotes:
For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,858—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Regional Psychiatric Centre, Kingston and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For the Regional Psychiatric Centre Kingston

Table 1:			Total number of inmates	
1976	1977	1978	1979	1980
525	284	225	256	267

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Regional Psychiatric Centre

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil (3)[i]	nil (3)	1 (2)	1 (2)	1 (3)
(b)	Second degree murder:	1 (5)[ii]	1 (5)	2 (5)	4 (5)	5 (5)
(c)	Attempted murder:	2	nil	3	nil	4
(d)	Manslaughter:	4	1	5	7	5
(e)	Rape:	15	15	17	15	12
	attempted rape:	nil	nil	nil	nil	nil
(f)	Other sexual offences:	9	4	5	4	nil
(g)	Assault [iii]:	5	2	2	2	3
(h)	Robbery:	20	13	17	13	16
(i)	Weapons offences:	nil	nil	1	nil	nil
(j)	Break and enter:	13	6	11	11	7
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	3	1	1	2	2

Footnotes:
For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,859—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Regional Reception Centre, Kingston and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For the Regional Reception Centre, Kingston

Table 1:				Total number of inmates
1976	1977	1978	1979	1980
1,630	1,853	1,878	1,725	1,834

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Regional Reception Centre

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	1 (1)[i]	1 (1)	7 (1)	9 (1)	11 (1)
(b)	Second degree murder:	1 (25)[ii]	1 (22)	7 (17)	17 (15)	18 (14)
(c)	Attempted murder:	3	3	4	6	6
(d)	Manslaughter:	11	9	17	23	14
(e)	Rape:	11	9	13	24	39
	attempted rape:	nil	nil	2	3	4
(f)	Other sexual offences:	6	3	11	12	1
(g)	Assault [iii]:	nil	nil	2	4	2
(h)	Robbery:	34	23	46	62	71
(i)	Weapons offences:	nil	nil	3	4	1
(j)	Break and enter:	19	7	22	30	39
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	8	5	9	4	3

Footnotes:
For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,860—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Osborne Centre, Winnipeg and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

Order Paper Questions

For Osborne Centre

Table 1:			Total number of inmates	
1976	1977	1978	1979	1980
170	79	81	108	127

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Osborne Centre

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil	nil	nil	nil	nil
(b)	Second degree murder:	nil (7)[ii]	nil	nil (7)	nil (6)	nil (6)
(c)	Attempted murder:	1	1	2	2	2
(d)	Manslaughter:	7	7	9	7	11
(e)	Rape:	3	2	4	9	3
	attempted rape:	nil	nil	1	nil	nil
(f)	Other sexual offences:	1	nil	1	4	2
(g)	Assault [iii]:	1	nil	nil	nil	2
(h)	Robbery:	26	20	26	17	19
(i)	Weapons offences:	nil	nil	1	2	4
(j)	Break and enter:	8	6	14	10	13
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	14	9	9	11	6

Footnotes:
For elaboration concerning (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,861—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Rockwood Institution farm, Stony Mountain and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Rockwood Institution

Table 1:			Total number of inmates	
1976	1977	1978	1979	1980
165	175	201	209	185

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Rockwood Institution

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil	nil	nil	nil	nil
(b)	Second degree murder:	nil (7)[ii]	nil (7)	nil (7)	nil (7)	nil (7)
(c)	Attempted murder:	nil	nil	1	1	1
(d)	Manslaughter:	nil	nil	nil	2	2
(e)	Rape:	nil	nil	2	2	3
	attempted rape:	nil	nil	nil	nil	nil
(f)	Other sexual offences:	nil	nil	nil	nil	nil
(g)	Assault [iii]:	nil	nil	nil	nil	1
(h)	Robbery:	1	1	1	6	9
(i)	Weapons offences:	nil	nil	nil	nil	nil
(j)	Break and enter:	1	1	1	3	6
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	nil	nil	nil	nil	nil

Footnotes:
For elaboration concerning (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,862—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Stony Mountain Institution, Stony Mountain and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Stony Mountain Institution

Table 1:

Total number of inmates				
1976	1977	1978	1979	1980
1,013	961	966	962	993

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Stony Mountain Institution

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	1 (1)[i]	1 (1)	2	2	2
(b)	Second degree murder:	1 (20)[ii]	1 (19)	18 (20)	22 (21)	26 (21)
(c)	Attempted murder:	7	6	5	8	9
(d)	Manslaughter:	38	24	29	29	36
(e)	Rape:	24	16	23	19	21
	attempted rape:	nil	nil	1	1	1
(f)	Other sexual offences:	15	5	5	5	1
(g)	Assault [iii]:	15	3	11	8	12
(h)	Robbery:	90	49	87	106	122
(i)	Weapons offences:	7	3	5	6	3
(j)	Break and enter:	75	30	70	46	76
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	20	9	9	9	12

Footnotes:
For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,863—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Oskana Centre, Regina and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Oskana Centre

Table 1:

Total number of inmates				
1976	1977	1978	1979	1980
46	50	54	54	65

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1st of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Oskana Centre

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil	nil	nil	nil	nil
(b)	Second degree murder:	nil (1)[ii]	nil (1)	nil (1)	nil (1)	nil
(c)	Attempted murder:	nil	nil	nil	nil	nil
(d)	Manslaughter:	3	2	3	4	5
(e)	Rape:	5	3	5	7	4
	attempted rape:	nil	nil	2	2	3
(f)	Other sexual offences:	1	1	2	2	nil
(g)	Assault [iii]:	1	nil	nil	nil	nil
(h)	Robbery:	10	6	12	7	13
(i)	Weapons offences:	nil	nil	nil	nil	nil
(j)	Break and enter:	8	4	5	8	5
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	14	8	9	7	7

Footnotes:
For elaboration concerning (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,864—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Saskatchewan Institution farm, Prince Albert and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

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For Saskatchewan Farm Institution

Table 1:

Total number of inmates				
1976	1977	1978	1979	1980
142	136	163	147	173

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1st of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Saskatchewan Farm Institution

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

	1976	1977	1978	1979	1980
(a) First degree murder:	nil	nil	nil	nil	nil
(b) Second degree murder:	nil (2)[ii]	nil (2)	nil (2)	nil (2)	nil (2)
(c) Attempted murder:	1	1	1	nil	nil
(d) Manslaughter:	nil	nil	8	7	9
(e) Rape:	1	1	12	14	18
attempted rape:	nil	nil	nil	1	1
(f) Other sexual offences:	2	2	2	2	2
(g) Assault [iii]:	nil	nil	1	nil	nil
(h) Robbery:	1	1	3	11	15
(i) Weapons offences:	nil	nil	nil	nil	nil
(j) Break and enter:	2	2	6	8	14
(k) Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l) Other Narcotic Control Act offences:	2	2	1	1	2

Footnotes:
For elaboration concerning (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,865—Mr. Lawrence:

For the years 1976 to 1980, what was the number of inmates at the Saskatchewan Penitentiary, Prince Albert and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Saskatchewan Penitentiary

Table 1:

Total number of inmates				
1976	1977	1978	1979	1980
1,218	1,149	1,131	1,030	1,130

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1st of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Saskatchewan Penitentiary

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

	1976	1977	1978	1979	1980
(a) First degree murder:	3 (4)[i]	2 (4)	9 (4)	10 (4)	12 (4)
(b) Second degree murder:	1 (27)[ii]	1 (26)	13 (23)	15 (20)	24 (20)
(c) Attempted murder:	13	11	17	13	13
(d) Manslaughter:	23	17	21	18	19
(e) Rape:	44	32	47	54	50
attempted rape:	5	5	9	6	3
(f) Other sexual offences:	26	10	21	17	4
(g) Assault [iii]:	18	5	13	8	9
(h) Robbery:	98	66	89	80	63
(i) Weapons offences:	9	3	8	4	4
(j) Break and enter:	71	28	64	54	40
(k) Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l) Other Narcotic Control Act offences:	29	16	12	11	9

Footnotes:
For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,866—Mr. Lawrence:

For the years 1976 to 1980, what was the number of inmates at the Regional Psychiatric Centre, Saskatoon and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For the Regional Psychiatric Centre, Saskatoon (opened in 1979)

Table 1:

Total Number of inmates	
1979	1980
95	172

The above table indicates the total number of inmates for the years 1979 and 1980. The Figure for 1979 includes the original number of admissions plus all transfers to the institution during the year. For 1980 the figure includes the inmates on register as of January 1st plus all admissions and transfers to the institution. For questions (a) through (l) see Table 2 below.

Table 2

Regional Psychiatric Centre

Number of inmates, per offence, who were serving their sentences during the years 1979 and 1980

		1979	1980
(a)	First degree murder:	nil	nil
(b)	Second degree murder:	1 (2)[ii]	1 (2)
(c)	Attempted murder:	nil	1
(d)	Manslaughter:	3	6
(e)	Rape:	3	3
	attempted rape:	1	nil
(f)	Other sexual offences:	12	nil
(g)	Assault [iii]:	3	4
(h)	Robbery:	11	10
(i)	Weapons offences:	1	1
(j)	Break and enter:	14	6
(k)	Cannabis offences [iv]:	nil	nil
(l)	Other Narcotic Control Act offences:	2	2

Footnotes:
For elaboration concerning (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,867—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Altadore Centre, Calgary and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Altadore Centre

Table 1: Total number of inmates

1976	1977	1978	1979	1980
13	36	78	52	80

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1st of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Altadore Centre

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil	nil	nil	nil	nil
(b)	Second degree murder:	nil (3)[ii]	nil (3)	nil (3)	nil (3)	nil (2)
(c)	Attempted murder:	1	1	2	1	1
(d)	Manslaughter:	3	1	2	1	nil
(e)	Rape:	1	1	3	2	5
	attempted rape:	nil	nil	nil	nil	nil
(f)	Other sexual offences:	1	1	1	2	1
(g)	Assault:	nil	nil	nil	nil	nil
(h)	Robbery:	12	9	17	16	15
(i)	Weapons offences:	nil	nil	nil	nil	nil
(j)	Break and enter:	7	4	12	11	14
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	7	2	13	12	8

Footnotes:
For elaboration concerning (ii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,868—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Portal House, Calgary and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Portal House (prior to July 1980 known as Scarboro Centre)

Table 1: Total number of inmates

1976	1977	1978	1979	1980
94	93	77	82	70

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1st of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Portal House

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil	nil	nil	nil	nil

Order Paper Questions

Table 2

Portal House

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(b)	Second degree murder:	nil (5)[ii]	nil (5)	nil (5)	nil (4)	nil (3)
(c)	Attempted murder:	nil	nil	2	nil	1
(d)	Manslaughter:	2	2	3	2	2
(e)	Rape:	4	3	3	nil	3
	attempted rape:	nil	nil	nil	1	1
(f)	Other sexual offences:	1	nil	nil	2	1
(g)	Assault [iii]:	nil	nil	3	1	nil
(h)	Robbery:	8	5	16	11	7
(i)	Weapons offences:	nil	nil	1	1	2
(j)	Break and enter:	10	2	5	9	5
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	7	3	7	3	6

Footnotes:
For elaboration concerning (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,869—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Grierson Centre, Edmonton and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Grierson Centre

Table 1: Total number of inmates

1976	1977	1978	1979	1980
161	216	236	215	210

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1st of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Grierson Centre

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil	nil	1	1	1
(b)	Second degree murder:	nil (7)[ii]	nil (6)	nil (6)	nil (6)	nil (6)
(c)	Attempted murder:	4	4	3	3	2
(d)	Manslaughter:	9	5	8	8	12
(e)	Rape:	7	4	8	7	5
	attempted rape:	1	nil	nil	nil	nil
(f)	Other sexual offences:	7	5	4	6	1
(g)	Assault [iii]:	4	2	1	nil	1
(h)	Robbery:	35	22	47	38	43
(i)	Weapons offences:	1	1	1	nil	1
(j)	Break and enter:	28	14	32	22	17
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	33	11	21	14	15

Footnotes:
For elaboration concerning (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,870—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Drumheller Trailer Unit and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Drumheller Trailer Unit: The statistics requested cannot be extracted from the records of Drumheller Institution and are therefore included in our reply to question No. 3,872 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,871—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Bowden Institution, Innisfail and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Bowden Institution

Table 1: Total number of inmates

1976	1977	1978	1979	1980
263	311	302	307	337

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Bowden Institution

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil	nil	nil	nil	nil
(b)	Second degree murder:	nil (6)[ii]	nil (6)	nil (7)	2 (6)	2 (6)
(c)	Attempted murder:	2	2	1	1	nil
(d)	Manslaughter:	10	7	11	12	12
(e)	Rape:	3	2	4	3	4
	attempted rape:	nil	nil	nil	nil	nil
(f)	Other sexual offences:	5	2	1	1	3
(g)	Assault [iii]:	6	nil	5	3	3
(h)	Robbery:	31	23	30	34	32
(i)	Weapons offences:	2	nil	3	1	1
(j)	Break and enter:	26	8	27	27	23
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	21	9	7	8	6

Footnotes:
For elaboration concerning (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,872—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Drumheller Institution, Drumheller and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Drumheller Institution

Table 1: Total number of inmates

1976	1977	1978	1979	1980
1,029	1,090	1,106	954	974

The above table indicates the total number of inmates for each year 1976 to 1980 for Drumheller Institution and Drumheller Trailer Unit (figures cannot be extracted from Drumheller Institution's records, see question 3,870). Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institutions during that year. For questions (a) through (l) see Table 2 below.

Table 2

Drumheller Institution and Drumheller Trailer Unit

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil (1)[i]	nil (1)	nil (1)	nil (1)	nil (1)
(b)	Second degree murder:	nil (17)[ii]	nil (17)	9 (18)	10 (18)	10 (17)
(c)	Attempted murder:	2	2	6	7	7
(d)	Manslaughter:	5	4	11	16	17
(e)	Rape:	4	nil	4	4	nil
	attempted rape:	nil	nil	nil	nil	nil
(f)	Other sexual offences:	1	nil	2	3	1
(g)	Assault [iii]:	5	1	2	5	6
(h)	Robbery:	68	42	71	82	85
(i)	Weapons offences:	4	3	3	5	5
(j)	Break and enter:	95	39	76	76	57
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	47	25	24	22	15

Footnotes:
For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,873—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Edmonton Institution, Edmonton and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Edmonton Institution (opened in 1978)
Table 1: Total Number of inmates

1978	1979	1980
57	235	358

The above table indicates the total number of inmates for the years 1978 to 1980. The figure for 1978 includes the original number of admissions plus all transfers to the institution during that year. For 1979 and 1980 the figures include the inmates on register as of January 1 plus all admissions and transfers to the institution for each year. For questions (a) through (l) see Table 2 below.

Table 2

Edmonton Institution

Number of inmates, per offence, who were serving their sentences during the years 1978 to 1980

	1978	1979	1980
(a) First degree murder:	4	6	1
(b) Second degree murder:	4 (4)[ii]	7 (4)	16 (4)
(c) Attempted murder:	1	2	8
(d) Manslaughter:	6	6	6
(e) Rape:	1	nil	1
attempted rape:	nil	nil	nil
(f) Other sexual offences:	nil	nil	nil
(g) Assault [iii]:	2	1	1
(h) Robbery:	29	35	49
(i) Weapons offences:	1	2	1
(j) Break and enter:	14	19	24
(k) Cannabis offences [iv]:	nil	nil	nil
(l) Other Narcotic Control Act offences:	1	1	6

Footnotes:
For elaboration concerning (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,874—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Robson Centre, Vancouver and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Robson Centre

Table 1:

Total number of inmates				
1976	1977	1978	1979	1980
88	122	159	85	76

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Robson Centre

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

	1976	1977	1978	1979	1980
(a) First degree murder:	nil	nil	nil	nil	nil
(b) Second degree murder:	nil (13)[ii]	nil (12)	nil (11)	nil (9)	nil (7)
(c) Attempted murder:	2	1	2	1	2
(d) Manslaughter:	8	8	5	1	nil
(e) Rape:	7	5	4	4	5
attempted rape:	nil	nil	nil	nil	nil
(f) Other sexual offences:	2	2	1	1	nil
(g) Assault [iii]:	2	1	1	1	1
(h) Robbery:	32	22	23	21	17
(i) Weapons offences:	nil	nil	nil	nil	1
(j) Break and enter:	6	4	6	6	6
(k) Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l) Other Narcotic Control Act offences:	48	38	28	26	23

Footnotes:
For elaboration concerning (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,875—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Pandora Centre, Victoria and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctionnal Service of Canada is concerned:

For Pandora Centre

Table 1:

Total number of inmates				
1976	1977	1978	1979	1980
52	44	48	48	44

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Pandora Centre

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil	nil	nil	nil	nil
(b)	Second degree murder:	nil (5)[ii]	nil (5)	nil (5)	nil (3)	nil (1)
(c)	Attempted murder:	2	1	2	1	nil
(d)	Manslaughter:	2	1	2	2	4
(e)	Rape:	3	3	1	1	1
	attempted rape:	nil	nil	nil	nil	nil
(f)	Other sexual offences:	nil	nil	nil	nil	nil
(g)	Assault:	nil	nil	nil	nil	nil
(h)	Robbery:	13	8	12	9	7
(i)	Weapons offences:	nil	nil	nil	3	nil
(j)	Break and enter:	5	4	5	nil	2
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	16	10	16	11	10

Footnotes:
For elaboration concerning (ii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,876—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Elbow Lake forestry camp, Harrison Mills and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Elbow Lake Forestry Camp

Table 1:

Total number of inmates				
1976	1977	1978	1979	1980
10	83	94	133	126

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Elbow Lake Forestry Camp

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil (2)[i]	nil (2)	nil (1)	nil (1)	nil (1)
(b)	Second degree murder:	nil (3)[ii]	nil (3)	1 (3)	2 (3)	2 (3)
(c)	Attempted murder:	2	2	3	3	3
(d)	Manslaughter:	3	2	2	3	3
(e)	Rape:	nil	nil	nil	nil	nil
	attempted rape:	nil	nil	nil	nil	nil
(f)	Other sexual offences:	nil	nil	nil	nil	nil
(g)	Assault [iii]:	nil	nil	nil	1	1
(h)	Robbery:	12	9	15	17	21
(i)	Weapons offences:	nil	nil	2	1	nil
(j)	Break and enter:	5	3	4	8	6
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	16	15	23	20	17

Footnotes:
For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,877—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Ferndale Institution, Mission and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Ferndale Institution

Table 1:

Total number of inmates				
1976	1977	1978	1979	1980
128	135	139	138	144

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institutions during the year. For questions (a) through (l) see Table 2 below.

Order Paper Questions

Table 2

Ferndale Institution

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

	1976	1977	1978	1979	1980
(a) First degree murder:	nil (2)[i]	nil (1)	nil (1)	nil (1)	nil (1)
(b) Second degree murder:	nil (10)[ii]	nil (9)	nil (8)	nil (7)	nil (6)
(c) Attempted murder:	4	3	3	1	2
(d) Manslaughter:	5	4	3	2	1
(e) Rape:	3	nil	nil	nil	1
attempted rape:	nil	nil	nil	nil	nil
(f) Other sexual offences:	nil	nil	nil	nil	nil
(g) Assault [iii]:	3	1	nil	nil	nil
(h) Robbery:	26	20	25	16	10
(i) Weapons offences:	nil	nil	nil	1	1
(j) Break and enter:	7	4	5	7	3
(k) Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l) Other Narcotic Control Act offences:	30	24	40	45	36

Footnotes:
For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,878—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Matsqui Trailer Unit and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Matsqui Trailer Unit (closed in June 1977 for conversion to a community correctional centre, now known as Sumas Centre), the statistics requested cannot be extracted from the records of Matsqui Institution and are therefore included in our reply to question No. 3,882 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,879—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Mission Institution, Mission and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Mission Institution

Table 1:

Total Number of Inmates			
1977	1978	1979	1980
254	370	414	419

The above table indicates the total number of inmates for each year 1977 to 1980. The figure for 1977 includes the original number of admissions plus all transfers to the institution during the year. For the following years the figure includes the inmates on register as of January 1 plus all admissions and transfers to the institution. For questions (a) through (l) see Table 2 below.

Table 2

Mission Institution

Number of inmates, per offence, who were serving their sentences during the years 1977 to 1980

	1977	1978	1979	1980
(a) First degree murder:	nil (1)[i]	nil (1)	nil (1)	nil (1)
(b) Second degree murder:	nil (11)[ii]	3 (13)	9 (13)	11 (12)
(c) Attempted murder:	5	5	6	7
(d) Manslaughter:	5	5	8	11
(e) Rape:	2	5	5	4
attempted rape:	nil	1	1	4
(f) Other sexual offences:	1	4	1	1
(g) Assault [iii]:	2	3	4	2
(h) Robbery:	12	37	36	40
(i) Weapons offences:	nil	nil	nil	1
(j) Break and enter	6	16	24	20
(k) Cannabis offences [iv]:	nil	nil	nil	nil
(l) Other Narcotic Control Act offences:	16	37	46	44

Footnotes:
For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,880—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the William Head Institution, Victoria and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For William Head Institution

Table 1:

Total number of inmates				
1976	1977	1978	1979	1980
390	341	283	329	325

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

William Head Institution

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil	nil	1	1	1
(b)	Second degree murder:	2 (12)[ii]	2 (12)	6 (13)	7 (13)	7 (10)
(c)	Attempted murder:	3	3	5	4	2
(d)	Manslaughter:	2	2	3	3	6
(e)	Rape:	2	1	2	1	nil
	attempted rape:	nil	nil	nil	nil	nil
(f)	Other sexual offences:	nil	nil	nil	1	nil
(g)	Assault [iii]:	2	1	1	1	nil
(h)	Robbery:	29	19	28	25	24
(i)	Weapons offences:	2	nil	3	2	1
(j)	Break and enter:	12	9	17	11	12
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	42	25	31	30	24

Footnotes:
For elaboration concerning (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,881—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Mountain Institution, Agassiz and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Mountain Institution

Table 1: Total number of inmates

1976	1977	1978	1979	1980
415	437	375	401	358

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Mountain Institution

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

		1976	1977	1978	1979	1980
(a)	First degree murder:	nil (3)[i]	nil (2)	nil (2)	nil (2)	nil (1)
(b)	Second degree murder:	nil (21)[ii]	nil (21)	2 (19)	2 (19)	2 (18)
(c)	Attempted murder:	1	1	2	3	1
(d)	Manslaughter:	8	7	10	6	4
(e)	Rape:	58	44	46	52	52
	attempted rape:	3	3	3	4	3
(f)	Other sexual offences:	17	17	28	27	5
(g)	Assault [iii]:	6	5	5	4	3
(h)	Robbery:	20	14	23	19	15
(i)	Weapons offences:	3	nil	2	1	1
(j)	Break and enter:	11	11	15	14	11
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	31	nil	21	16	17

Footnotes:
For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,882—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Matsqui Institution, Abbotsford and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Matsqui Institution, Abbotsford

Table 1: Total number of inmates

1976	1977	1978	1979	1980
822	773	545	725	805

The above table indicates the total number of inmates for each year 1976 to 1980 for Matsqui Institution and Matsqui Trailer Unit (figures cannot be extracted from Matsqui Institution's records, see question 3,878). Each figure includes the inmates on register as of January 1 of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Order Paper Questions

Table 2

Matsqui and Matsqui Trailer Unit

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

	1976	1977	1978	1979	1980
(a) First degree murder:	nil (2)[i]	nil (2)	1 (2)	1 (1)	1 (1)
(b) Second degree murder:	nil (20)[ii]	nil (19)	11 (19)	12 (15)	10 (13)
(c) Attempted murder:	4	3	8	7	6
(d) Manslaughter:	13	9	8	8	9
(e) Rape:	6	2	4	3	2
attempted rape:	1	1	2	2	2
(f) Other sexual offences:	2	2	2	1	1
(g) Assault [iii]:	6	5	5	3	1
(h) Robbery:	9	59	66	64	59
(i) Weapons offences:	1	1	1	4	3
(j) Break and enter:	26	11	30	36	27
(k) Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l) Other Narcotic Control Act offences:	68	44	70	60	44

Footnotes:
For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,883—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Kent Institution, Agassiz and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For Kent Institution

Table 1: Total Number of Inmates

1979	1980
180	456

The above table indicates the total number of inmates for the years 1979 and 1980. The figure for 1979 includes the original number of admissions plus all transfers to the institution during that year. For 1980 the figure includes the inmates on register as of January 1st plus all admissions and transfers to the institution. For questions (a) through (l) see Table 2 below.

Table 2

Kent Institution

Number of inmates, per offence, who were serving their sentences during the years 1979 and 1980

	1979	1980
(a) First degree murder:	10 (1)[i]	9 (1)
(b) Second degree murder:	8 (6)[ii]	12 (6)
(c) Attempted murder:	4	6
(d) Manslaughter:	7	7
(e) Rape:	3	2
attempted rape:	nil	nil
(f) Other sexual offences:	2	nil
(g) Assault [iii]:	nil	nil
(h) Robbery:	37	41
(i) Weapons offences:	2	3
(j) Break and enter:	13	18
(k) Cannabis offences [iv]:	nil	nil
(l) Other Narcotic Control Act offences:	14	12

Footnotes:
For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

CORRECTIONAL SERVICES OF CANADA

Question No. 3,884—**Mr. Lawrence:**

For the years 1976 to 1980, what was the number of inmates at the Regional Psychiatric Centre, Abbotsford and how many were convicted of (a) first degree murder (b) second degree murder (c) attempted murder (d) manslaughter (e) rape and attempted rape (f) other sexual offences (g) assault (h) robbery (i) weapons offences (j) break and enter (k) cannabis offences (l) other Narcotic Control Act offences?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

For the Regional Psychiatric Centre, Abbotsford

Table 1: Total number of inmates

1976	1977	1978	1979	1980
273	272	290	291	310

The above table indicates the total number of inmates for each year 1976 to 1980. Each figure includes the inmates on register as of January 1st of each year plus all admissions and transfers to the institution during that year. For questions (a) through (l) see Table 2 below.

Table 2

Regional Psychiatric Centre

Number of inmates, per offence, who were serving their sentences during the years 1976 to 1980

	1976	1977	1978	1979	1980
(a) First degree murder:	1 (1)[i]	1 (1)	2 (1)	2 (1)	3 (1)
(b) Second degree murder:	nil (11)[ii]	nil (10)	1 (10)	2 (9)	4 (9)
(c) Attempted murder:	2	2	nil	nil	2
(d) Manslaughter:	5	3	4	3	4

(e)	Rape:	9	6	4	5	10
	attempted rape:	1	1	2	1	nil
(f)	Other sexual offences:	6	2	5	7	1
(g)	Assault [iii]:	1	nil	2	2	3
(h)	Robbery:	18	13	21	21	14
(i)	Weapons offences:	nil	nil	2	2	nil
(j)	Break and enter:	20	10	14	14	8
(k)	Cannabis offences [iv]:	nil	nil	nil	nil	nil
(l)	Other Narcotic Control Act offences:	4	2	nil	2	1

Footnotes:
For elaboration concerning (i), (ii), (iii), (iv) and Table 2, see "Footnotes" to question No. 3,829 answered this day.

ECONOMIC PROGRAMS

Question No. 4,242—**Mr. Roy (Laval):**

Under the various economic programs implemented in order to stimulate employment over the past five years (a) what was the annual breakdown, by province, of the various government contributions (b) what percentage of the total budget did the contributions represent (c) what was (i) the approximate number of person-years required for the administration and the related budget (ii) the total cost of the programs?

Hon. Pierre Bussières (Minister of State (Finance)): The government has implemented a wide range of programs over the past five years that have sought to stimulate employment either directly or indirectly. In some of these programs employment creation has been the primary motivating factor as, for example, in the case of the employment tax credit introduced in October, 1977. In many other programs employment stimulus has been but one of a number of complementary objectives as, for example, with the Canadian Rental Supply Plan introduced with the November, 1981 budget where an equally important purpose was to increase the available supply of rental accommodation. Indeed, virtually all of the government's economic programs and many of its non-economic programs provide a major stimulus to employment.

In view of the complex nature of the various federal economic programs influencing employment, and in view of the varying degrees to which these programs are specifically focussed on job creation, it would not be possible to provide the detailed breakdowns and aggregations requested.

BILINGUALISM IN PUBLIC SERVICE

Question No. 4,244—**Mr. Herbert:**

Of the bilingual persons occupying designated positions in the public service, how many attained levels (a) A (b) B (c) C in (i) written comprehension (ii) oral comprehension (iii) written expression (iv) oral expression and how many reached the exemption level?

Mr. Norman Kelly (Parliamentary Secretary to President of the Treasury Board): The table hereunder shows the distribution of all certified bilingual employees occupying bilingual positions by language proficiency level attained in each ability. The "Others" column is comprised of abilities not required in the language profile of the position or the profile of the position has been established as a "P" which denotes a technical or professional level that is not measured by the language knowledge examination (LKE).

		Level of Proficiency Attained					
ABILITIES	Exemption	C	B	A	R	Others	TOTAL
READING	6354	5704	25645	4632	172	4729	47,236
WRITING	6354	4427	29910	1930	59	4556	47,236
LISTENING	6354	6143	27098	3807	219	3615	47,236
SPEAKING	6354	5007	28434	4329	259	2853	47,236

"R" or "Instrumental" level: At this level, a person can understand and express himself/herself as well as someone at level A but only in recurring situations where the language communication activity is habitually reiterated and stereotyped. The Public Service Commission recognizes this level only for certain special cases of the operational category.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Jim Peterson (Parliamentary Secretary to Minister of Justice and Minister of State for Social Development): Madam Speaker, if question No. 3,900 could be made an order for return, that return would be tabled immediately.

I suggest, Madam Speaker, that the other questions be allowed to stand.

Madam Speaker: Is it the pleasure of the House that question No. 3,900 be deemed to have been made an order for return?

Some hon. Members: Agreed.

[*Text*]

PENITENTIARY SERVICES FOR NATIVE PEOPLES

Question No. 3,900—**Mr. Lawrence:**

Which federal penal institutions have programs for inmates of native ancestry and, in each case (a) what type of program is provided (b) is it staffed by the government or by volunteers from the community?

Return tabled.

Point of Order—Mr. Nielsen

[*English*]

Mr. Lawrence: Madam Speaker, I rise on a point of order. I do not put too many questions on the Order Paper. However, I did put a series of 250 questions on the Order Paper which mainly seek statistical and background information, information which would be readily available to the government, relating to the correctional service of Canada. About one fifth of these questions have been answered today, leaving approximately 200 still to be answered. As I say, it is routine, statistical background information that has been requested.

Can the parliamentary secretary tell me when the major bulk of those questions will be answered? Why have they not been answered with the ones that have been answered today?

• (1520)

Mr. Peterson: Madam Speaker, to date the government has responded to 3,406 questions. Today there were 55 questions asked by the hon. member which have been answered. I think Canadians know that each question costs us over $100, I believe, to answer.

Mr. Lawrence: Not these.

Mr. Peterson: Now, we have made a sincere effort to respond to the questions put forward by the hon. member. We will bring forth answers to his other questions in the future when we can get around to answering them. We understand that they are important, but as he realizes, we do not have unlimited resources, nor do I think we should have in all these cases. Therefore, I would be very happy to bring them to the notice of our officials and try to get those answers for him as quickly as possible.

[*Translation*]

Madam Speaker: As requested by the hon. parliamentary secretary, shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

[*English*]

POINTS OF ORDER

MR. NIELSEN—PROCEDURE DURING COMMITTEE CONSIDERATION OF APPROPRIATIONS BILL

Hon. Erik Nielsen (Yukon): Madam Speaker, I wish to raise a point of order arising out of last evening's proceedings and involving the manner in which the Deputy Speaker conducted our proceedings last night. My point of order, in order to be put into proper perspective, must necessarily concern itself with a meticulous review of last night's proceedings. I note that we do not yet have *Hansard* available to us, so I cannot back up my recollections by citations from *Hansard*. I can understand why it would be late.

Last night I raised a point of order which was a serious one concerning the right of the hon. member for Hochelaga-Maisonneuve, the Minister of State (Mr. Joyal), to vote in last night's proceedings. I did that on the basis of the possibility of his having a pecuniary interest in the subject matter of the vote. I do not intend to go into the merits or demerits of that point of order. I simply refer to it as being the point at which the irregularities commenced. The Deputy Speaker who was in the chair of the Committee of the Whole at the time ruled, for entirely irrelevant reasons in my view, that there was no point of order.

I then rose again on a point of order intending to appeal that ruling under the provisions of Standing Order 55(4), which allows any hon. member to appeal the ruling of the Chairman of the Committee of the Whole. I am sure Your Honour is aware that that would require the Speaker to resume the chair and deal with that appeal. I will have a citation in that regard for the convenience of the Chair in a moment.

My point is that the microphone at that point was turned off. The Chairman of the Committee of the Whole would not recognize me, despite the fact that I stood here and shouted at the top of my lungs that I had a point of order to be heard. He just refused to hear me at that point. I was denied the right, then, to rise on a point of order under Standing Order 55(4) to put in motion the machinery to appeal that ruling.

At that point the Deputy Speaker, in the chair of the Committee of the Whole, called for a vote on the schedule to the measure which was then before us, Schedule A of the appropriations bill. At that point I said quite loudly "on division". Normally when that occurs the Chair simply repeats "on division", the subject matter which is being voted upon is passed, and we go on to the next vote, which in this case was on Clause 1 and the title of the bill.

I rose on a point of order again to draw the attention of the Chair to the fact that I had said on behalf of members in the opposition "on division", so that the vote would pass in that fashion. Again he would not allow my microphone to be turned on, and again he would not listen to my point of order. He would not even listen to find out what the point of order was. He called at that point for a standing vote.

It does not lie, in my submission, within the prerogative of the Chair or within the prerogative of the occupant of the chair of the Committee of the Whole to determine whether there will be a vote. That is the prerogative of Members of Parliament, and once having made that decision, it does not lie within the Chair's prerogative to decide how that vote will be taken; again that is the prerogative of members of the chamber.

In this instance the Deputy Speaker, in the chair of the Committee of the Whole, insisted upon a standing vote, notwithstanding the expressed desire of myself as House leader of the opposition on behalf of my party that that vote would pass on division. He would not even recognize me to explain that point of order.

That having occurred, I again rose and in a very loud voice asked to be recognized on a further point of order to appeal that ruling implicit by the occupant of the chair of the Committee of the Whole. Again he refused to hear my point of

order, and I would point out that it was raised before he called for a standing vote. We did not call for it; the Chair called for it. My point of order was twice raised in a loud enough voice to be heard—it was heard by *Hansard*, I am sure; it was certainly heard by my colleagues at the farthest ends of the chamber—and he refused to recognize me on a point of order. That, Madam Speaker, is very serious. We have—

An hon. Member: Oh, come on!

Mr. Nielsen: I hear "Oh, come on". I have a great respect for the right of Members of Parliament to be heard, particularly in this chamber. I notice an increasing tendency to stop Members of Parliament from being heard.

Some hon. Members: Oh, oh!

Mr. Nielsen: I hear laughter from Liberal members opposite. One of the things which has been practised over the 25 years that I have been here is that when members raise serious points of order, at least the occupant of the chair listens long enough to determine whether or not they have valid points of order. In this instance we have reached the stage where we are not even recognized to explain a point of order at all, and they laugh over there; they think that is funny. I think it is very serious, and I suggest to Madam Speaker that it is not my intention to take the most serious of courses available to me in order to rectify the conduct of the Deputy Speaker in the chair. I could do that, but I do not intend to do it.

I rise today in the hope that, in your morning meetings which I know you have with your deputy and your other officers, you will consider this matter very seriously and perhaps decide to reverse this process of cutting off members immediately they rise, before an adequate opportunity is given to members, whether it be on a point of order or on a question of privilege, at least to be heard sufficiently to determine whether or not there is a point of order or a question of privilege. That is what was denied me last night, and that was the reason there was no further purpose in remaining in this chamber, if we could not be heard.

In support of those submissions, I refer the Chair to Standing Order 55(4). It is our undoubted right to appeal a ruling of the Chairman of the Committee of the Whole. We were denied that right twice last night, simply because I was not allowed to be heard. That is backed up by Beauchesne's fifth edition, 1978. On page 163, Citation 471 reads:

• (1530)

(1) The Chairman maintains order in the Committee of the Whole, deciding all questions of order subject to an appeal to the Speaker. No debate is permitted on any decision.

(2) In cases of an appeal to the Speaker, it is the duty of the Chairman to leave the chair immediately and report the point of order which he has decided. The Speaker must then rule upon the matter. No discussion is allowed on the appeal. Should the Speaker be absent, the Chairman takes the Chair of the House and another Member makes the report of appeal to the acting Speaker who will at once rule upon the question.

(3) If a Member wishes at any time to call in question the conduct of the Chairman in the execution of his duties, his proper course is to give notice of a motion to that effect. Sir John Bourinot, Parliamentary Procedure and Practice in the Dominion of Canada (4th ed., 1916), p. 397.

If the Chair refers to that citation, she will be referred to a text by E. W. Peel, Decisions on Points of Order, Rules of Debate, compiled by E. G. Blackmore at page 55, which sets out the process which I do not intend to pursue today. As I said a moment ago, my purpose in rising is simply to draw this forcefully to the attention of the Chair so that incidents like this will not occur again.

Again quoting from Bourinot, which I have just cited, at page 397, approximately the middle of the page, it states:

If a member wishes at any time to call in question the conduct of the chairman in the execution of his duties, the proper course is to give notice of a motion to that effect in due course.

The one precedent that I wish to draw to the Chair's attention which deals with Standing Order 55(4) concerns an exchange which took place on April 6, 1971, after the new rules came into effect. At page 4969 of *Hansard* there was a question which arose as to whether or not an appeal of a chairman's ruling could be had. Mr. Baldwin, House leader of the opposition at that time, said as reported in the left-hand column, two thirds the way down:

With due respect, Mr. Chairman, I must appeal your decision not to allow me to appeal your decision.

They were in Committee of the Whole on this occasion as well. There was a case where the chairman on that occasion ruled that his decision was not appealable. The opposition House leader at the time appealed that decision.

In the right-hand column, after a further submission by Mr. Baldwin, he says about half-way down the page:

But I also respect my rights and the right of any other hon. member to appeal that ruling. I raised a point of order to start with. It was my point of order on which the discussion was initiated. Your Honour, in the breadth of your discretion, disallowed my point of order. I am now appealing your refusal to accept the point of order which I raised. Surely when I raise a point of order and Your Honour decides against it, I am entitled to appeal that decision.

At that time the chairman took a different tack. At that stage in the exchange, toward the bottom of the page, he had this to say:

—I gave the floor to the hon. member for Peace River subsequent to the point of order raised by the hon. member for Gaspé, and I now take it from the hon. member's remarks that having obtained the floor quite properly in the sequence of events, he is appealing the ruling. If I am correct in that, I think the hon. member has the right to appeal the ruling. Of course, under the rules the appeal will be submitted to Mr. Speaker.

Mr. Baldwin then said:

Your Honour is correct. You can consider that the appeal has been made and that the machinery has now been launched.

On the following page, 4970, Mr. Speaker had this to say after the machinery had been crystalized and the Speaker retook the Chair:

Mr. Speaker resumed the Chair and read the question as follows:

That is the question that was reported on the appeal to the Chair:

The question is an appeal of a decision of the chairman of the committee of the whole under the provisions of section 4 of Standing Order 55, as follows:

Point of Order—Mr. Nielsen

When clause 14 of Bill C-207, an Act respecting the organization of the Government of Canada and matters related or incedental thereto, was being considered in committee of the whole the hon. member for Peace River raised a point of order to the effect that a document referred to in committee of the whole should be laid upon the table.

The chairman ruled that there was no known procedure whereby a document could be laid upon the table of the committee of the whole since the committee was down by its order of reference which in the present instance was clause 14 of Bill C-207.

Whereupon the hon. member for Peace River appealed to Mr. Speaker from the decision of the Chair.

I draw your attention to that process, Madam Speaker, because notwithstanding the terminology of Standing Order 55(4) which would lead one to the conclusion that all the Speaker can do is hear the question and then put the question on appeal, the Speaker on that occasion allowed debate in order to come to a decision as to whether or not there existed a valid point of order and in order to decide whether or not to put the question on the appeal. I draw that precedent to the attention of the Chair for that purpose.

With regard to the question which I raised as a valid point of order with respect to the hon. member for Hochelaga-Maisonneuve, I do not discuss or advance the merits or demerits at all. I had a right to raise that point of order. I had a right to have it ruled upon. I then had a right to appeal.

I raised the point of order, the Chair ruled upon it. I was denied even being heard on a point of order to appeal. The vote went ahead. I said "on division" on the passage of the schedule when it was called. I rose on a point of order when the Chairman of the Committee of the Whole called for a standing vote in order to say that that was improper. He refused to hear me. I wanted to appeal that refusal which was an implicit ruling that that was not going to be a point of order.

I felt, as hon. members on this side left, that we were railroaded last night. That is not a healthy atmosphere to arouse in this place. We simply were not heard.

Mr. Olivier: Oh, come on!

Mr. Nielsen: I hear the usual interjection from the hon. member for Longueuil (Mr. Olivier). Anyone who wishes to treat this submission, which is a very serious submission, with the contempt displayed by the member for Longueuil does not think very much of this place.

The question I raised is a very serious one indeed. It involves the treatment of the members of the House of Commons, particularly the opposition, by officers of the House. The least that we can expect is not to be gagged. The least that we can expect is to be heard for a sufficient time in order for the Chair to find out what we are objecting to. The result in this case of not even listening was that we were denied on two occasions very substantial and fundamental rights given to us under the Standing Orders to appeal the ruling of the Chair.

I simply raise this point to draw it very forcefully to the attention of the Chair in the hope that when you have your morning meetings with your officials you might address this question, in the fervent hope that it will never, never happen again.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I listened very patiently and closely to the speech made by the member for Yukon (Mr. Nielsen) and I must admit that I could hardly keep a straight face, because basically, he was merely trying to justify an attempt by representatives of his party to make a disturbance yesterday evening, and their entirely infantile and irresponsible attitude in leaving the House.

I shall recall, if I may, that the circumstances in which the Progressive Conservative Party acted so irresponsibly and childishly were the following: the House, in Committee of the Whole, was considering legislation concerning the business of supply, and debate on this subject is clearly regulated in the Standing Orders of the House. I may refer hon. members again to Standing Order 58(10), which reads, and I quote:

—If the motion under consideration at the hour of interruption—

—at 9.45 p.m.—

—is a no-confidence motion, the Speaker first shall put forthwith, without further debate or amendment, every question necessary to dispose of that proceeding, and forthwith thereafter put successively, without debate or amendment, every question necessary to dispose of any item of business relating to interim supply—

—and so forth.

Thus, Madam Speaker, the context and circumstances in which the member for Yukon attempted to be recognized by the chair were as follows: the House was in the middle of proceedings that are very strictly regulated, and normally, this type of proceedings takes place without interruption, without debate or amendment, and as quickly as possible. Only exceptionally can hon. members intervene on points of order. Now, last night, the Chairman of the Committee of the Whole, although functioning within this very restricted framework, was extremely patient and courteous in his dealings with the Official Opposition, considering the arrogant and irresponsible and, I say it once again, infantile attitude they showed at the time.

He was patient, and he acted fairly and equitably, because he heard several points of order before deciding to apply Standing Order 58(10)—points of order which, in fact, they were not, because *Hansard* shows us exactly what was said on the occasion of these pseudo-points of order. These delaying tactics, this means of creating a disturbance in the House were used to protest that a minister of state did not have sufficient responsibilities and therefore the adopted or proposed votes could not be justified. An attempt was made to infer—I was later obliged to deny this formally to get the record straight—that the Standing Orders relating to the business of supply were steamrollered through the House under the threat of closure, although that is absolutely false.

I had to deny this formally and clearly establish that the Standing Orders on the business of supply were adopted unanimously by the House on December 20, 1968. Now that was the kind of argument that was raised within the context of a voting procedure, where there should have been no debate or amendment, and this had been going on for some time when the Chairman of the Committee of the Whole House decided to simply apply the Standing Orders after having been extremely patient. It was then the Chairman decided to take a standing vote. The House was still in Committee of the Whole. Then what happened? Instead of waiting his turn—today the hon. member is claiming that he wanted to appeal a ruling, which, in any case, was not clearly specified—in fact, he still had enough time last night to do so later on, if he had stayed in the House, with the members of his party, to raise his point of order after the vote in question, at the report stage or the third reading stage of this particular bill. Madam Speaker, I think it is important to draw the Chair's attention to the fact that a point of order may not be raised at all times, without any consideration and as hon. members please. A point of order is subject to a number of rules determining how it is to be raised and especially, when it is to be raised. I may draw your attention to Beauchesne's fifth edition, Citations 235, 236 and 237, and I shall quote a short passage from Citation 235:

> A point of order may be taken after a debate is concluded and the Speaker is about to put the question to a vote or after the vote has been taken—in fact, at any time, but not so as to interrupt the Speaker when he is addressing the House.

Thus, the member for Yukon (Mr. Nielsen) would have been able to raise his point of order if he had chosen to remain in the House like a big boy after the voting procedure followed by the Speaker of the House.

Citation 236 reads, and I quote:

> If the Speaker's attention has been called to a breach of order in the course of a division, he has directed that the division be completed—

Yesterday, that was exactly the course of action open to the member for Yukon. If he really wanted to raise his point of order, he could have stayed in the House and raised it after the vote called by the Chairman of the Committee of the Whole. You yourself were in the chair later that evening and could have recognized the hon. member at that time. Finally, still in Beauchesne's fifth edition, Citation 237 reads, and I quote:

> A point of order against procedure must be raised promptly and before the question has passed to a stage at which the objection would be out of place.

Madam Speaker, today's objection is arrogant and out of place. Yesterday, we adopted the bill on third reading, and during the vote there was a complaint about the attitude of the Chairman of the Committee of the Whole. The opposition members had their chance last night. If they had shown some respect for this institution and had behaved like adults and not like unruly students—if they had remained in the House, they would have been able to make their point before we proceeded with third reading, in other words, the final stage, of the bill in question. Today, it seem clear that the hon. member for Yukon is complaining about the work of the Chairman of the Committee and is telling the House, in a manner which I find unacceptable: In the future, give him a good scolding at your meetings and tell him how to behave in Committee of the Whole. However, Madam Speaker, in the light of the facts I have just described, we have no reason to criticize the behaviour of the Chairman of the Committee of the Whole House last night, on the contrary. He was extremely patient and fair, and it is entirely unacceptable that a Standing Order should be used, as it is being used today, to try to discredit the work of one of your representatives, namely, the Deputy Speaker and Chairman of committees of the whole House. This point of order was not raised at the appropriate time. It is not factual and I suggest that it is simply a sham to disguise the doubtful, childish and irresponsible tactics used last night by the opposition to the prejudice of order and good name of the institution of Parliament. In view of the circumstances, as I have just explained, I found it difficult to take the hon. member for Yukon (Mr. Nielsen) seriously in his clever attempt to prove his point using his parliamentary experience of a quarter of a century, as he has just explained. I do not question his ability. I do not question his good will either, but I think that he has a very bad customer in the person of the Leader of the Opposition, who is an irresponsible child who wastes the time of the House, and I pity the hon. member for Yukon to have to plead such weak cases for a client with so little maturity.

• (1540)

[*English*]

Mr. Nielsen: Madam Speaker, I will not deal at all with the personal references made by the government House leader. Let me simply draw to the Chair's attention that what he is suggesting is that we close the barn door after the horse has gone. What he is suggesting is that we could have appealed these matters under Standing Order 55(4) after they had passed. The time to appeal them was before the vote was taken. I will just leave that with the Chair.

There was one further irregularity last night, however, which I overlooked drawing to the Chair's attention, and I do so merely for that purpose. After we had left the chamber, we were watching the proceedings on television. Some of us were in the lobby and some of us were behind the curtains. When the bill came before the House for third reading, the yeas and nays were taken. The Speaker declared that the yeas had it and the members were called in. The bells started to ring.

Some hon. Members: Oh, oh!

Mr. Nielsen: Then the point was raised, I believe by an hon. member in the NDP, that the bells should not ring, and the bells were turned off. My point is that the bells were started.

Mr. Pinard: No, no!

Mr. Nielsen: Yes, they were. They were heard by too many people to deny it. I am sure Your Honour heard them very

briefly. Those bells rang. Well, I see Your Honour shaking your head in the negative. I insist that those bells rang and Your Honour can check that with the officers of the House. They rang very briefly and then they were turned off.

It is my personal view that once the bells are started, they must continue until the whips are in and until the division is taken. In this case, it would have been a very quick division, I am sure, because we had no intention of coming back in to participate in a process in which we were muzzled. But I do draw that irregularity to Your Honour's attention so that it might not happen again. If it does, it is my view that the bells should continue to ring until a division is taken.

[*Translation*]

Mr. Pinard: This also deserves a reply. If the hon. member had remained in the House, he would have seen what happened. Here, in any case, we did not hear the bells, and I heard nothing myself. In any event, it is not a member of the NDP who asked unanimous consent to proceed with the vote. I stood up and asked for the vote myself, and this was also shown on television, and I am surprised not to have been seen in the members' lobby, but it would have been very simple for the Progressive Conservative members to remain in the House and then to see what was happening. I asked unanimous consent for the bells not to ring so that we could vote immediately and consent was given by all members present in the House. There was therefore absolutely no irregularity, and if there was, we did not realize it, and everything was covered by the unanimous consent which was granted at my request.

Madam Speaker: All that I can confirm is that the hon. President of the Privy Council (Mr. Pinard) asked unanimous consent for the bells not to ring and that the Chair agreed to dispense with the bells.

• (1550)

[*English*]

I have a few comments on these particular submissions. I want to say to the hon. member for Yukon that he is quite correct in all of his quotations as to the right of hon. members to appeal decisions of the Chairman of the Committee of the Whole. All of his quotations are particularly relevant. The difficulty is that the decision was not appealed. The hon. member does not at this point feel that he wants to appeal that decision.

Mr. Nielsen: I can't. It's too late.

Madam Speaker: It was not appealed in Committee of the Whole and therefore not reported.

Mr. Nielsen: I tried.

Madam Speaker: I do not deny that. I do not pronounce myself on that fact. Of course, the Chair was not present and is therefore unable to make a judgment on facts that took place in the course of the Committee of the Whole.

Since none of these facts were reported to the Chair, it is very hard for the Chair to make a judgment on those particular facts. I know the hon. member understands that I cannot possibly rule on them in the absence of a report. If the hon. member wanted a formal redress, and he said that in his presentation, he would have another recourse, but he does not want to take that recourse. Perhaps one of the reasons is that *Hansard* is not available today; it is a bit late. We understand why it is late. The hon. member has not been able to check the record to see exactly what took place. However, his version is on the record today. We have to accept that as his version and we do not dispute what he has to say.

I understand that the hon. member for Yukon simply wanted to draw the attention of the Chair to a practice that he does not particularly appreciate. He rose today on a point of order precisely to draw the attention of the Chair to a practice in general. He is not referring to anything in particular, although he has referred to it for purposes of explanation. The hon. member is not asking me to look into the specific incidents of last night. He is just drawing the attention of the Chair to a particular practice which he does not appreciate.

I thank the hon. member for that. It is always useful when members practice their right and remind the Chair of the manner in which the rules might be interpreted. The Chair and the assistants certainly do not have objection to that. In a sense, members can co-operate in the manner in which the Chair might interpret the rules and practices. Of course, once the Chair rules, I know hon. members accept the way in which it rules. However, in between there is space for interchange on these matters.

I thank the hon. member for having brought this particular practice to my attention. I can assure him that we always review everything that goes on in the House. It is done on a daily basis. We like to look back on what we have done and perhaps learn lessons from what we have done the day before. Therefore, we always do that. We certainly will look at those events in light of the remarks the hon. member has made today as well as in light of the remarks made by the President of the Privy Council. I thank them both for this exchange.

MR. LAMBERT—PROPRIETY OF DEPUTY SPEAKER VOTING

Hon. Marcel Lambert (Edmonton West): Madam Speaker, I rise on a point of order. It draws attention to another fact which was exemplified last night. It is not the first time I have raised this with the Chair and with the officers concerned.

After 23 votes cast in a partisan manner, since they were cast with the government, I find it extraordinary that the Deputy Speaker should then step into the chair and be involved. It is my view, strongly held, that the Deputy Speaker should not vote. It is strange, really strange, that the Standing Orders preclude the chair—not that the House doubts the objectivity of the officer occupying the chair—from voting. They state specifically that the Speaker shall not vote.

In the practices that apply in this House, where the Deputy Speaker occupies the Chair at most second and third readings

and also in Committee of the Whole, I find it extraordinary in light of the practice that goes on in Westminster that the Deputy Speaker should vote in a partisan way.

I raise this as a matter of reflection in the same way my colleagues have on the practices of the Chair. I am not calling into question the motives or the attitude of the Deputy Speaker. I am calling into question a severe censure of the practice of the Deputy Speaker presiding in your chair, in the chair of the Deputy Speaker, and then voting on behalf of the government at all times.

The British House arrange their matters differently.

Since the committee on procedure is now sitting, it might look very carefully at the practice there and improve the procedure here.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): In fact, the hon. member recognizes that there is full justification for what occurred under our rules. He is arguing for a change in the rules of the House. I cannot share his views for the moment. However, I invite him to make his views known to those of his colleagues who are knowledgeable in procedural matters and who were chosen to sit on this very important special committee which will deal with parliamentary reform. At that time, his views can be seriously considered.

[*English*]

Hon. Bryce Mackasey (Lincoln): Madam Speaker, I rise on the point of order, which relates to the intervention of a former Speaker of the House of Commons, whose views I respect. I say that quite sincerely. However, I am at a loss to understand why this point is being raised.

I want to ask for clarification in light of the fact that the Chairman of the Committee of the Whole acts in that capacity and sometimes acts in the capacity of Speaker. Those are two entirely different roles.

Second, the hon. member went to great lengths to elaborate that he was not in any way casting reflection on the integrity of the hon. member. I then ask him, what is the point? When the hon. member in the role of Deputy Speaker becomes the Speaker, we agree with that. He is bound by the rules in order to limit, or expand if you like, the parameters in which the Speaker can perform his or her duty. In other instances, the Deputy Speaker or the Chairman of the Committee of the Whole acts in the capacity of Chairman of the Committee of the Whole with a different set of criteria.

The point I am getting at is that those watching this very interesting, or perhaps not so interesting, debate could be left unintentionally with the feeling that somehow we are questioning the integrity of the member, that somehow the member cannot play both roles. They might not quite appreciate that he is bound by two sets of criteria, two sets of precedents, two sets of rules.

Frankly, I am at a loss to follow the point the hon. member has made. It may be that in the mother of Parliaments they treat things differently. However, we are talking of this Parliament. Never in all my years in this House have I heard that point of order raised. Whether we like it or not, it does infer an inability of the hon. member to abide by the rules.

Madam Speaker: Order. I have to stop this debate. If hon. members want to discuss changes that we might make in future in the rules or practices of the House, there is a standing committee of the House of Commons set up specifically for that purpose. It is quite clear that the Deputy Speaker acted according to our practices. I agree with the hon. member for Edmonton West (Mr. Lambert) that the practices in Westminster are different. We are sitting in this Parliament. The hon. Deputy Speaker has acted within the confines of our own practices and traditions.

• (1600)

An hon. Member: Madam Speaker—

Madam Speaker: That is fine. It might be with you, but I think it is quite clear that those are our practices.

GOVERNMENT ORDERS

[*English*]

NATIONAL TRAINING ACT

MEASURE TO ESTABLISH

The House proceeded to the consideration of the report stage of Bill C-115, to establish a national program for occupational training, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration.

Hon. Lloyd Axworthy (Minister of Employment and Immigration) moved:

Motion No. 1

Bill C-115, An Act to establish a national program for occupational training, be amended in Clause 2 by striking out line 13 at page 2 and substituting the following therefor:

"thereby, declare, by order, any occupation to be an".

He said: Madam Speaker, I thought that in the report stage this amendment would require some small explanation. In the discussions I had in the other place during committee hearings that they were holding on this bill, it was brought to my attention by Senator Tremblay that in the opening of Clause 2, where we have the designation of occupation, unless we were to make a slight amendment to it, it meant that we could not redesignate an occupation. By introducing the words "by order," "par ordinance", we therefore have the power to designate an occupation or to change an occupation. It is a technical amendment, Mr. Speaker, that I would commend to the House during this report stage.

Mr. Crombie: Mr. Speaker, is the minister suggesting that he would change the wording?

Mr. Axworthy: Yes.

Mr. Crombie: That is certainly acceptable to us, Mr. Speaker. The wording suggested by Senator Tremblay was suggested in committee. It was acceptable to us and we are happy it is acceptable to the minister and his officials.

Motion (Mr. Axworthy) agreed to.

Hon. David Crombie (Rosedale) moved:

Motion No. 2

Bill C-115, An Act to establish a national program for occupational training, be amended in clause 12

(a) by striking out line 21 at page 7 and substituting the following therefor:

"12.(1) The Commission shall invite the gov-"

(b) by adding immediately after line 26 at page 7, the following:

"12.(2) That such information needed to assess the requirements of the labour market as described in Section 12(1) will be provided through a data base within the Commission. Such data shall be solicited from the Governments of the Provinces, business and labour.

12.(3) That the Commission shall supplement said data base in Subsection (2) with labour market information and analysis solicited from non-governmental sources representative of labour, business, industry, and special needs groups."

He said: Mr. Speaker, this is an important aspect of the bill. I will not spend much time with it because there has been a change in the motion which I would like to proceed with now. The motion which you have before you and which is now before the House was put in committee in similar words and ruled out of order.

The purpose of the motion was to establish within the bill the principle that there ought to be established a national labour market institute. Mr. Speaker, the national labour market institute was a proposal that was made three and a half years ago by the Business Council on National Issues, in conjunction with the Canadian Labour Congress. It envisaged participation by business and labour and some funding by government in order to provide a vehicle for seeking a definition of labour market needs.

The minister had some difficulty with some of the principles involved here. In particular, the minister sent a letter to the interested parties, asking them to broaden the labour base and to broaden the base for picking up statistics to include those groups which were so-called equity target groups.

The fact of the matter is that just about everyone agrees with the principle of a national labour market institute. Indeed, the all parliamentary task force put forward a unanimous recommendation in its report; Section 163 recommended a national labour market institute. In a report yesterday afternoon and at a press conference this morning, the Economic Council of Canada indicated their strong support for the development of that concept, in order to have an efficient way to detect future labour market needs.

The reason I need not spend to much time on it now, Mr. Speaker, is that the minister was able to advise me this afternoon that there was wording that was acceptable to him and to the government that embraced the same principle as in my motion. What I would like to do, with the unanimous consent of the House, Mr. Speaker, is to withdraw my motion, the motion standing in my name, and substitute the following motion, on the the clear understanding that this wording is 100 per cent acceptable to the government:

That Clause 12 of Bill C-115 be amended (a) by striking out line 21 on page 7 and substituting the following:

"Joint committee" "12 (1) The Commission shall invite the gov-"

and (b) by inserting immediately after line 26 on page 7 the following:

"Statistical information" "(2) For the purposes of assessing the requirements of the labour market for skilled workers, the Commission shall request statistical or other information or study from appropriate sources, including the government of any province, employers, labour organizations and groups representing adults with special training needs."

The only concluding remark I would make in support of that, and I think it now has the support of all sides of the House, is that this is an idea that has been around now for three and a half years. It is an idea that is fundamental. The need is urgent and the time is now, so I am very pleased that the government has agreed to the principle and is going to put it in the bill.

The Acting Speaker (Mr. Ethier): I have a request to withdraw the motion that was before the House and to substitute this new wording. That can be done with unanimous consent. Is that agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): Agreed and so ordered.

Motion (Mr. Crombie) withdrawn.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Mr. Speaker, we welcome the initiative by the hon. member for Rosedale (Mr. Crombie) in asserting, as he has both here and in committee, the notion of establishing a labour market institute. It is a sensible idea that I also endorse.

As I pointed out in committee, it would have been wrong to include the direct definition of that in the bill, because we were in negotiation. I have undertaken to reply to the Canadian Labour Congress and the Business Council on National Issues, who made the original proposal, suggesting amendments to their proposals, and it will all have to be worked out. We are in favour of the principle and are hoping to realize the solution to and the realization of that within a short period of time, if we can get agreement of all the respective parties.

This amendment does not make a direct reference to the labour market institute. As the member for Rosedale said,

inherent in it is the principle that we would move toward an institutional framework.

In the meantime, what this section does do is very clearly enunciate what has been part and parcel of the national training plan, which is that we want to incorporate information statistics and data from both provincial governments and from the respective elements of the private sector. This amendment codifies in the statute our intention to draw upon the resources and information of the different elements of the labour market, for the kind of valuable assessment we need. The amendment does not mention the labour market institute although we are well on the way toward achieving our goal. It clearly establishes the basic objective of the national training program which is to work in a consensual fashion to bring about the co-operation of different parties.

The ramifications and implications of the wording have been checked by officials in the Department of Justice, and as far as they are concerned it is quite correct and they are happy to accept the amendment offered by the hon. member for Rosedale.

• (1610)

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, we in the New Democratic Party support this amendment because it is an attempt to embody the principle of the labour market institute in legislative form.

In reply to questions in committee the minister indicated that he was in favour of the principle of the labour market institute and this amendment reiterates that commitment on behalf of the government. This is important because the institute was conceived by both the business community and the labour community, by the Business Council on National Issues and the Canadian Labour Congress. It was conceived to meet a need to identify, clearly and pragmatically, training requirements for the future. This can only be done by an independent institution which involves direct participation by business and labour.

We support this amendment but I caution the minister that the negotiations which must obviously follow this legislative statement of principle and the underlying concept of the labour market institute must be respected and implemented in full, so that we do not end up with a watered down version that will not do the job.

Amendment (Mr. Crombie) agreed to.

Mr. Axworthy moved that the bill, as amended, be concurred in.

Motion agreed to.

The Acting Speaker (Mr. Ethier): When shall the bill be read the third time?

Some hon. Members: Now.

The Acting Speaker (Mr. Ethier): By leave, now.

Mr. Axworthy moved that the bill be read the third time and do pass.

Hon. David Crombie (Rosedale): Mr. Speaker, I should like to make a few remarks on third reading which relate not only to the principle of the bill but also to the process by which it has finally reached this stage. I had the opportunity to speak at length on second reading of the bill when I described the historical development of technical and technological education in this country. I made the point that, by and large, since 1910 when we first established technological training in a serious way there have been four or five watershed years when new legislation was brought down to provide greater opportunities to the federal government to participate in technical and technological education. The result was that the federal government spent billions of dollars on thousands of educational training programs to help millions of Canadians over the last 75 years through technical and technological training.

I felt that three principles were worth mentioning as they were the criteria by which we on this side judged the way in which the bill addressed the tradition of technical training in this country. The first of those principles was that national training should be linked to a national economic strategy. The second was that technical training should balance well with sound educational principles. The third was that in order to accomplish that balance and some national economic strategy, there ought to be fundamental co-operation between the provinces and the federal government and, by extension, the municipalities.

No one disagreed with the principles of the bill so it was carried at second reading, but there was some serious difficulty with some specifics of the bill. In our view, it had some deficiencies. It was interesting to see the change that occurred in committee. I will not go over all the changes but nine significant amendments were put forward, eight of which were accepted by the minister and the other one was accepted today.

In these times of daily acrimony it might be worth paying tribute to the minister and his officials for providing the co-operative environment in which we were able to discuss the bill. The changes were not minor or technical or grammatical changes but were fundamental changes to the operation.

Three of the amendments dealt with the relationship between the federal government and the provinces. Initially, of course, all the provinces were on record as opposing the bill. All provinces, plus the two territories, but excepting the province of Quebec, finally got together and asked the minister of education for Ontario to speak on their behalf. She appeared before the committee and met with the minister, with the result that three amendments which this party and the New Democratic Party supported were accepted by the minister. These three fundamental amendments allowed one of these traditional principles to be achieved—that is, the requisite federal-provincial co-operation. This legislation, which will be of great benefit to the country for the next 20 years in my

view, starts out by offering a great opportunity to the federal government and the provinces to act in an atmosphere of harmony.

At least as important in my view is the fact that members did not come to committee to play politics. Members on all sides came to try to make the legislation better. That is why the other six amendments from this side of the House were accepted after some discussion. Members worked hard to make sure they were dealing with the problems of others and were improving the legislation for the benefit of Canadians.

The hon. member for Brampton-Georgetown (Mr. McDermid), who would be too modest to mention it himself, brought forward an amendment without which the bill would have applied to preschoolers, which was clearly not the intention of the drafters. The hon. member for Brandon-Souris (Mr. Dinsdale) did some very creative work. In the morning he showed up at committee with a clear understanding of what he wanted to do over two days. By the time he was through he was able to amend clause 4(3) and clause 9(1)(a), which gave him the opportunity to make sure that the bill will be of benefit to Canadians who have special training needs. Those are people who are stuck in non-traditional roles. The handicapped, native Canadians, people who have special training needs are clearly brought within the purview of this bill. That was the excellent work done by the hon. member for Brandon-Souris.

• (1620)

There are other amendments which were offered and accepted in a spirit of compromise. As a consequence of a good legislative process, this bill is substantially better than the one which came into the House. Anyone who is looking to reform the House of Commons might want to look at the way in which Bill C-115 went through the three readings and committee. I thought that was one area worthy of comment because the bill is a product of this House, and I think the House should be proud of it.

As I mentioned earlier, I put forward an amendment which was ruled out of order because of its wording. The principle of that motion is now in place as the minister, indeed all sides, have accepted new wording from the law officers of the Crown. It deals with the national labour market institute, with which I was particularly concerned because the very essence of this bill, indeed the essence of technological education in Canada, is that education and training brought together will allow us to have employment opportunities, economic performance and development. This bill will not do that by itself, but it provides the framework within which it can be done.

When I spoke on second reading I talked out only of co-operation between federal and provincial governments and a balance in education and training, but of the first principle that national training in this country has always been related to a national economic strategy or set of goals. That is why the institute, while itself a small step, is a major principle, because it requires co-operation between all those people—government, business, labour and consumer groups—who speak for those with special needs. It takes the co-operation of all those people in groups in order to target the needs for the future. Any fool can target the needs of yesterday, but it takes some sophistication and, more importantly, co-operation to target the needs of the future.

The reason it became an important principle is not mysterious, Mr. Speaker. We have known for the last six or seven years—some people knew before we did—that we live in a new technical and technological environment which is fundamentally changing the world. In mining, fisheries, forestry, agriculture, all the resource industries, the technological revolution is upon us, and if we are to take advantage of that many things will have to change. That is why the principle of co-operation was so important. We need economic co-operation in this country, not economic conflict. We need integration, not segregation. We need economic consensus, not economic discord. That is why co-operation, integration and consensus are no longer just good warm thoughts; they are now new realities.

Let me speak for a moment of an economy which has tried to work on those three principles. There is an excellent report which I am sure some members have seen—if not, they should get a copy—called "the Japanese way" put out by Labour Canada. It deals with contemporary Japanese industrial relations. In early 1982 the Canadian index of industrial production was falling at an annual rate of 16.5 per cent; in Japan it is 2.5 per cent. Between 1977 and 1980 industrial productivity in this country rose only by 2.9 per cent; in Japan it is 22.7 per cent. Expenditures on research and development in Canada this year are .9 per cent; in Japan, it is 2.4 per cent of GNP. Interest rates— the ability to borrow money to produce—in Japan are now 6.4 per cent; in Canada, they are 18.25 per cent. Unemployment in Japan is 2.3 per cent; in Canada, it is 10.2 per cent.

Mr. Speaker, you cannot argue with that reality. Some people have suggested that we cannot copy the Japanese because they are culturally different; much of what they do is related to their history and their culture. It seems to me that our own history and culture is not devoid of the principles of co-operation, integration and consensus. Indeed, those always struck me as good Canadian principles. So co-operation, Mr. Speaker, is the key to the future. The old fight between government, labour and management, the lack of co-operation, is now hurting us. Consequently the amendment we put forward which puts into the bill the principle which allows all those groups to have a say in the targeting of labour market statistics and policies may be only a small step but it is a very big principle. The reason it is in there is because members from all sides decided when they came to committee that they were going to produce some legislation which was useful, rather than politics which was not.

So, Mr. Speaker, I am pleased to support this bill on third reading.

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, I had the opportunity on second reading to outline the social and economic problems which I felt training legislation had to deal with. Having dealt with the bill at committee it is good to have the opportunity once again to address the issue. We in this party will be supporting this legislation, but that does not

mean that the legislation is really up to par and fully meets the need. We are supporting it because it is action at a time when the need is very great, and any action, no matter how small, obviously requires some support.

We also want to give the government a chance to live up to the promises it has made in placing this legislation before the House, which it says will meet the real training needs of this country. By allowing this legislation we will give the government that opportunity, but we feel that the bill is really not sufficient or good enough, and neither is the program which will be supported by this legislation.

The reason we feel that way, Mr. Speaker, is that the legislation brings about no real and fundamental change in the training system in this country. Basically, it continues the same old approach to manpower training which has operated in Canada for the last 15 years under the old legislation. Granted, there have been some marginal improvements and they are welcome.

To give you an example of what I mean, Mr. Speaker, let me deal for a moment with the very great need for skilled workers in this nation. It is visible to any Canadian who reads newspapers that at a time when unemployment is so very high it comes as a great shock that there are still skilled jobs for which Canadians have not been trained. Somehow the training system that has been in place for the last 15 years has not met the need.

• (1630)

We feel the need was not been met for some fundamental reasons. By and large, industry does not train workers for the skilled jobs that are offered by industry. Only a very small percentage of workers are trained for skilled work. Industries do not train skilled workers because they are afraid, having spent the money to train someone for a skilled occupation, that another company will come along and take this worker from them.

We need a training system that will encourage and require training on a comprehensive basis by all sections of business. This is not provided for in this legislation. We need a comprehensive industrial training system paid for by all companies within a particular industry so that even those companies that do not have training programs but benefit from the fact that other companies do will be paying for the trained workers in the economy. Companies not training workers should be paying for this training since they benefit from the training system.

The type of system that we are talking about is a system that has been proposed by the Canadian Labour Congress. It has become known as the grant levy system. It means that every company within industry would be levied a certain amount of money in order to pay for the costs of training within that industry. Each company training, would receive grants and money for having done so. It is an equitable system which spreads the cost of training across an industry, providing funds to those companies doing the training.

This would be a comprehensive and fundamental change in our approach to training in Canada. No such change comes about by virtue of this legislation. We are continuing with the same old training system which involves incentives to industry to train, government money going from its coffers to the companies to train workers. This approach has resulted in the present situation that we face, which is one of highly skilled jobs going begging at a time of high unemployment.

Another issue not faced up to by the program to be run under the legislation is the question of functional illiteracy. Functional illiteracy is a very real and significant problem in Canada today. It was identified very clearly by the Allmand task force, which called for immediate and significant action to eliminate functional illiteracy in this country. The task force members even spoke of what they described as the ten-year right to read program. There is nothing in this legislation nor is there anything in the description of the national training program to indicate the government is taking seriously the challenge to eliminate functional illiteracy from Canadian society.

It is very important that we, as people having identified this problem, do something to solve it. There are significant numbers of people in Canada who do not have the education to hold down a job. This means a loss of wealth to the economy and an aggravation of the inequities that exist by virtue of income that people can earn in society, and it is simply a waste of Canadian human resources. There again is another fundamental problem which the government has simply not addressed in a serious way in the national training program nor in the legislation that will underpin it.

I want to make it clear that, while we support this legislation because it will be doing something in the area of training—and obviously something needs to be done even if it is not enough—we continue to criticize the government because there are fundamental training problems which the government simply has not addressed in this legislation. Nor has the government addressed them in the national training program.

This legislation falls short for another reason. It has to do with federal-provincial relations. I am thinking about two aspects. One deals with the nine anglophone provinces which came to some accommodation with the government with regard to the legislative provision. But Quebec is still left out in the cold with this legislation. Let me refer to the telegram we all received from the Quebec government under the signature of Mr. Marois, who is the Quebec minister involved in training matters. I am doing this to make the point about the concerns of the Quebec government and how it sees this legislation. Its criticisms in an early paragraph of the communication, I must say, in its fundamental principles, are pretty accurate. It reads:

[*Translation*]

The Quebec government gives top priority to adult occupational training. It is aware that this sector of vital importance to support the economic development of Quebec and to correct social inequalities needs major revamping to reach its assigned objectives. The Jean commission report in the province of Quebec and

other reports prepared under other governments, have highlighted the drawbacks and inefficiencies of the current adult occupational training system.

That is Mr. Marois' basic analysis of occupational training issues. Having expressed his views on this question, he said this to the federal minister, and I quote:

If you are really prepared to listen to the arguments and suggestions of Quebec and then take them into serious consideration, I would be glad to meet with you with a view to making this project an acceptable tool geared to the needs of Quebec workers and employers.

Mr. Speaker, the province of Quebec called for a meeting with the federal minister. The federal minister did have talks with the governments of the other provinces, but why—I do not know—at the last minute did he not meet a representative of the government of Quebec?

• (1640)

[*English*]

What I have said in French, basically, is that the Quebec government has made a fundamental analysis of the training program which is before us. It has said that any national training program has to do a couple of things. The first one is to support the economic development of a region of the country. Second, it must correct the social inequalities which exist in society. Those are the two fundamental points which I make about this legislation as well. This is why I spoke of the need for a new training system, the grant-levy system which is not in the legislation, and that is why I focused upon the matter of functional illiteracy which is a matter of social inequality.

The federal minister took the trouble to meet with a representative of the nine anglophone provinces. I applaud him for that. The results of that work were useful. The minister and the representative of the Ontario government were able to come up with a wording which better expressed the desire for federal-provincial co-operation in the matter of training, yet at the same time he received a communication from the Quebec minister calling for a meeting in order to discuss what he considered to be problems with the training legislation. The meeting did not take place. I do not want to underestimate what I think would be the difficulties in negotiations between the federal government and the provincial government of Quebec, but once the federal government made the choice of meeting with a representative of the nine anglophone provinces, it should also have met with the representative of Quebec.

Everything in Bill C-115 depends upon negotiations, whether they are negotiations with the provinces, with unions, with employers, with native groups, or with women's groups. While there have been some positive amendments to the legislation with regard to consultations with the provinces, the actual agreements which will flesh out the training program that will operate under the legislation have not yet been made. Those negotiations continue. It is very important that the negotiations be carried on in a sensitive fashion so that the needs and aspirations of all regions of Canada can be met.

In addition, it is very important, when the minister and his government negotiate with groups such as women's or native groups, that they be particularly sensitive to the fact that they have a very strong hand in the negotiations. If anything helpful in terms of meeting the needs of people is to come out of the negotiations, then the federal government will have to be particularly sensitive.

I mentioned these negotiations because of the fact that even after being before the committee with regard to the estimates, it is very difficult to know what the national training program will be in the end. What the training program becomes depends upon the negotiations between the government and the provinces and between the government and various groups in the country.

To sum up, basically we support the legislation, but it really does not go far enough because there is no fundamental change to the present training system and there is no real attack on the social problem of functional illiteracy which has been well identified for us. While the government in legislative amendments has indicated its commitment to the principle of a labour market institute, it has yet to act on the principle. How it acts on that principle, whether that action is satisfactory, will obviously depend upon negotiation.

One of the main weaknesses of the legislation is that training in itself is not enough. Training must relate to the economy. When the national training program was originally conceived, as we read the briefing notes which were passed out to us, it was clearly tied into the notion of resource development. The resource development and economic strategy of the government have really come to a halt. The megaprojects which were in the last budget have fallen to the ground. The government has no real economic strategy today. It is not just I who say that, it is not just I who recognize that. Training programs must be connected to economic development.

I should like to quote briefly from an article that appeared in the June 22 edition of *The Globe and Mail*. It indicated that the economy is in a tailspin which has had no equal in 28 years. It read:

The economy is in a tailspin unmatched for 28 years, and only more consumer spending or greater exports are likely to pull it out—

In my time remaining I will try to wrap up quickly. The article went on to point out the facts that we are in an economic crisis and that the government opposite is following a harsher monetary and fiscal policy than that of the Reagan administration in the United States. It is not enough just to train people; we must have jobs for them once they have completed their training. It is time for the government to take some immediate and long-term action with regard to the economic situation. Otherwise, all efforts at training will be lost.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Portage-Marquette (Mr. Mayer)—Farm Credit Corporation—Availability of funding. (b) Advance crop payments; the hon. member for Vancouver South (Mr. Fraser)—Environmental Affairs—Request that acid rain subcommittee be reactivated; the hon. member for Lac-Saint-Jean (Mr. Gimaïel)—External Affairs—Inquiry respecting measures government intends to take to help Lebanon.

GOVERNMENT ORDERS

[*English*]

NATIONAL TRAINING ACT

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. Axworthy that Bill C-115, to establish a national program for occupational training, be read the third time and do pass.

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, I rise to participate in the debate on Bill C-115, to establish a national program for occupational training, with a certain amount of satisfaction. I guess everyone who sees the fruits of his or her labour suddenly arrive in some form of a legislation has a feeling of satisfaction, as I do today.

For a moment I should like to discuss the work of a task force which was chaired by the hon. member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand). Six of my colleagues in the House of Commons were members of the task force, one of whom, due to sudden death, is no longer with us. We miss Bruce Lonsdale around here immensely. The seven of us got along well. We travelled the country from coast to coast over a period of approximately 12 months. We sat down to write a report which took a couple of months.

The report of the Special Committee on Employment Opportunities for the '80s ended up producing 186 recommendations, of which there were only minority reports written on three or four. This shows most graphically how well we got along, how we co-operated, and how we saw the problems associated with manpower training and a whole scope of issues once we got out there and experienced them first hand. I congratulate the government for setting up the task force. Some task forces have been more productive than others, but I think some very, very useful information has come out of every one of them. I think the minister will agree with me that Bill C-115 is the result of this task force and others which he had set up within his ministry. He may comment on that later.

There are a number of task force recommendations which are embodied in Bill C-115. The feeling, I suggest, is very similar to being a father; you experience the thrill of seeing something born after working so hard at it for so long a period of time.

• (1650)

I rise this afternoon with a good feeling in my heart. Now that we have Bill C-115 which does encompass certain recommendations from the committee, I hope that the minister will now convene the committee again for a meeting with himself in order that we may discuss some of our recommendations which have not yet been considered. Since the report was filed last October we have not had the opportunity to discuss with the minister which recommendations he does not favour and which ones he may be working on at the present time. Obviously, we know the ones which he favours because he has implemented them. However, I think a follow-up meeting is important because we hear the criticism from people time and time again that a matter is being studied and it will only result in another report which will end up on the shelf. We do not want that to happen.

We would like to see similar action taken to that taken by the task force on the handicapped and their follow-up on the Obstacles report. I would like to suggest to the minister today that he return with a counter report in order to reveal what has been accomplished, what is being considered and what has been rejected. That would be a very postive gesture on his part.

My colleague the hon. member from Rosedale (Mr. Crombie) mentioned the legislation process earlier and how well this particular process worked. There were a number of factors which arose from the process. We had a small committee which was comprised of members who were very knowledgeable on the subject we were discussing. No one was there to protect the government's rear flank or with any other similar motive. Our purpose was to attempt to reach a common goal. That process, I believe, could be used in many other areas. For instance, I see the Minister of Public Works (Mr. Cosgrove) sitting in the House. I believe that when he is dealing with housing issues he should take a lesson from the Minister of Employment and Immigration (Mr. Axworthy). The graphic example given to us by that minister was very important.

While I say this with all kindness, I am not quite sure what happened to the minister's point of view between Tuesday's meeting and Thursday's meeting. My first concern in committee was co-operation with the provinces. On Tuesday the minister said that too often they—meaning the provinces—approach it as a one-way street: we co-operate and consult, and they simply decide. He went on to make a number of statements as to why certain provisions could not be put in the bill to assure co-operation with the provinces. One concerned the discussion of veto in course content and the construction of certain buildings within provinces that the federal government might fund. He summed it up to us on Tuesday by saying:

That is why I would not want to give a veto to any one of those segments and say that we are the only body in the country, as a national government, that can represent a national point of view.

The minister changed his mind some time between Tuesday and Thursday. To his credit, on Thursday he accepted a number of amendments that did allow vetos for provincial governments on certain aspects of the bill.

The hon. Dr. Bette Stephenson, who represented nine provinces, the territories and the Yukon, made a very strong plea for co-operative federalism. I believe that her presentation and her ideas probably exemplify what we on this side of the House would like to see happen to federal-provincial relations. Consultation with the provinces is now provided for in the legislation. It is assured that provinces will be given the opportunity to veto certain matters, although they do not have to do it. This is true for all provinces, including the one which unfortunately was not represented by Dr. Stephenson.

The absence of representations by Quebec was a grave disappointment to me. Although I am an Ontario member, I am very concerned about my sister province of Quebec and the attitude that government takes toward participation in matters such as these. Our committee spent a considerable amount of time conducting hearings in Quebec. We visited Chicoutimi, Jonquiere, Quebec City and Montreal. We had what I consider to be excellent representations by people representing the workplace, academics and the unions from that province. I believe that their concerns and thoughts were embodied in our report as much as any others. I found it extremely unfortunate for the Quebec minister to refuse absolutely to participate or co-operate with the other provinces in relating his concerns and improving our report. I, too, saw a very long telegram from the minister from Quebec, Mr. Marois, which did not offer any concrete changes to the act, and that concerned me. I suggested to the committee that we ask him to appear before us with his proposals. While he did not appear—in all fairness to him the invitation was not extended specifically to him—I am sorry that he did not co-operate on this bill because I believe it will benefit the workers in Quebec as much as the workers in the other nine provinces and the territories in Canada.

Another concern I had was over the consultation process with the private sector. One of our report's very strong recommendations was the use of the national labour market institute. It was a vehicle which would allow the private sector to become involved in the decision-making and information-gathering process.

Once we began our trips across Canada we became concerned when we quickly discovered that there was inaccurate information as to what is happening and what will happen in the marketplace. There was a complete lack of statistics and information. We were dealing with old statistics that had absolutely no further relevance to the conditions of the '80s. We believed that a national labour market institute which tied in business, labour, the large and small entrepreneur and the special needs groups, could provide the necessary information as one of its functions to make reasonable and proper decisions on how training should be implemented in Canada.

My colleague from Rosedale spoke earlier about the amendment he introduced in order to insert the institute into the legislation. With the amendment that was accepted today by the government, we do have the framework for that. While we are somewhat concerned about iron-clad and firm commitments from that side of the House, we do have the commitment from the minister, which he made in committee, that he and his officials will work very diligently to set up this type of vehicle. It may not be exactly what the CLC wants, or what we proposed in the task force, but it will be something similar which will provide the necessary information in order for the minister and his officials to make reasonable decisions.

Something I would like to make very clear, and I think the minister will agree with this, is that we were somewhat preoccupied during committee with the issue of apprenticeships as if it only applied to apprenticeship training. I believe it should be made clear that while part of this bill does affect apprenticeship, there is other training required in Canada for very highly technical skills that may not be of apprenticeship nature but which nevertheless is required for the use of new equipment which is being installed in offices every day. We need people who are able to maintain that equipment. Technicians are sadly lacking in Canada today. We want to make it very clear that this bill covers training of a very wide scope, but training which is required in today's marketplace. I think someone said that for far too long the Ministry of Employment and Immigration has been training too many barbers and hairdressers, more barbers and hairdressers than there are heads of hair to cut in this country. I think that points out the problem we have been experiencing. It has obviously been recognized by the government in appointing this task force and also by this bill, and I am pleased to see that.

• (1700)

The apprenticeship program in Canada is sadly lacking. We found that in Germany, for example, 90 per cent of the manufacturing industries train people. In Britain, about 75 per cent are involved in training. In Canada we found from testimony that 20 per cent train in Canada. That was as near as we could figure because information is hard to get. People like to compare the European apprenticeship programs with the Canadian apprenticeship situation, but that cannot be done. Because of our split jurisdictions on various aspects, provinces have jurisdiction over education and that has been confirmed in the new Constitution. Other countries do not have those problems. I think that is the first point.

The second point is that we found that young people in European countries who sign on for apprenticeship finish that apprenticeship. It is like going to school. They are assured that they will finish that apprenticeship if they pass all the way along. They are not guaranteed jobs at the end, but they are assured of that apprenticeship and that if there is a slight slowdown in the industry, the apprentices are not the first to go. They are guaranteed that they will finish their course

unless, of course, there is a complete disaster. The negotiated agreements with their unions indicate that. I think that is very important.

I would encourage labour in Canada to take a very long and hard look at that type of program because I am concerned that apprenticeship programs are on for a few months and then they are off. In these economic times, there is no question but that it is the apprentices who are being laid off first and are missing out on that much-needed education. So I appeal to the ministry, to the minister, to labour and to management to get together and take a long, hard look at our apprenticeship programs in this country and see whether we are doing the right thing. We should take a look at the modular educational process as opposed to the old process of four years of apprenticeship, because I think that maybe those days have gone.

Finally, as my colleague from Rosedale did, I want to congratulate a few people. It is always good for young people like us, rookies in the House, to watch an old pro at work, if I can use that terminology and it is not unparliamentary. As everyone in this House and many people in Canada know, for a great many years the hon. member for Brandon-Souris and his wife have diligently worked for those less fortunate than the rest of us. He was on the task force on the handicapped and he came to that committee with one purpose in mind—to ensure that those people with special needs were included in Bill C-115. Like a tenacious little terrier who has got hold of someone's pantleg, he would not let go until he had finished the deed. I want to congratulate him and thank him very much for teaching we rookies how to get the job done, an important job done.

To my colleagues, the hon. member for Calgary West (Mr. Hawkes) and the hon. member for Rosedale, who served on the committee and also spent a great deal of time in the committee, I say thank you. To the parliamentary secretary, the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Bujold), and to the staff who were most co-operative with us, I also want to say thank you.

I think I had only one disappointment in the whole process. That was that those people who served on the task force really did not show up in the committee, with the exception of the chairman, the hon. member for Notre-Dame-de-Grâce-Lachine East, who just showed up for one of the meetings. I was disappointed that they were not there to help put forward the points that we were trying to make to encourage the minister to bring in the amendments and to produce a good bill. I know that the hon. member for Winnipeg North (Mr. Orlikow) will be following me. He was on the Employment Opportunities for the '80s committee. He did not show up, but he had some changed responsibilities and had good reason not to be there. That was a disappointment.

Now we face the challenge. Now we have the training bill in place. Now we must start training people. But, more importantly, we must train them for jobs which are available in the eighties. Right now those jobs are lacking, with one and a half million people unemployed. The Minister of Finance (Mr. MacEachen) has disappointed us for two and a half years. I hope and pray that on Monday night he will come in with a very positive, very upbeat, very inspirational type of budget which will get the economy back on its feet and give faith to the Canadian people who have lost their trust in the Canadian government, so they can be assured that when they invest, their investments will be good and so we can provide the jobs that are needed. Now that we have this training bill in place, I urge the minister to get on with the job of training.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, as indicated by the hon. member for Brampton-Georgetown (Mr. McDermid), I was spokesman for our party on questions of employment for a number of years. I served with hon. members from the other parties on the parliamentary task force which looked at the question of employment for the eighties. I was then assigned different responsibilities. Therefore, I was not really able to participate in the work of the standing committee which considered this bill, but I closely followed its work and its recommendations.

I want to say, as did my colleague the hon. member for Winnipeg-St. James (Mr. Keeper), who is now our spokesman on employment matters, that we will vote for this bill. We will do it despite the fact that we have some serious doubts about the government's programs or the ability of this bill to do a much better job than has been done in the past. I want to remind members of the committee that when the head of the Canadian Federation of Independent Businessmen was before the parliamentary task force, he referred to the present department of employment and its ability to do the job it is supposed to do. While I may not quote him exactly, I am certain that I will relate the spirit of what he had to say. As I remember, he said that if an employer is looking for a good, skilled employee to fill a vacancy in his plant, the last place he would go would be to the department of employment. I think that is a very serious indictment of the department.

Let me deal with what I consider to be some of the major difficulties, not only with the act but also with the government's approach to the problem of unemployment. It is pretty obvious to me that the major proposals contained in this bill were drafted some considerable time ago, a time when the depth and severity of the depression we are presently in was not expected by the government. I say "depression" in all seriousness because I think it is much more than a recession.

As usual, the government received incorrect and bad advice from its senior economic advisers. According to official statistics from Statistics Canada, we now have one and a quarter million unemployed. We all know that there are probably another 300,000 or 400,000 people who are also unemployed, but Statistics Canada only counts as unemployed those who are actively looking for work.

Today's *Financial Times* highlighted the severity of the problem with a front page story headlined "UIC rates set for huge rise". I will read into the record a couple of paragraphs indicating its predictions. It states:

> Some private forecasters now believe that the total bill for unemployment insurance benefits in 1982 will be at least $7 billion to $8 billion, maybe higher if the unemployment rate continues to rise. This is a huge increase over the $4.8

billion in benefits paid out last year. And it means the account will face a deficit by year-end of at least $2 billion—ten times more than the $218 million shortfall originally planned.

• (1710)

It goes on to indicate the very sharp increase in unemployment insurance premiums which will be required to be paid next year by both employees and employers. As I see it, even if the programs to be implemented under the provisions of this bill succeed, which I doubt for reasons that I will indicate later, we will simply have a much better trained large group of unemployed.

The bill was obviously prepared before the failure of the megaprojects became apparent. The failure of these projects on which the federal government's whole job strategy was based considerably modifies the employment situation in Canada.

In his address to the Canadian Information Processing Society in Saskatoon in May of this year, the Minister of Employment and Immigration (Mr. Axworthy) mentioned the strong position of Canada due to the resource industries in the west. It is clear in this speech that he considered that developing of skills required by these industries where they were located constituted a crucial aspect of the whole national training program.

The picture today is, of course, totally different. Today the unemployment rate is over 10 per cent. Those who are unemployed are no longer only the unskilled workers. In the past year vacancies for accountants, executives, engineers, scientists and other professionals decreased by more than 47 per cent. It is reported now that university graduates are faced with increasing difficulties in finding jobs.

The petrochemical industry and the forestry and manufacturing sectors are among the hardest hit. The financial sector opportunities for university graduates also appear to be limited. Under these circumstances, it seems to be clear that any program to improve the employment situation in Canada should be placed within a broader strategy and a stronger commitment to full employment.

We know that the parliamentary task force on employment in the eighties, which unfortunately the minister did not pay much attention to, said that the goal of the Canadian government should be full employment. It defined full employment as 96 per cent of the work force employed and only 4 per cent unemployed. As I have indicated, we now have 10 per cent of the work force unemployed.

It would be impossible to carry out job creation and training programs which would be of any real benefit given this situation. This prediction of the parliamentary task force is in contrast to the departmental task force headed by Dr. Dodge which ignored that advice, unfortunately and so was not followed by the minister. The Dodge report overlooked completely the whole question of unemployment in this country.

Another principle underlying the bill before us is the perception of labour market planning simply as a problem of matching workers to jobs. The bill reflects no attempt to situate employment planning in the wider context of planning of the whole economic activity. For example, in his Saskatoon speech the minister maintained that the service sectors will continue to be improved in employment creation, that growth will no longer be centred in the health and educational fields but rather in the business and computer-related services.

This is an end result of the government policy rather than a natural development. Moreover, it is not at all clear whether it is a desirable development, given the unsatisfactory performance we now have in health and education services and given the fact that the more we computerize, the more people, particularly women in the traditional fields in which they work, will be out of work. There is no indication in the provisions of this bill or in any of the speeches made by the minister that the serious inequities which now exist in the field of employment for women have been considered at all or that they will be improved in a meaningful way after this bill is enacted.

Let me illustrate briefly what I mean by this claim which I have just made. Women are under-represented in manpower training courses. In 1979, women represented 39 per cent of the employed labour force, 46 per cent of the unemployed labour force and 51 per cent of the source population. Yet in 1979-80, female participation in full-time institutional training programs was only 33 per cent.

In the industrial training courses, the percentage of women participants declined from the 1978-79 figure of 29 per cent to 27.4 per cent. Worse, women comprise only 3 per cent of the apprenticeship training program, a rate which has remained constant for the last ten years. This is despite the previous claims of the minister that the government is giving serious consideration to ways to improve the situation for women in these non-traditional fields.

Occupational segregation of women starts with manpower and its department. The inequities of women's occupations in the labour force have been well documented. Sixty per cent of all working women work at three kinds of jobs: clerical, sales and service. These jobs are typically low-paying, dead-end jobs requiring few skills. Rather than becoming an instrument of change, manpower training programs initiate and encourage ghettoization. In 1979-80, 93 per cent of all manpower trainees enrolled in clerical and related institutional training courses were women. Clerical and related courses ranked first as a specialty for women in industrial training courses as well.

The CEC counsellors, who are the first entry to the system, are the first barrier to women doing better. The individual CEC counsellor has almost total control in the selection of programs for women. They overwhelmingly stream women into traditional occupations. The counsellors are not only hampered by personal biases and attitudes; the majority are further handicapped by a lack of formal training in job counselling. Furthermore, counsellors often lack comprehensive knowledge of the range of courses available to their women clients.

Essentially, the counsellors do not work as career planners but perceive training as an end rather than a means. In effect,

women are often streamed into short-term training programs to eliminate their numbers from the unemployment rolls because CEC counsellors are under tremendous pressure to process clients as quickly and as cheaply as possible.

I now wish to comment on wage subsidy programs. In 1978, 75 per cent of the wage subsidies went to small, non-union firms with 20 or less employees. In these small firms, women run the risk of becoming a cheap source of labour, vulnerable to lay-offs and unemployment. In 1975, three months after women completed their training in a non-traditional occupation, it was found that they earned $67 less than men with identical characteristics in similar occupations.

Since the department does only a limited three-month follow-up of its trainees in the wage subsidy program, it is difficult to determine if women are retained as permanent employees in any significant numbers. Without long-term monitoring and evaluation of the career paths of these women trainees, it is difficult to assess if they are promoted in any significant numbers from their entry level positions.

By creating a policy which subsidizes small firms for accepting female trainees and by slotting 10 to 15 per cent of the non-traditional instutional training seats for women, the goal of promoting women into better-paying industries and jobs that have been traditionally dominated by men is not being satisfied.

The government and the minister have rejected the principles enunciated in the parliamentary task force of contract compliance and affirmative action. I will talk about those in a few minutes. The national training program of the government reflects the government's response mainly to the Dodge report to which I have already referred.

• (1720)

Virtually, Mr. Speaker, the minister has rejected most of the important recommendations made by the parliamentary task force, a task force of which the majority of its members come from the Liberal majority of this Parliament. It is a task force whose recommendations were, as the member for Brampton-Georgetown (Mr. McDermid) said, almost all unanimous, yet most of the recommendations of that parliamentary task force were ignored and rejected by the minister. We see that in this proposal with regard to the National Training Act.

Let me indicate some of the proposals which were in effect rejected by the government. The parliamentary task force was told repeatedly by representatives of labour, industry, educators and by community groups that until now employers, with very few exceptions. have not trained the skilled workers they need. They have been content to import skilled workers from overseas or to steal skilled workers from other employers.

There is no proof at all, Mr. Speaker, that employers will do better as long as they are not required to train by law or by regulation. Voluntary efforts, or the kind of give-aways and bribes which the minister proposes the government follow, will be a failure as they have been in the past. I will deal with that a little later.

Let me deal with three or four of the specific recommendations which the parliamentary task force made and which have been rejected and ignored by the government. The parliamentary task force pointed out that 28.4 per cent of Canadians are functionally illiterate. Mr. Speaker, that is almost a record and a record of which we ought to be ashamed before any of the modern industrialized countries of the western world.

The parliamentary task force recommended that a special effort would have to be made to prepare these people for higher skills-training. There is no sign of that in the bill or in anything the minister has said.

My colleague mentioned earlier that the parliamentary task force recommended a ten-year crash program, operated jointly by the three levels of government. The parliamentary task force pointed out that women, natives and the handicapped are underrepresented in the skilled trades and professions. It said that the government should reaffirm its commitment to eradicate functional illiteracy and should introduce an affirmative action program and a program of contractual compliance for an increase in the training of women, natives, the handicapped, and other minority groups. It recommended that there should be an Indian economic and employment strategy, together with an Indian educational training strategy, to be developed by Indians. There is no sign of that, Mr. Speaker.

This bill is based on recommendations made by that internal task force, of the employment department, headed by Mr. Dodge. It did not do what the parliamentary task force did; it did not go across the country listening to groups from one end of the country to the other. It met with a few bureaucrats in the department, and probably with a few bureaucrats in some of the provincial departments, and made its recommendations.

The recommendations made by the Dodge task force which are embodied in this bill were supported to a large extent by the private sector. It was received with suspicion and is under a great deal of suspicion by trade unions and by provincial governments. Provincial governments, however, realizing the power and the financial ability of the federal government to fund programs, even if they are not completely satisfied with them, have had to go along with the proposals of the government.

The trade unions are concerned by the very limited role assigned to them under this program. They have also pointed out that there is an increasingly large role to be played by the employers in providing training. The unions, however, feel, with the vast experience they have, that the on-the-job training has been quite unsatisfactory, as did most employers, educators and community groups that came before the parliamentary task force. This raises doubts as to the effectiveness of training programs left to the initiative of employers.

I would point out today, Mr. Speaker, as I have in the past, that the particular agreements for training which the minister has made with various industry groups were made without consultation with the unions in those industries. Such programs are thus likely to be essentially generous subsidies to the private sector, which do not and will not make a significant

contribution towards the solution of the country's employment problems.

As an alternative, the Canadian Labour Congress suggested a grant-levy system, to be administered by a training board composed equally of representatives of trade unions and management. The board would have had authority to set a levy for all employers in their sector to cover (a) the administrative expenses of the board, (b) the training program, (c) the research of the board and (d) grants to employers.

All employers in the sector would pay the levy set by the board. Then the employers who actually provide training according to the standard set by the board would receive a grant to offset all or part of the cost of training. If a firm does more than its share of training, it could receive more back in grants than it had paid in the levy. This system would provide both an incentive and a penalty, and would thus persuade employers to train. That is an objective which it is very difficult to attain without such a mechanism of enforcement.

The parliamentary task force did not accept that proposal of the Canadian Labour Congress, but it did bring forward an alternative. Under the alternative, employers would have had to pay in a different form for training, whether they did it or not, and would be compensated if they trained their workers. That recommendation of the parliamentary task force was, in effect, rejected by the government.

The task force report was prepared and adopted without consultation with unions or other groups. The suggestions of the CLC were not taken into account by the minister or his department. Like the labour unions, the provinces too were dissatisfied with the increasing role given to the private sector in the training programs.

At present, the balance of the institutional industrial training is 85 per cent to institutions and 15 per cent to industrial training. In 1980-81, $656 million, out of a total expenditure of $770 million, federal training dollars, were channelled through provincial educational institutions. The switch of training funds to the private sector, which is to be given more encouragement to train workers, means that the provinces will have their funds cut by up to 10 per cent this year. Like the labour unions, the provinces have expressed their concern about reliance for training programs on the voluntary compliance of the private sector and the lack of explicit mention of governmental action which might be necessary in the absence of this voluntary compliance. This point was expressed very forcefully by the Ontario ministry.

The provinces have also mentioned that the program might lead to a situation where already available services are duplicated. It has every reason to be suspicious about the ability of the department to deliver the kind of programs that they talk about. We know from bitter experience how wrong the department has been in past years.

Finally, they raise doubts as to the ability of the federal government to forecast accurately what skills will be in demand in future. Given previous federal failures in certain areas—and I refer to the forward occupational imbalance listing, which was ignored by industry for planning purposes, and the Canadian occupational forecasting program, which was judged not very useful by local CEIC centres—the forecasting ability of the Canadian occupational projection system, or COPS, as it is known, a major component of the training program, remains an important provincial worry.

Apart from these issues raised by the concerned parties, there are important problems related to the principle underlying the National Training Act about which I have very serious doubts. Let me deal with some specific shortcomings that I see in the government's program. There is a need to train thousands who lack basic education, to which I have already referred is deficient. It means that they are not now able to get the kind of training that is or may be available for those skilled jobs for which there is or may be a demand. In other words, Mr. Speaker, even if we have the right training programs, a very large percentage of the Canadian people would not and do not have the education to qualify to take that training opportunity which would be available. I have already spoken about the large number of Canadians who are functionally illiterate.

• (1730)

The parliamentary task force recommended that we adopt the national right to read program operated by the federal and provincial governments together with private and voluntary organizations. There would be a need for a major increase in funds for such programs, to provide the basic training for skill development. What we have actually seen in recent years, however, were substantial cutbacks in these programs rather than the increases which the task force and other groups indicated were needed.

We have failed to deal with the needs of special groups. The government has rejected any real commitment to the use of affirmative action programs to provide employment opportunities to minority groups, which include women, natives, the handicapped and new immigrants, so that such people can take their place in our modern society. Even if training were provided for these groups, if employment is not assured then the training would be self-defeating in a period of high unemployment. At this time, when there are so many people unemployed, it would be much easier for employers, both public and private, to find work for the many middle-class men and women who wish to work rather than for natives or immigrants who would require longer and more expensive assistance to find and keep meaningful work. Unless we help them they will be permanently forced into low paid, unskilled, dirty work, or onto the welfare rolls of our cities.

The record of government departments in hiring native people is poor, almost without exception. The government's supposed commitment to affirmative action will not be realized unless these programs are given teeth, and senior administrators are given the responsibility of delivering specific goals by specific dates. There are signs that this is taking place.

There are jobs for these minority groups. We need native teachers, we need native social workers and health workers,

building maintenance people, and resource officers, as well as prison workers. We need them on the reserves and we need them in the cities to which they are moving in increasing numbers. The government and the department have failed completely to face up to the problem of these people as they have refused to face up to so many problems for which they have responsibility.

We see these shortcomings. We are not too hopeful that the bill will do a better job than the old act, or that the government will do more than it did in the past. This new measure is better than none, however, and so we will vote for the bill although, to say the least, reluctantly.

[*Translation*]

Hon. Roch La Salle (Joliette): Mr. Speaker, I have a few short comments to make on this bill. I know we have a royal assent at 5.45, and that the minister also wants to say a few words, so I shall be very brief. Nevertheless, I would like to add my own words to other comments made in this House regarding the exceptional efforts made by my colleague from Rosedale (Mr. Crombie) in his word on amendments to this bill. It would seem that the legislation has been vastly improved as a result of amendments that were accepted after prior discussion in committee.

On the other hand, Mr. Speaker, as a member for Quebec, I am once again far from happy to see that nine provinces plus the Northwest Territories have agreed and that Quebec is not a part of this general agreement. Granted, the amendments give the provinces some increased powers, but as a result of these amendments, the provinces will also have to take the blame for turning down certain federal proposals.

I had hoped, and I pointed this out in committee to the minister responsible, that the Quebec minister's request to have a discussion before the bill was passed would be met. I did the best I could to make the minister understand, after his very pertinent remarks to the committee, that it was important for him to meet the Quebec minister, considering the comments sent by telegram to the minister and a number of members. I felt, and I will feel, that it is vital that the two ministers should meet. I know, and the minister certainly has many possibilities, that he would be willing to try to show some flexibility if such a request were made. He was finally advised not to meet the Quebec minister on this subject, and that is probably why Quebec is not part of this agreement. It is unfortunate, and I truly regret this fact. It also puts me in a rather difficult position in relation to other members, because of their comments and the agreements between various provinces, and I wish I could be as pleased as my colleagues are about the fact that their provinces have agreed to co-operate with the federal government on this legislation.

That is not the case, however, and since the minister did not make the special effort he could have made, Mr. Speaker, I find the whole situation most unfortunate and regrettable. I know, people are going to tell me that amendments will make it possible for Quebec as well as all the other provinces to have a say in this kind of consultation, but the fact remains that proposals will be initiated by the federal government, and that is the kind of unilateralism we have often criticized. This reminds me of other subjects and conflicts we have witnessed here in the House of Commons, in which the federal government unilaterally maintained its proposals and let the provinces take the blame for failing to agree or co-operate. Much has been said about consultation, and the minister has tried to convince us that there would be real consultation, but, Mr. Speaker, experience has shown that consultation is not always enough. I would have preferred agreements, and in view of the very positive arguments put forward by the minister, and the objectives of this legislation, it seems to me it should have been possible to convince ten, and not only nine provinces. Of course, there will be those who say that today, nothing can be done with the government of Quebec. I can assure the House that previous governments under Mr. Bourassa and Mr. Johson were just as demanding with respect to occupational training as the present government of Quebec. It is always useful to remember Quebec's history.

I have just a short comment to remind the minister of one of the recommendations of the Pepin-Robarts report. In fact, the Minister of Transport (Mr. Pepin) was the right person to remind the minister responsible that the report contains a recommendation which demands recognition for the distinctive position of Quebec, compared with the other provinces, a recommendation that was not drafted by the separatists but by federalist Tories and Grits, among them the Minister of Transport who is a member of the cabinet. If the Minister of Transport had wanted to show the slightest bit of good faith, he could have reminded the minister that this distinctiveness should be reflected in the proposals being made today by the federal government. Today, this distinctiveness has been totally ignored in the bill now before the House. I repeat, Mr. Speaker, I am very pleased to see that nine provinces have approved the principle of this bill and are prepared to co-operate with the minister in this area. However, I find it most regrettable that the government failed to obtain Quebec's co-operation, and I am convinced not enough has been done, and to prove it—

The Acting Speaker (Mr. Blaker): Order, please. The hon. member, on a point of order.

Mr. Tousignant: The hon. member just mentioned that nine provinces had reached an agreement. He now wants to insinuate that the federal government is to blame if Quebec does not want to be part of the agreement. Nine provinces have agreed, Quebec does not, and once again the federal government is to blame.

Mr. La Salle: Mr. Speaker, I am doing my utmost to speak only a few minutes so as to let the minister finish his comments

on this legislation, and I hope that the members on the government side who did not speak to this bill will give me a chance to do so. It is too late for them to speak, in any case. I am sure that if the six dozen Quebec members opposite had insisted that the minister meet with the Quebec minister, this would have satisfied me. However, they did not. They were delighted with Quebec's objections and then asked the minister to ignore them. Mr. Speaker, I feel the time has come for me, as the member from Quebec on this side of the House, to ask the members opposite to at least have the decency to ask the minister responsible to find a way and make a special effort to produce a better agreement and set a real example of co-operative federalism.

In the circumstances, Mr. Speaker, I could have made further remarks. I regret the absence of Quebec. Once again, I trust some way will be found to achieve genuine co-operation, and I still hope that it will be possible to conclude provisional agreements. In the circumstances, I shall have to end my comments so that the minister can make his final remarks. Thank you, Mr. Speaker for the time you have allowed me.

• (1740)

[*English*]

The Acting Speaker (Mr. Blaker): Before I recognize the Minister of Employment and Immigration (Mr. Axworthy), I should indicate that this is third reading, and consequently the minister does not have the right of reply without unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Mr. Speaker, I appreciate the gesture. There are many things I could say about this bill. The fact that it has taken us close to two years to achieve this major change in training is one. Perhaps I could just indicate to hon. members that this will provide, in what has been a very long session, one of the most important gestures this Parliament can make toward those Canadians who are looking to their future in the job market. It will give them some hope and ambition, and confidence that the future can be theirs because they will have better training.

It means that we will be able to offer well over $1 billion in expenditures for new training to over 250,000 Canadians. It means there are special measures for women to go into non-traditional work. There are special measures to encourage employers to hire native people and those with disabilities. There are major efforts to provide every province, and employers and unions across Canada, with the ability to build new training facilities, new equipment and new laboratories to expand our training system across Canada substantively.

This is a very major moment for this Parliament, Mr. Speaker, and it is not, as members opposite have said, the product of one or two people; it is the product of many people. It started with the task force, and contrary to the impression the hon. member for Winnipeg North (Mr. Orlikow) tried to leave, it was very much based on the recommendations of that task force which was composed of members from all sides. There were a lot of very diligent and loyal officials of this government who spent literally hundreds of thousands of hour working to bring about a training program. There was the co-operation of many provincial officials who worked with us in two federal-provincial conferences to bring this about.

I would point out to the hon. member for Joliette (Mr. La Salle) that the lack of participation by the Quebec minister is not our fault. He did not come to those conferences, even though he was invited; he did not prepare recommendations, even though he was asked; he did not offer any suggestions, even though the invitation was given.

[*Translation*]

It is not true that the government of Quebec wishes to co-operate with the federal government, but I hope to reach an agreement with the government of Quebec quite soon, although the latter will have to declare its intentions with respect to this agreement.

[*English*]

So, Mr. Speaker, there are many people involved, and I want to pay tribute in particular to my parliamentary secretary who was responsible for guiding this bill through the labyrinth of Parliament and obtaining co-operation from everyone concerned. I also want to pay tribute in particular to members of the committee. We worked very closely together over the past two weeks to arrive at what I think is a good bill which will serve Canadians in the future.

We can now go to young people, natives, women, the workers of this country, and say we have a framework of training which gives them some hope and confidence that the skills they need for the new workplace can be theirs. But we will have to continue this spirit of co-operation. I hope members on both sides will continue to work with me and my department as we take this legislation and turn it into reality so that we can deal with these difficult economic problems of our times, and provide a real sense of purpose and direction for the workplace of the future. Thank you very much, Mr. Speaker.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to and bill read the third time and passed.

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Blaker): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed the following bills without amendment: Bill C-38, an act to provide for the garnishment or attachment of Her Majesty in right of Canada and for the diversion of pension benefits payable by Her Majesty in right of Canada under certain enactments; Bill C-120, an act to amend the Supplementary Retirement Benefits Act; Bill C-118, an act to amend certain acts that provide for the retention of records; and Bill C-121, an act for granting to her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1983.

[*Translation*]

I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

June 22, 1982

Madam:

I have the honour to inform you that the Honourable Bertha Wilson, Puisne Judge of the Supreme Court of Canada, in her capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 22nd day of June, 1982 at 5.45 p.m., for the purpose of giving Royal Assent to some bills.

I have the honour to be,
Sir,
Your obedient servant,
Jacques Noiseux
Deputy Secretary
to the Governor General

* * *

[*English*]

CANADA PORTS CORPORATION ACT

MEASURE TO AMEND

The House resumed from Monday, June 14, consideration of Bill C-92, to amend the National Harbours Board Act, the Government Harbours and Piers Act, the Harbour Commissions Act, the Canada Shipping Act, and the Fishing and Recreational Harbours Act.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, as we await the Gentleman Usher of the Black Rod I want to resume my comments on Bill C-92 by indicating to my colleagues that I had just finished reminding the Minister of Transport (Mr. Pepin) that among the issues with which we are concerned with respect to ports legislation is the capacity of the central Crown corporation involved to act in the role of banker. How this would happen, its desirability, was spelled out in background papers which were widely discussed in Canada and which emanated from the ministry. I had indicated to the House that we were somewhat disappointed, to say the least, to find that those provisions were not carried through in the bill. I indicated, and I reiterate now, that those are provisions we will at least hope to see when the matter is finally before us in committee.

• (1750)

There are some other aspects of the bill that require further clarification. For instance, a port, as long as it is not a local port corporation, may be allowed to change its status to a harbour commission, providing for even further autonomy.

A local port corporation in order to achieve that would in effect have to disband itself and then apply for harbour commission status. I do not believe, nor did I understand, that that was to be the intent of the minister or his officials in the drafting of this legislation. Regretfully that is the situation within the bill itself. Our concern, of course, is that we do not believe that any port should have to suffer through that much red tape in order to change its status.

With respect to local port corporations, and again this hinges on the local autonomy issue—the degree of autonomy that will be extended to local port corporations under this legislation—why is it just the Canada Ports Corporation that would be allowed to petition the minister for establishment of a local port corporation? If one of the criteria for the establishment of a local port corporation is that of local interest, then why can the local community not be allowed to petition the transport minister? Would this not be further proof of the need for a local port corporation if the local community itself were able to participate directly.

Another criterion for the establishment of a local port corporation is that of financial self-sufficiency. What is the definition of financial self-sufficiency? Will it differ from one port to the other? If it will not, then why is the Canada Port Corporation allowed to select and choose which statutory powers to give each local port corporation contained in the list of powers in Part II of the Act? These are questions for which we will be seeking detailed answers. Why should not all local port corporations be established with the same set of ground rules, and have equal and identical statutory powers? The act does not give as much guidance on that.

If one local port corporation will be allowed by the CPC to have more statutory powers because of its so-called financial self-sufficiency, does this mean that the CPC will have more stringent control over the local port corporation that does not have as many or as broad statutory authorities? I think this is a vital concern and I hope this discrepancy will be clarified and, more important, rectified in committee.

Canada Ports Corporation Act

THE ROYAL ASSENT

[*Translation*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Madam Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Madam Speaker with the House went up to the Senate chamber.

And being returned:

Madam Speaker: Order, please, I have the honour to inform the House that when the House went up to the Senate chamber, the Deputy Governor General was pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-38, an act to provide for the garnishment or attachment of Her Majesty in right of Canada and for the diversion of pension benefits payable by Her Majesty in right of Canada under certain enactments—Chapter No. 100;

Bill C-120, an act to amend the Supplementary Retirement Benefits Act—Chapter No. 101;

Bill C-118, an act to amend certain Acts that provide for the retention of records—Chapter No. 102;

Bill C-121, an act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1983—Chapter No. 103.

It being six o'clock, I do now leave the chair until 8 p.m.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8:00 p.m.

GOVERNMENT ORDERS

[*English*]

CANADA PORTS CORPORATION ACT

MEASURE TO AMEND

The House resumed from June 14, 1982, consideration of the motion of Mr. Pepin that Bill C-92, an act to amend the National Harbours Board Act, the Government Harbours and Piers Act, the Harbour Commissions Act, the Canada Shipping Act and the Fishing and Recreational Harbours Act, be read the second time and referred to the Standing Committee on Transport.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, when the distinguished Senate and her representatives, the Governor General in her presence in the Senate, summoned us to other business in Parliament, I had been talking about some of the concerns that we on this side have with respect to Bill C-92, the pending ports legislation.

In the time I have remaining I would like to put on the record some of the other concerns which we have about this bill. I would sum up what I have said up to this point, but having had my speech interrupted three times already, I believe I will simply carry on. The minister is aware of some of our concerns, a few of which are being looked upon favourably by the minister. I believe when this matter goes to committee you will find a non-partisan committee such as the one which dealt with the bill we considered this afternoon. I believe you will find a committee which is prepared to work at rectifying some of the reservations we have about this bill. As I indicated at the outset, some of those concerns are critical and need to be assessed.

Another concern we have is that all of the local port corporations' board of directors are appointed by cabinet. Although the language in the bill has been made neater, it still in fact provides for a cabinet appointment on the recommendation of the Minister of Transport (Mr. Pepin). While we may all love the present philosopher who occupies that high post, it is not always the case that this chamber can automatically have trust and confidence in the selection processes made by a minister with respect to appointments to these local boards.

To allay fears of some over-zealous, crass patronage, of which we have seen a lot recently—I would remind the minister of our former colleague, Jack Horner, going all the way to the top of CN. We do have to talk about Pierre Juneau and the Canadian Broadcasting Corporation. We do not have to talk about Sylvia Ostry in OECD. We surely do not have to talk in this chamber about the brother-in-law team that we now have running VIA on the one hand and Canadian National on the other. That is nepotism in its worst form, and conflict of interest.

Mr. Laniel: Jack Horner was your transport minister.

Mr. Forrestall: I know that he was. Tell me how you can avoid conflict of interest when brothers-in-law are running VIA Rail and CN?

Mr. Laniel: Competence.

Mr. Forrestall: Competence in conflict. This country deserves better than that. Does the hon. member mean to tell me that there are not other people who could competently run VIA Rail?

An hon. Member: Who?

Mr. Forrestall: If you sit in your chair I will entertain your question when I finish.

Mr. Laniel: Mr. Speaker, on a point of order. I wonder if the hon. member agrees with me that Pierre Franche, before he was appointed to VIA Rail, was doing a very good job in all of the functions and appointments he received from the federal government. He is a well-qualified man. He received his qualifications from all over the world.

Mr. Forrestall: I will respond to that question. I come from the port of Halifax-Dartmouth, in Atlantic Canada. I suggest that he take a look at the money spent, if the hon. member

wants to join the debate, and tell me how it is fair. Of course Pierre Franche did well. He had $600 million to spend between Beauharnois and Québec City. What did we have in Atlantic Canada in the same period? We had $40 million. Tell me how that equates. Surely he did a good job. Everyone in Montreal knows he did a good job and everyone in Quebec knows he did a good job, but he is damned outside of those two areas. Talk to the people on the west coast and on the east coast. He did not do a good job, and he will not do a good job with VIA Rail. He will have to prove it every step of the way. It is negativism, and the hon. member knows it, and it is nepotism of the worst kind.

• (2010)

We want to allay these fears, so all we are asking is that the minister consider, just consider, between now and the time this matter gets into committee, whether or not he might not extend the capacities extended under the Harbour Commissions Act, so that we might draw into this decision-making process labour and the municipalities. It is not that I necessarily want them or believe that they should necessarily be part of the local ports corporation, but they should be drawn into the recommendations and into the government's thought processes so that there will be belief and credibility in the names of the nominees placed before cabinet for these jobs. We want to allay the suspicion that these are nothing but pork barrel positions. I think it is time we did that. Knowing the minister, I am sure he will consider a formula which accommodates the capacity of the Harbour Commissions Act.

Also, will he at least consider making certain that his nominees at least live in the area of jurisdiction with respect to appointments? With respect to these 20 mini Crown corporations, we do not want to see boards of directors such as that found in the Canada Development Corporation. What is the analogy? This government puts its head office in Vancouver and a chairman, a chief executive officer, president of the board, in Toronto.

Mr. Munro (Esquimalt-Saanich): He does not live in Vancouver.

Mr. Forrestall: No, so we want to avoid that. It is humiliating, somewhat arrogant, and it did not serve that area well. So, assure us that the process will not be an insult to the local community.

In conclusion, I welcome this bill. Some of my colleagues have strong reservations with respect to it.

Mr. Munro (Esquimalt-Saanich): Misgivings.

Mr. Forrestall: They have some misgivings about it. But if there is one thing that I need to say tonight, it is that Canada needs this piece of legislation. It is not good legislation. It is not legislation in its best form. I believe the Standing Committee on Transport can improve it. I believe the minister has a sufficiently open mind that he will allow improvements. I think we can produce a good piece of legislation.

We need more accountability. I will reiterate just one or two points. We want joint auditorship or sole auditorship by the Auditor General of Canada. That relates to accountability, and the reason we need or believe that we want that at this point in time is simply that we have not seen the government's intentions with respect to Crown corporations over the medium to long haul. In the absence of a white paper and in the absence of legislation dealing with Crown corporations in our system, in our structure, we have reservations and we believe them to be valid. In that context, we believe that accountability, credibility of accountability, can be enhanced or enriched if the minister will accede to an amendment which will allow the Auditor General to be either the auditor for the Canada Ports Corporation and the local ports corporations or at least joint auditor. Therefore, I ask him to consider that.

The second point that I would reiterate in closing relates to the perception of autonomy. The bill, at first reading and on first blush, does indicate some degree of autonomy. We still have to see all the bylaws. We have to see the borrowing powers. We have to see the degree to which ports are treated equitably with respect to their statutory obligations, regulations and so on, the things that give them life and make them work. But remember, Mr. Minister and Mr. Speaker, that the people in the port community in this nation and its users will be watching this piece of legislation. They will be watching it to see whether, in fact, it does extend autonomy, whether there is that individual capacity to move, to expand, to promote vigorously, and to develop and compete without extending to any one port an advantage over another port.

I refer to the comments of my hon. friend opposite about the chairman of the National Harbours Board. The harbours and ports in this country have not been dealt with equitably over the last 15 or 20 years. The minister knows that. I hope this bill will extend equal statutory authority to all ports which will enhance and enrich their capacity to compete vigorously with one another for offshore export trade and import trade. The legislation designed in the early 1930s, coming into law in the mid-1930s, surviving for 45 years, has in fact been an excellent piece of legislation. It has served this country well, but it is outdated and it must be changed. I give to the minister my undertaking to support him to the degree I can, here on the floor on second reading, in the committee and back on report stage and on third reading. All that we on this side ask is that he support us in trying to make this a piece of legislation which will last as long as did the legislation based on the work of Commissioner Gibbs in the 1930s.

Some hon. Members: Hear, hear!

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, I am honoured to be the first to speak for our party on the ports bill, Bill C-92, an act to amend the National Harbours Board Act, the Government Harbours and Piers Act, the Harbour Commissions Act, the Canada Shipping Act and Recreational Harbours Act. As the Member of Parliament for the riding of Vancouver East, which borders on the Port of Vancouver, I have a very special interest in this bill. Over the past year, as

part of the planning process in which the minister invited us to participate, I have consulted with National Harbours Board officials, maritime unions, regional and neighbourhood planning bodies, city councillors and also community residents near the port to get their opinions and their reactions to the proposed change in Canada's port policy.

I might say that the minister who invited this kind of involvement process seems to have indeed ignored many of the suggestions which were put to him, at least those made from my part of the country. The intent of the bill and its main features involve the creation of autonomous local port corporations, which are expected to be financially self-sufficient, regional administration of the smaller harbours and ports in Canada, as well as the creation of consultative bodies which would advise on port planning. A new ports policy which would embody a decentralized approach to port management and administration of ports has long been requested in this country and has long been delayed. We on this side of the House will support this bill in principle, but we do have a number of concerns which will require amendments before we can vote for it.

I would like to briefly review some of the historical trends which are relevant to the bill before us today, that is, Bill C-92. The concept of local autonomy in ports was present early in our history, way back in the 1800s, in the administration of the Port of Montreal as well as other ports. By 1906, however, the Port of Montreal had become so badly managed that the local board of trade asked the federal government to revert to the original form of central control. We see a reversal of the process that we are talking about today.

• (2020)

Because of the difficulties that Canadian ports were experiencing, by 1932 it was requested that Sir Anthony Gibb, a British authority on ports, investigate the financial losses and the inefficiencies of the Canadian port system. His 1932 "National Ports Survey", as it was called, reported that the local harbours boards were riddled with patronage. That was a very important point that he made. It is very relevant today. We are riddled with patronage by the party in power. He said they did not have the financial resources to provide low transport charges required for Canadian trade, and they failed to represent local interests and port users. This is quite important. The criticisms by Mr. Gibb are particularly relevant to some of the proposed changes in Bill C-92.

In 1936 the National Harbours Act established a highly centralized national ports system for Canada. We then moved to the National Harbours Board structure. Policy decisions were made in Ottawa for some ports that in some cases were thousands of miles away. As ports developed and national trade expanded, a highly centralized system of control became much too restrictive. Of course, it was overly bureaucratic, with long delays in decisions needed for practical operation of the port. Operational decisions were delayed by communication problems between coastal ports located thousands of miles away from isolated Ottawa.

Most restrictive, of course, was the statutory ceiling on contracts which required Treasury Board approval for any expenditures over $50,000. In his remarks the minister referred to the quite unrealistic administrative restrictions which this resulted in. Also, rates were imposed centrally by a three-person National Harbours Board.

The Glassco commission of 1962-63 recommended decentralization of the federal government services. Remember, this was in 1962, over 20 years ago. At that time it concluded, "Time and considerable correspondence and expenses will be saved if the local office is given the authority to make its own decisions in all cases except those involving government policy". Twenty years ago we needed decentralization. The need for reform was established 20 years ago. Yet subsequent Liberal governments have continued to delay changes time and time again.

The continuing problems therefore and the increasing inadequacy of the centralized port system led to a Speech from the Throne in 1974 which promised a reorganization of Canada's system of port management.

In July, 1975, the Scott committee, an interdepartmental committee, recommended the establishment of a new, single comprehensive port organization based largely on a national ports policy, but with substantial local autonomy in the management of the local ports and regional participation in the port-planning process. Still no action was taken by the Liberal government.

In 1977, Bill C-6, an act respecting Canadian ports, was prepared. This was to reflect the considerations of the Glassco commission and the Scott commission to foster local port autonomy where this was of local interest and where a port was expected to be financially self-sufficient. Need I say this bill was not enacted. It is almost like a conspiracy to delay changes.

In the glorious days of 1979 when the Conservative Party came to power, the needs of Canadian ports remained the same. The then minister of transport proposed a very similar bill which, of course, went down the tube with the Conservative government.

Because the Conservative position on decentralization was similar to that of the Liberal government, and reflected strong pressure from all regions of Canada, I cannot understand why some members of the Conservative Party, and I believe some from my region of the country, are opposing this bill. They certainly do not reflect the desires of the city of Vancouver which has undertaken a major study of this legislation. I will quote some of their recommendations later.

The city of Vancouver has asked for quick passage despite some reservations which we hold and which we will insist should become amendments in committee. The greater Vancouver regional district also supports this legislation, again with some caution. It certainly is important that we act on this, but with the changes that are needed.

The complex trends and developments in recent years require a much more responsive and effective system of port management. These trends include an enormous increase in

economic development throughout the world, and an accompanying expansion of international trade. There has been a development of new multi-model systems for containerized cargo and larger size facilities. The 1973 energy crisis characterizing the OPEC decade greatly increased competition between ports. In addition, there are community demands for more sensitive, integrated and responsive approaches to planning and, I might say, more control over safety and environmental factors as well in the development of ports situated in major urban areas.

It is evident to all hon. members, I am sure, that reforms are long overdue. The reason for successive delays cannot be justified by this government. Greater decentralization must allow port profits to be invested in modernization and development of all international ports in Canada.

Continuing federal subsidies will be needed for smaller ports such as the port of Churchill, for example, that are essential to a region but that probably will never be able to achieve financial self-sufficiency. It is most important, as the hon. member for Churchill (Mr. Murphy) said to me a few minutes ago, that a Canadian ports corporation set national policy to ensure that there is a co-ordinated and well integrated port strategy across Canada that takes into consideration the special needs of smaller less economically efficient ports.

Unlike some Conservative members who I believe are advocating complete privatization of our ports with no strings attached, we in the NDP believe that a national ports system should be co-ordinated federally while allowing maximum autonomy for local decision making.

The port of Vancouver makes a profit each year despite outdated facilities, facilities that have remained outdated because of National Harbours Board restrictions. Ottawa, under the National Harbours Board, at present continues to take away the gravy. It takes away the surplus funds. In fact, it generally controls the budget in the port of Vancouver. This has inhibited local development plans which cannot be implemented.

We believe that profits in the larger ports must be reinvested in port improvements in order for them to be competitive internationally. When these developments are completed and the financing or long-term capital plans are assured, surely then we can afford to share some of the surplus funds with other regions of Canada, but not under the scheme proposed in Bill C-92. We do not agree with the proposals in Bill C-92 which provide for continued federal control of budgets of local ports and which will still cream off surpluses which could forestall much needed port development and improvements. We, of course, Mr. Speaker, do agree with the concept of local autonomy for larger ports that are able to be self-sufficient now on in the near future. We believe this should be done within a co-ordinated national system. I must say we also agree with the last speaker, who has pointed out that we are not at all convinced that the Liberal minister and the Liberal government really believe in this, and certainly they have not spelled it out in detail to our satisfaction in Bill C-92. Therefore, there must be specific changes in this bill which will clarify the concept of decentralization and autonomy to the much greater satisfaction of local ports.

• (2030)

The port manager must have greater autonomy to make operational decisions under the direction of a local port operation without having to wait for approval from Ottawa. Currently a port authority must apply to the National Harbours Board through Treasury Board for capital expenditures up to $50,000, no more. Since one container crane costs $5 million, this is hardly realistic for most of the larger ports. Federal delays are intolerable.

The local port corporation also is the most logical port body to upgrade and modernize the port facility, and to be competitive within a particular region. There must be capital funds for long-range plans. In Vancouver, for example, we have a 20 to 30-year planning scheme being developed now with the municipalities, the provinces, the maritime unions, the businesses and adjacent communities, as well as with users of the ports. Users and regional bodies must be represented in the planning. These developments must be co-ordinated with multi-modal transport systems.

I might say, Mr. Speaker, I was amazed in Vancouver when I spoke to the port manager there at one time and learned that he did not know whom to contact in the railway system if there should be a major disaster in downtown Vancouver. He did not know the name of the person. There did not seem to be any intersystem kind of linkage that would assure the citizens, the city and the residents of our region, that we would not be blown up by some of the very dangerous cargoes that go through downtown Vancouver.

The capital funds for long-range plans must be assured, so that we can have reasonable planning. The local board must co-ordinate with the interprovincial and national policies and plans through the Canada Ports Corporation which will replace the National Harbours Board. This party agrees with the concept of local autonomy in port administration. We do feel that the government must be more explicit in terms of financial autonomy.

We do not agree with some of the other concepts which are implicit in this bill. It is indeed unfortunate that Members of Parliament are not allowed to discuss the regulations as well as the bill itself, since we fear that many of our concerns will be built into specific regulations, as the bill itself is very general in nature.

Our major concerns, Mr. Speaker, are in the following areas. First of all, there is the method of appointment to local port corporations, which will foster patronage, the typical way of developing ports on the part of the Liberal government, which allows no local or provincial appointees. We do not feel that regional advisory groups which are rather token in nature and do not have any real authority, are good enough to provide the input and the rational decentralized planning which is needed.

Secondly, there is the requirement that the local ports must be financially independent before they can achieve autonomy. This will impose a user-pay type of policy, which again is a favourite Liberal concept that will be penalizing and self-defeating for most ports in Canada which may not have a continuing high volume of business.

Thirdly, we are concerned about the lack of accountability to Parliament. This Parliament should be the body to decide when a local port corporation is applying to move for a change in category, for example, to become a harbour commission, in effect an independent Crown corporation. Under Bill C-92 this decision is made by orders in council with no reference to Parliament and no requirement for parliamentary sanction.

Mr. Pepin: Wait ten years?

Mrs. Mitchell: I would like to elaborate further on these points, Mr. Speaker, and I would like to hear from the minister afterwards.

As Sir Alexander Gibb said in 1932—and how apt it may be with regard to this bill if it goes through as planned:

> Local ports should not be riddled with political patronage by the party in power.

This undoubtedly will happen if Bill C-92 is passed as it stands. If the minister recommends appointees to the board and the cabinet decides, I think we can all speculate on who is going to be on that board. We will recommend in committee that the structure and process of appointments to the local port corporation board must include greater accountability to the local region which is served by the port.

We agree that the port board members must be experts who are knowledgeable about port operations. It should not just be anyone. We can have political patronage at the local level as well. It is particularly important that experienced workers be appointed to the boards, locally and nationally.

An hon. Member: Hear, hear!

Mrs. Mitchell: I met with the CLC Committee which involves all waterfront unions, and this certainly is their opinion. We also agree that token appointments by city council or municipalities of just any old local alderman is not the way to go. We will press for a revised structure which will allow municipalities to recommend qualified people to the local port corporations board, as well as candidates who are proposed by maritime unions, local businesses, and the province, with a minority of federal appointees to be added. It is essential that the board members reflect diverse local interests and are not just defeated Liberal candidates.

Some hon. Members: Hear, hear!

Mrs. Mitchell: We also feel that local board chairpersons should be voting members of the national board, not just ex-officio members. What is the point in having a national harbours board simply with token liaison persons from the local board? We feel that they must be voting members of the national board. The local port authority must be required to plan in a co-ordinated way with the municipalities and adjacent communities on matters such as access roads, traffic problems, movement of dangerous goods, environmental concerns as well as recreational access to the waterfront and port activities. Why should should children, for example, not be able to go and see at first hand the workings of the port? Why should our citizens who live near the port not have open access to the waterfront of the port? It should not be only the more affluent people who have access to beaches and waterfront areas.

Another question is that of financial self-sufficiency. As a Vancouver member, I agree that the port of Vancouver must be autonomous and financially self-sufficient with powers to reinvest the surplus in developments that are needed. This is necessary not only for the Vancouver region but for all of Canada, as this port is vital to the economy of Canada.

Our party also is just as concerned about the total port system in Canada and particularly about the less affluent and northern regions where financial self-sufficiency is an impossible dream. We are also concerned about ports like that of Prince Rupert, which is of interest to the member for Skeena (Mr. Fulton).

Mr. Fulton: Hear, hear!

Mrs. Mitchell: This is the fastest growing port in Canada and it deserves local autonomy, even though at this time it does not have the huge profit and needs much development to make it the port of the future.

Mr. Fulton: That is right. Let us hear more about that.

Mrs. Mitchell: There are also many activities going on to my left, Mr. Speaker. Just as we opposed a laid-on user-pay system for Canadian National Railways and other transportation systems in Canada, we oppose user-pay policy for our ports. Our national transportation system in Canada, a country so large and diverse, simply cannot be seen as just another business which can be operated only on a user-pay concept.

• (2040)

Some hon. Members: Hear, hear!

Mrs. Mitchell: There is no conceivable way we can do that. We do not object to realistic rates, particularly for multinational corporations and some of the international users of our ports. Regional needs and ability to pay the same rates must be a deciding factor, however, in a flexible and realistic rate system. Will small businesses in the north, for example, be required to pay the same rates as multinationals that use our southern ports? Since they have less income, will the port of Churchill or the port of Halifax continue to be run less efficiently from Ottawa because they cannot qualify financially to become autonomous? Surely they can be administered locally.

Statistics show that on the average our ports earned only a 2.5 per cent return in 1980. This is not enough income to raise the capital or pay market interest charges in the future. Most

ports will need money at lower than market rates in order to invest in new technology and to expand their capacity to compete with international ports on this continent.

These are only some of the concerns we have and which will require amendments in committee. We agree with many of the points raised by the lead speaker for the Conservative Party and that amendments will be required in committee. Other members of this party will comment on the needs of ports in other regions, particularly the hon. member for Churchill.

In the time that remains to me I should like to speak about the port of Vancouver and refer to some of the recommendations made by the Vancouver Economic Advisory Commission in a document entitled "A Brief Respecting the Question of Local Port Autonomy" which was based on considerable study. I hope that the transportation committee will study this document in detail because its comments refer to the national port system.

While the Vancouver Economic Advisory Commission agrees with the over-all principles and proposed structure and function provided for in this bill—that is the local port corporations—it is very concerned that a gradualist approach will further delay port modernization, which is essential now if we are not to lose permanent business to United States ports. I hope that the minister will take note of this recommendation.

We hope that this bill will go through in an amended form, but it should not delay improvements that are needed in the larger ports that have the necessary funds to make those improvements. Vancouver cannot wait for the total Canadian port system to change. We need decentralized decision making to proceed with improvements now. The brief of the Vancouver Economic Advisory Commission makes the following recommendation:

> Local control over budgets (where financial responsibility and viability can be demonstrated) is fundamental to the efficient operation of certain Canadian ports; we are convinced that such powers are necessary if the Port of Vancouver is to realize its current and future potential.

We are appealing for a phased in development that will allow ports to go ahead with changes that are needed now, even though we realize that change on a national scale may take more time.

In the city that I represent, which has a huge, expanding international port, developments are severely hampered by outdated centralized administrative and financial control systems under the present National Harbours Board. Yet Bill C-92 will retain central control over local port budgets and surplus funds. Creaming off incomes when a port needs major upgrading and expansion is hardly the way to promote international trade and economic recovery. I repeat, Mr. Speaker, this is essential for all Canada.

While Bill C-92 will delegate more administrative and planning responsibility to a new local port corporation, it will not achieve the necessary port development unless surplus funds are reinvested in new technology and expansion to meet the expanding needs of the Pacific rim for many years to come.

We all know that the federal government is broke. We know there is a huge deficit. We know that the National Harbours Board under its new name, the Canada Ports Corporation, will need funds. Yet we do not think it helps the total system, and certainly not specific ports that need development, to cream off profits in one region too quickly.

The potential of trade and commerce from all regions of Canada, through the great coastal ports to Pacific rim countries must not be lost. This is vital to the national interest. I am sure my colleagues from eastern ports feel the same way.

I should like to read into the record some of the specific concerns of the Vancouver Economic Advisory Commission as set out in their brief of August, 1981. It reads in part as follows:

> —but we have serious concerns with specific reference to how these proposals might apply to the Port of Vancouver—
>
> There is a demonstrable need for local powers which would enable the port authorities to:
>
> (A) have administrative autonomy to more expeditiously conduct day to day affairs
>
> (B) have financial autonomy to raise the necessary funds for port development and port operations
>
> (C) have operational autonomy to respond more promptly to a vast and complex range of opportunities and challenges.
>
> To illustrate: the Port of Vancouver is expecting a doubling of cargo tonnage in this decade, and is planning for a capital expenditure of some $100 million over the next five years.
>
> The planning for such development is complicated by the need to deal with provincial and local government in some cases and at other times in areas which have a multi-jurisdictional character.
>
> The Port of Vancouver must be able to deal directly with local government on a wide range of issues (such as access roads, citizen access to port areas, land use questions, acquisition of properties for port development).
>
> Several of Vancouver's competitors—Seattle and Oakland—are locally-operated ports, and have a considerable advantage over Vancouver inasmuch as they may respond more quickly to evolving circumstances.
>
> It is significant that many of the world's largest and most successful ports—Rotterdam, Antwerp, Hamburg, Kobe, Yokohama—are operated by local and/or regional authorities.
>
> Local control over budgets is fundamental to the efficient operation of Canadian ports. We are convinced that such powers are necessary if the Port of Vancouver is to realize its current and future potential.
>
> We submit for consideration that:
>
> Local boards formulate policies and undertake programmes for local port development while the National Harbours Board determines over-all strategies for port development in Canada.
>
> Local boards should be comprised of members who live in the region and can offer a wide range of expertise.
>
> Local boards should be allowed to retain their surplus funds, and should be given the authority to invest them so as to increase the capital available for port development.

This is the Vancouver city council report—

An hon. Member: With no Liberals on the board!

Mrs. Mitchell: Vancouver city does not say that, but I am sure most members on this side of the House would agree. The brief continues:

> Local boards must be allowed to act as partners with local government rather than principally as intermediaries on such matters as planning and access.

This report was approved by the Vancouver city council and the greater Vancouver region. The city of Vancouver also has a detailed proposal which outlines 12 conditions of support, including the divisions of responsibility which it sees as being preferable. When the bill goes to committee I hope that these will be studied in detail. They endorse the concerns that we have expressed, that there must be a clear definition of the structure, composition, accountability and mandate of the local port authorities. The city of Vancouver makes 12 recommendations as conditions of its support for a Canada ports policy.

To summarize, Mr. Speaker, we believe in administrative autonomy for ports in Canada and we support decentralization of port administrations which will result in administrative, financial and operational autonomy. However, we feel it is not possible to achieve this goal under the proposed procedure for appointment to local port corporations. Under the centralized budget control, which still remains under Bill C-92, it is essential that the local board be composed of locally appointed officials who have interest and expertise in port matters. Political appointments by the minister would detract from the credibility and autonomy of the corporation.

• (2050)

As to financial autonomy, surplus funds from financially viable ports should first be available for upgrading and modernizing to make local ports competitive. These funds should not be centrally controlled as in the past, although fair sharing requires some obligation on the part of profit-making ports to eventually assist underdeveloped areas. Efficient decentralization should allow local ports the power to borrow funds from either the private market or the government. This is not included in the bill. Government approval should only apply where a government guarantee is required.

On the subject of national policies, a co-ordinated national policy is needed to maintain certain standards common to all regions in Canada. In particular, we feel a uniform pay scale is essential to ensure equal pay for work of equal value for all workers in the Canadian ports system. There are many other reasons for maintaining a national port strategy to meet the needs of areas like the prairie provinces, which indeed depend on our coastal ports, and they must have a say in the development of our ports system.

We are concerned that the user-pay philosophy which is present in federal policy will have an adverse effect on many ports in Canada which are not profitable. According to the 1979 National Harbours Board annual report, only five out of 15 national ports realized a surplus in that year. Many ports in remote areas will continue to need subsidies to service underdeveloped areas. Therefore, while we agree that to be efficient, port administration should be decentralized to the greatest degree possible, we, unlike the Tories, would oppose any moves which might lead to privatization of our major ports. Port corporations, Mr. Speaker, must remain public bodies in order to control our import and export activities in the interest of all Canadians, and to enhance the local, regional and national economy of Canada.

Mr. Chuck Cook (North Vancouver-Burnaby): Mr. Speaker, having heard the last speech I still cannot figure out where the Liberal Party west is on this bill. They seem to go all over the map, but I gather they are going to support a bill which is a rip-off of Vancouver and the western ports of this country.

Let me begin my remarks by being as mild, calm, quiet and polite as I possibly can. Mr. Speaker, Bill C-92 is an invidious, insidious and despicable piece of legislation. In my three years as a Member of Parliament I do not think I have ever seen a worse piece of legislation. That is saying something when you consider some of the things we have seen come through this House in the last two years. As the federal member for North Vancouver-Burnaby I represent a riding which surrounds the Port of Vancouver; one-third of the waterfront is in my territory. It is the largest port in Canada, the largest on the west coast of North America, and one of the largest in the world. As the federal representative for the port's interests, it is imperative that I convey to this House the absolute disappointment, distrust and concern that Bill C-92 has generated on the west coast.

Mr. Benjamin: That is not what they told us when we were out there.

Mr. Cook: It is equally important that the members opposite listen to what I have to say. It is imperative that the members of the Liberal Party, who do not represent the interests of Canada's western provinces, fully realize the detrimental effects of policy making and implementation at the behest of the east and at the expense of the west. In my remarks I will focus on the situation facing the port of Vancouver, the discriminatory and punitive effects Bill C-92 will have on the port's ability to meet the challenges of the future, and that port's importance to the Canadian economy.

The crux of the issue, Mr. Speaker, is local autonomy. We have, on the one hand, a pressing need for the displacement of a highly centralized system of port administration to the local level, and, on the other hand, we have the fabricated claim by the minister and his officials that this bill will provide the National Harbours Board group of ports with greater local autonomy. This particular booklet they have put out is full of lies, and I use that word advisedly. This is apparently what most of the people of the west coast have read, and certainly what my friends in the NDP have read, without really looking at what the legislation says. Indeed, this bill does not provide any greater measures for local autonomy than is now provided under the National Harbours Board. In fact, there is less autonomy than under the National Harbours Board Act of 1936. This bill has glaring deficiencies which, quite frankly, I do not believe can be rectified in committee. In addition, the minister and his bureaucrats have been telling people in the port of Vancouver that what is not provided for in the legislation will be provided through faith, trust and promise. Well, I do not believe that anyone on the west coast is naive enough to

believe that this government will ever govern in the best interests of western Canada.

I have studied the minister's speech of June 14. Mr. Speaker, in the 40 minutes he spoke he provided a vague and inadequate list of the responsibilities of the local port corporation which will constitute local autonomy. He stated, first, that the local port corporation would be given the authority and responsibility for the day-to-day operation of the port. That is an incomplete comment. The ports already have that authority and responsibility. The minister has not stated how this power or right has been enhanced in this legislation. He has not done it because he cannot. Second, the minister stated that local port corporations would be allowed to set their commercial rates. What he failed to mention is that this right will be subject to the whims of the governor in council and the parent corporation. Clause 6.4(2) of Bill C-92 will allow the governor in council to amend the bylaws of any local port corporation. Clause 6.6 of the proposed legislation gives the parent corporation the right to issue directives to local port corporations, which these local bodies must comply with. Not "may", but "must".

According to the minister, the third measure of local autonomy accruing to the local port corporation is responsibility for all personnel matters. Mr. Speaker, they already have this power.

Fourth, the local port corporation will be allowed to tender and contract within designated limits. The minister, however, has not yet released the spending limits.

Mr. Pepin: We will do that in committee.

Mr. Cook: The best figures I get on this, by scuttlebut and by doing my homework, is maybe $5 million for the Canadian Ports Corporation, and maybe $1 million for a local port corporation. These figures are ridiculous. It will cost you $5 million for a crane, and you are talking about $1 million. What can you do with $1 million in a port the size of Vancouver?

Fifth, according to the minister, the local port corporations will be able to manage port property. Again, Mr. Speaker, the ports already have this right and, my God, I fight with them enough over what they are attempting to do in terms of raising their rates on water lot leases in Vancouver right now. This is a big deal, is it? That is no more authority than they already have.

Finally, the sixth measure promoting greater autonomy is that local port associations will be able to appoint the chief executive officer of their port. The minister himself went so far as to admit in his speech that this provision is merely a symbolic transfer of power, that it was cosmetic. So with the tabling of a new ports bill, the only real measure granting local autonomy to the ports of Canada will be their ability to appoint their port manager.

Quite frankly, I am offended. The concept of local autonomy espoused by the minister, his Liberal colleagues and Transport Canada officials, is an illusion. If Bill C-92 passes into law, the change made to the ports will be totally cosmetic. Real change will not be realized under this bill and the ports will not be granted the operational and financial autonomy which they desperately need.

Any member sitting in the House who had has any involvement with any of Canada's National Harbours Board ports realizes the pressing need to amend or replace the 1936 National Harbours Board Act. The existing legislation governing the port of Vancouver is almost 50 years old. Recent trends and developments, including increased economic development throughout the world and an expansion in international trade, the development of new multi-modal systems for containerized traffic, new technology attending large bulk facilities, community and regional demands for increased participation in port operation and increased competition between ports, have undermined the utility and relevance of the 1936 act.

• (2100)

Ports in the 1980s operate in increasingly complex markets and under a different set of circumstances than what existed in the 1930s. I think the minister will agree that the legacy of National Harbour Board control over the port of Vancouver can be characterized by the highly centralized National Harbours Board administrative structure which has been too slow and too distant to respond to the commercial requirements and aspirations of the port. In retrospect it almost seems ludicrous that a piece of legislation implemented in the 1930s would survive intact today. In fact, Canada is unique in its highly centralized system of port administration.

In Europe, harbour administration practices vary from country to country. However, decentralization of administrations is a standard feature. In the United States, ports and harbours are the responsibility of local entities, such as states, countries and cities. Financing of American ports and harbours is facilitated through grants from local or state authorities, the sale of bonds to the public and in some cases local taxation.

In Japan, the main functions of port administration were transferred into the hands of local bodies when Japan's port and harbour law went into effect in 1950. The main purpose of the Japanese law was to create port authorities independent of administrative organizations. That is what this government is not prepared to do. It is not prepared to give to ports, independence from the Ottawa administration.

Throughout Europe there is independence of the harbours. They compete with each other. They are efficient. We in Vancouver must deal with a bureaucracy 4,000 miles away that does not know what it is talking about. You might equate the situation to the port of Hong Kong being administered by a group of civil servants in London, England. You can imagine what the port of Hong Kong would be like if it were administered by a group of civil servants in London, England. That is what we are faced with in Vancouver. It is a port administered by a group of civil servants in Ottawa. An saying of maritime commerce states that there is no rivalry as strong as that between sea ports. When one looks at the recent progress of

the port of Seattle, the port of Vancouver's natural rival 120 miles to the south, one can ascertain the consequences of the National Harbours Board's highly centralized and detrimental administrative structure.

Sources close to the port of Vancouver claim that the philosophy governing the port threatens to undermine the prominence of Vancouver as a world-class facility. Port of Vancouver users have had to contend with the National Harbours Board decision-making process of continuing consultation with bureaucrats and departments in Ottawa, this uncompetitive and uncommercial philosophy has hindered the viability of the port and the growth of the port. The philosophy governing the port of Seattle, a locally run port, Mr. Speaker, has been to build up the port's facilities in anticipation of increased maritime commerce.

Today, the port of Seattle which has 18 container cranes is thriving while the port of Vancouver which is struggling to obtain its fourth crane is losing business daily to its American west coast competitors. In 1979, container traffic provided more than 3,486,000 tonnes of the port of Seattle's business. In contrast, the port of Vancouver's share was only 975,000 tonnes. Analysts predict that the port of Vancouver will continue to lose out to the port of Seattle in container traffic, and it will be lucky this year to match last year's tonnage.

In a May, 1980, national transportation week seminar Keith Dixon, president of the Canadian Importers Association, told his Vancouver audience the following:

> Of all Canadian ports, none has lost more business than the port of Vancouver, where over the last decade, there has been a steady attrition to the port of Seattle and other western ports. Seattle, by being as autonomous as it is, is able to employ people or agencies to go out into the marketplace and extol the virtues of their port and its connecting transportation modes, while the port of Vancouver is severely constrained by the National Harbours Board's uninnovative approach to the whole subject of container traffic.

When the National Harbours Board Act was debated in this House in 1936, members held serious reservations about the consequences of a commercial alliance conducted between divergent parties separated by a continent. If I may, Mr. Speaker, I would like to repeat today remarks made by hon. members in 1936.

Vancouver mayor and member for Vancouver-Burrard, G. G. McGeer, had the foresight to realize the implications of the 1936 act. He stated:

> I have no reason to believe that men living in Ottawa can ever have the understanding, the sympathy, and the faith that are necessary to support and sustain the development of a port of the Pacific ocean.

Another west coast member, Howard Smith, the representative for Vancouver South stated:

> Ottawa being so far away from the Pacific coast, questions may come up from time to time which will not be properly or efficiently dealt with by a board serving in Ottawa.

We have suffered ever since. And how correct these men in 1936 were, Mr. Speaker. Even the Right Hon. Prime Minister (Mr. Trudeau), the man who has failed so miserably to understand the west, and the man who more than any other prime minister in this country's history has alienated western Canadians, has publicly recognized the serious implications the highly centralized National Harbours Board Act has had on the port of Vancouver.

During the 1980 election campaign, the Prime Minister called into my riding of North Vancouver-Burnaby. He is welcome in my riding any time because he is worth a few votes. A Canadian Press news story of January 20, 1980, reported the following:

• (2110)

> In his speech in North Vancouver-Burnaby, Trudeau said operational control of the huge Vancouver port would be transferred from the National Harbours Board in Ottawa to a local harbour commission.
>
> Aides said the move would mean local municipalities and area representatives to be appointed to the commission would be able to make major decisions on matters such as port expansion without having to seek approval from Ottawa.

Need I add that the Liberal candidate from North Vancouver-Burnaby was not elected, nor was the promise of the Prime Minister delivered by the Minister of Transport (Mr. Pepin).

Members opposite have a habit of raising expectations and failing to act on their promises. Nowhere is this more apparent than in Bill C-92. The Minister of Transport raised expectations in Vancouver in the past year with the distribution of two booklets published by Transport Canada Marine entitled, "Canadian Ports Policy". These two booklets outlined the objectives of a new Canadian ports policy.

The thrust of the new legislative initiatives is apparently to provide "local ports with a high degree of autonomy to manage and operate the ports". None of this is in Bill C-92, not a word of it. The pamphlets lie. I would not call the minister a liar because to be a good liar requires a man of high intelligence, but I will call his officials liars for putting out this kind of cheap propaganda. That is all it is.

The rationale for new ports policy restoring greater operational autonomy among the National Harbours Board group of ports received the full support of port of Vancouver interests. The Vancouver Economic Advisory Council welcomed the government's initiative by stating:

> It is our view that a new ports policy embodying a decentralized approach to NHB management and administration would confer very significant advantages upon Canadian ports, and is broadly analogous to approaches adopted by many of the world's largest and most successful operations.

However, upon the introduction of Bill C-92 in February of this year, it became quite apparent that the interpretations of local autonomy held by Transport Canada and the port of Vancouver people are totally incompatible.

Specifically, it had been anticipated in Vancouver that Canadian ports would assume responsibility for formulating operating and capital expenditure budgets which would be sent to Ottawa for information only, not approval. Marine administrators in Transport Canada are unable to comprehend that local control over budgets is fundamental to the efficient operation of certain Canadian ports. I cannot stress enough that such powers are essential if the port of Vancouver is to realize its current and future potential.

The administrative structure created by Bill C-92 will see a local port corporation governed under five levels of management. Four of these administrative bodies—the governor in council, the Treasury Board, the Ministry of Transport and the Canada Ports Corporation—will be centred in Ottawa. The Crown corporations, concept indicated that the government is unwilling to give up its financial domination over national ports. As Crown corporation these ports will be dependent upon Treasury Board approval for their operating and capital expenditure budgets. The perpetuation of Treasury Board approval will not free the port of Vancouver from the diatory process of bureaucratic intervention, which is the most offending aspect of the present legislation.

I cannot see how the Canada Ports Corporation will differ from the National Harbours Board, the corporation it replaces, when it comes time to make a decision. The people with real power in ports matters, the Ottawa bureaucrats responsible for the over-all policy directives and with the authority to approve long-term development plans and annual budgets, will be as far removed from the sea, especially on the west coast, as they have ever been.

Let me give a typical example of what DOT is all about. On the question of the national energy policy and what was being done to small bunkering companies in Vancouver harbour, we tried to get somewhere with the national energy people in the Department of Energy, Mines and Resources. We got nowhere, so we tried the Department of Transport. We thought its officials might understand the west coast a little better, what was going on out there and how they were ruining some of these firms. I finally got one of the officials of DOT on the telephone. I said, "Don't you realize what you are doing with that new taxation? There are people in Vancouver harbour still going bankrupt because these ships can go into Puget Sound, and refuel there at considerably less cost". I was going to continue, but suddenly the DOT official said to me, "Pardon me, Mr. Cook, where is Puget Sound?" If such people are concerned with ports policy, then how can we expect anything else but alienation on the west coast? An official of the Department of Transport did not even know where Puget Sound was. That is a true story. I fail to see how the decision-making process set up in this bill will be in any way enhanced or speeded up with so much bureaucracy standing in the way.

The financial autonomy of local corporations is further eroded by Section 34(1) which will allow both the parent corporation and the Minister of Transport to determine what earnings of the local corporation are excess funds and to expropriate that amount. This provision erodes the limited autonomy which National Harbours Board ports have today. The concept of expropriating excess funds of a local port corporation is unprecedented in port administration in Canada. I will not read what Section 34(1) of the legislation states because I do not have time, if I want to get through all the objections I have. Such a provision is not in the 1936 National Harbours Board Act. In fact, Section 31 of the act reads:

> Separate accounts shall be kept for each harbour under the jurisdiction of the Board and for each work or property transferred to it for administration, management and control and the revenues derived therefrom shall be assigned exclusively for the purposes of each harbour or work or property.

This is not in Bill C-92. They will be able to steal our money in Vancouver. Bill C-92 will allow either the minister or the parent corporation to expropriate the excess funds of a local port corporation without defining what they will consider to be excess funds or providing any kind of process for the local port corporation to appeal such an outright theft. Progressive Conservative members—and I warn hon. members of the New Democratic Party—who vote for the bill with that provision will be known as persons who voted to allow Ottawa to steal funds from the port of Vancouver the next time they face the electorate. This is particularly offensive to the port of Vancouver, one of the only ports under National Harbours Board control consistently to turn a profit. The B.C. Wharf Operators Association, the Vancouver Economic Advisory Council and the Vancouver Board of Trade have all submitted written briefs to the Minister of Transport outlining the grave consequences of this rip-off provision, but he has allowed it to remain in the act.

In effect, members of the Liberal Party are saying to Vancouver that whatever profit it makes in its port is theirs and that they will spend it in the east where they will perpetuate unstable, unviable and inefficient port operations. What the minister is going to tell and has told Vancouver in his soothing and paternalistic tones is, "No, we are not stealing your surplus funds; what we want to do is bank them for you". In his two briefing booklets, the minister stated that any excess funds drawn away from a local port corporation will be earmarked and earn interest before their eventual return to the port. I should like the Minister of Transport to tell me where this provision has been entrenched in Bill C-92. I have read the bill many times, and I have yet to find any mention of it in Bill C-92. It is not there, but the minister is running around talking about it. What kind of con game is the government trying to run against the people of Vancouver? Transport Canada officials have been unable to explain to me why they feel the need to look after local ports surplus and why this glorious concept of a central bank for the Canada Ports Corporation ports has not been spelled out in the legislation. It is not there and the minister knows it. He talked about it on the west coast and I think it is a con job.

• (2120)

As well, he is expecting the House to put a stamp of approval on this piece of legislation which is incomplete. The $50,000 spending limit under the National Harbours Board Act has never been amended. Bill C-92 proposes to make the spending limits of the parent corporation and its subsidiaries bylaws of their corporation, yet as this bill reaches second reading, the spending limits have not yet been determined. In view of the importance of a ports spending limit, how can the minister expect reasonable debate on the merits of this bill when all the facts are not evident to the House. Again, we see secrecy by the government. Let the government produce those regulations so we can look at them and have an opportunity to criticize the

bill. Measures promised by the government to promote financial and operational autonomy have been qualified in the fine print of this bill. It is true that the local ports corporation will be allowed to invest in government bonds or other obligations. However, the latitude of the investment rights are limited as these investment decisions will be contingent upon the approval of the Department of Finance.

I wish to repeat this so we all understand what this bill proposes. As far as the Port of Vancouver is concerned, depending on the issue, the governor in council or the cabinet makes the decision, or the Treasury Board makes the decision, or the Department of Finance makes the decision, or the Minister of Transport makes the decision, or the Canadian Ports Corporation makes the decision. There are six levels of senior management, and the government talks about giving us autonomy in the west coast. Like hell, there is no autonomy for this bill on the west coast!

The minister must have been prepared for opposition to this bill because in his briefing booklets he stated that any National Harbour's Board Ports not wanting to go along with the local port corporation concept could opt out and become a harbour commission port. That is what is said in the booklet. However, when I read the legislation and the amendments to the Harbour Commission Act, I discovered the minister had prohibited such a transfer. Section 3(1) of the Harbour Commission Act states, and this will be the law:

> The Governor in Council may, on the recommendation of the Minister, by proclamation, establish a harbour Commission for any harbour in Canada in relation to which a local port corporation is not established—

By putting the word "not" in there, the entire purpose of the act is defeated. It means the port of Vancouver cannot be made a harbour commission port. I suggest to the minister that this is what the legislation says, and he should not shake is head. Just read what the actual legislation says. Harbour commission status is probably the best form of administration for the port of Vancouver. In his speech of June 14, even the minister acknowledged the advantages of that form of administration when he stated:

> The Harbour Commission Act of 1964 . . . already recognizes the objectives of local autonomy, as we all know. In fact, these ports provide an excellent example of how well the concept of autonomy can work.

I am not surprised with the scope of the amendments to the Harbour Commission Act I just mentioned. If the port of Vancouver is to become the major revenue source for the Canada Ports Corporation, the bureaucrats of Transport Canada will be reluctant to remove this port from its greedy grasp.

This is a deceitful bill. On the one hand, the Department of Transport is telling the people of Vancouver that Bill C-92 will indeed provide the port of Vancouver with greater local autonomy either through amendments to the 1936 act or amendments that will allow greater flexibility for ports to transfer their status between our three groups of ports. However, when one spends the time to actually read the provisions of C-92, one comes to the conclusion that it is a terrible fraud to the west coast of Canada.

I am appalled by the absolute powers of discretion allowed the Minister of Transport in Bill C-92. It has been unanimously stated in the port of Vancouver that the success of any port's legislation will depend upon the type of people appointed to the parent corporation and to local boards. In Vancouver, these sentiments are rooted in historical precedents. The administration of the principal ports of Canada prior to the passage of the National Harbours Act proved far from satisfactory under politically appointed commissioners. Norman Hocking, a Vancouver historian, wrote that the board of the 1913-1936 Vancouver Harbour Commission became:

> —a political football, a source of sinecure jobs for the party faithful. The commissioners were removed with each change in government, and most of the employees were subject to party patronage. As a consequence, the commission system was far from efficient as a succession of party hacks—with no previous port experience took over control of the board.

In the past month this country has witnessed two extreme examples of political patronage. I do not have the faith—indeed, I do not believe any Canadian has the faith—that this Liberal government can operate on honourable principles when it comes to filling appointment posts. This bill makes no attempt to ensure that appointments to the various boards created by this act will be based upon merit and not political affiliation. No provisions are made in Bill C-92 conceding input into the local board selection process from the provinces, municipalities, local boards of trade and commerce, port users, employer associations or employee unions.

The Liberal Party is not the national political party. It is the party for central Canadian interest. Bill C-92 will perpetuate ultimate power in the east through its centralized decision-making mechanisms and its leverage for these patronage appointments.

The inadequacy of this bill serving western Canadian interest is particularly shocking when one takes stock of the importance of the port of Vancouver for the city of Vancouver, the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and indeed the economy of this country.

The port of Vancouver ranks as the second biggest port in North America after New York in volume of foreign cargo being handled annually. It is situated almost midway between Asia and Europe. It provides a logical end destination or interchange through-point for international maritime cargo. Almost 2,500 vessels from more than 50 countries utilized the port facilities annually. In addition, the Alaskan and international cruise ship trade generates a significant influx of tourist revenue for the local community. Approximately 160,000 cruise ship passengers come to the city of Vancouver each year.

The National Harbour Board officials in Vancouver have calculated that in its immediate area, the lower mainland of British Columbia, the port generates one in ten jobs through directly related port activity. Sources close to the port stress, however, that the port of Vancouver is not solely the port for Vancouver or British Columbia but has a national significance servicing the economies of western provinces.

An efficient, competitive and responsive port of Vancouver is of national significance, and a rational approach to its management is a necessity. What we have seen with the tabling of Bill C-92 is a careless and cowardly act by the Liberal government opposite. Bill C-92 represents the fourth attempt in five years to modernize Canada's system of port administration. Three bills have died on the Order Paper. While these bills were not perfect, they would have initiated greater change and would have provided more local autonomy than the bill we are dealing with today.

In his speech on June 14, the minister stated that, "We must have the best ports policy we can muster." I agree wholeheartedly with that statement and I would like to inform him that the House has seen bills such as C-61, C-6 and C-50 which are better than Bill C-92. They would have provided more of the degree of local autonomy that the port of Vancouver so desperately needs. Bill C-50, Bill C-92's immediate predecessor, was introduced in the House on March 19, 1979. The inadequacies of Bill C-92 are glaring in comparison with Bill C-50. First of all, in Bill C-50, the transport minister, after Treasury Board consultation, can give direction on financial management, operating and capital budgets and evaluation of assets to a port commission. In Bill C-92, the local port corporations will be classified as Schedule C bodies—which I might add is not explicit in the bill either—and their operating and capital budgets must be approved by Treasury Board.

• (2130)

In Bill C-50, port commissions can receive initial working capital for a total aggregate not to exceed $98 million, and can receive working capital, repayable in one year, and total aggregate not to exceed $20 million. There is provision for cancellation of National Harbours Board debts up to $505 million, and some portion can be deemed as capital for a port commission. In C-92, the Canada Ports Commission and the local ports commissions can receive working capital, but the total aggregate for both cannot exceed $10 million. There is no provision for cancellation of any debt, and all liabilities are transferred to the local port corporations.

Mr. Pepin: It has been done.

Mr. Cook: In Bill C-50, port commissions can make bylaws with cabinet approval. In Bill C-92, there is provision for cabinet to amend any bylaw of a local port corporation. There is less of interface in Bill C-50. Port commissions deal with the Canada Ports commissioner who implements the minister's responsibilities and directions, while local port corporations must deal with the minister and board of directors of the Canada Ports Corporation.

In Bill C-50, all substantial ports were to be proclaimed as port commissions by governor in council. In Bill C-92, a non-corporate port which wants to achieve the status of a local port corporation must receive the approval of the parent corporation, the minister and cabinet.

In Bill C-50, the port commissions were to receive their powers automatically. In Bill C-92, it is up to the CPC to decide which powers to give a local port corporation. In Bill C-50, the Auditor General was to have been a joint auditor for the port commissions. There is no such provision in Bill C-92. Why? Is the minister afraid of having the Auditor General audit the books of the Canada Ports Corporation, and if he is not, why is it not there? It is not in the bill, again. In Bill C-50, port commissions—I could go on with this matter. I could go on and talk for an hour about it, but I do not really think it makes much sense for me to do so. I think I have indicated enough distaste, enough anger and enough annoyance with this deliberate attempt to centralize the port of Vancouver back here in Ottawa and the deliberate attempt, by the use of propaganda booklets, to convince the people of the west coast that it is a good thing, and none of it is in the bill.

Mr. Speaker, I think I will close on this note. I would like to state that the only way I would support this bill would be if the port of Vancouver were excluded from its provisions by amendment and if its status were changed to that of a harbour commission port.

Mr. Pepin: They asked to be included.

Mr. Cook: If the Liberal Party cannot deliver on its leader's promise, then I ask that this bill be allowed to die and the question of marine policies of this country be addressed only to the Progressive Conservative Party when it may be returned to power.

Mr. Pepin: How sad!

Mr. Cook: We have three Senators on the west coast, we have the apologizer, the fund-raiser and the sneaky Pete. All three of them out there are selling British Columbia, through this bill, down the river and the river happens to be the St. Lawrence.

Mr. Pepin: You should go home occasionally.

Mr. Cook: I am not prepared to allow Ottawa to continue totally to decide our fate and to steal the profits which the port of Vancouver makes, without any recourse whatsoever. I warn my colleagues in the NDP and I warn hon. members of the House that when they go to the electorate in British Columbia again, let them remember that one of the things people will realize, because I will make sure they realize it, that if anyone votes for this ruddy bill, this rip-off of British Columbia, they will face the electorate on the basis that they voted to allow the central Canadian government of this country to steal the profits from the port of Vancouver and not to give the port of Vancouver any of the autonomy it so richly deserves and needs to operate in the 1980s.

It is a despicable bill, and I thank you, Sir.

Some hon. Members: Hear, hear!

Mr. Pepin: I might run against you.

The Acting Speaker (Mr. Blaker): The hon. member for Regina West is rising on a point of order.

Mr. Benjamin: Mr. Speaker, I would like to ask the hon. gentleman who just concluded his remarks: where was he in the last two years in the transport committee?

Mr. Munro (Esquimalt-Saanich): Port of Regina.

Mr. Benjamin: I would like to ask him if he intends to show up at a meeting of the transport committee and do the work that his colleagues in his own party have done for ten years on this bill. Will he quit insulting Members of Parliament—

Mr. Munro (Esquimalt-Saanich): Order!

Mr. Benjamin: The guy has never shown up for a bloody meeting; he has never been there!

Mr. Crosby: He is there when you are not!

Mr. Benjamin: He does not know what he is talking about!

Mr. Mayer: You missed a few transport meetings, too, Les! Calm down!

The Acting Speaker (Mr. Blaker): The Chair is having a bit—

Mr. Benjamin: He insults his own colleagues!

The Acting Speaker (Mr. Blaker): The Chair—

Mr. Mayer: Let us worry about that!

Mr. Benjamin: He has not done a lick of work for it and for Canada at this time, nor at any time.

Mr. Munro (Esquimalt-Saanich): He has read it, have you?

Mr. Benjamin: Yes.

The Acting Speaker (Mr. Blaker): Order, please.

Mr. Munro (Esquimalt-Saanich): He does not read, that is right.

The Acting Speaker (Mr. Blaker): The hon. member for Regina West will understand that the Chair is having some difficulty finding a question on a point of order.

Mr. Mayer: Mr. Speaker, the hon. member for Regina West is having some difficulty, too.

The Acting Speaker (Mr. Blaker): Well, I fear it may result in an exchange which is more along the lines of hot debate than it might be as an appeal under the Standing Orders.

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

Mr. Benjamin: My point of order was a simple question. Is the hon. gentleman going to start appearing at transport committee meetings?

The Acting Speaker (Mr. Blaker): Order, please.

Mr. Benjamin: He has never been to one.

Mr. Munro (Esquimalt-Saanich): Down, Benjy!

The Acting Speaker (Mr. Blaker): The Chair has no choice but to recognize an hon. member who seeks the floor on a point of order. I recognize the hon. member for North Vancouver-Burnaby on a point of order.

Mr. Cook: My point of order, Mr. Speaker, is that I do not believe that a cheap canard like that can be allowed to stand without allowing me at least to answer the hon. member's question. My simple answer to his question is that I am not concerned with VIA Rail rates. They do not concern me. That is the hon. member's business, being from the city of Regina. However, when it comes to the ports bill, I will be in that committee, proposing at least a hundred amendments. So look for me then, Sir.

Mr. Benjamin: You have yet to show up!

Some hon. Members: Hear, hear!

Mr. Benjamin: I was there! You were not! A bunch of your colleagues worked on it, too, and you were not around!

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, maybe I can resolve the debate between the Conservatives and the NDP. In all fairness to the hon. member for North Vancouver-Burnaby (Mr. Cook), I have seen him at transport committee meetings and, as he says, he is there when topics of interest to his constituents come up. However, at the same time, I would also like to congratulate—

Mr. Pepin: That is once a year.

Mr. Flis: —the official spokesman for the NDP who never misses a meeting and comes up with very constructive suggestions in the transport committee.

Mr. Benjamin: None of which you accept.

Mr. Flis: We accept all of the constructive suggestions we can. However, so far in this debate, one issue of great concern seems to be arising—

Mr. Munro (Esquimalt-Saanich): Two are right and the other is wrong.

Mr. Flis: —and that is the issue of local autonomy and whether this bill provides real autonomy or whether it is just paying lip service to it. So, I just wanted to take about five minutes of the time of the House to perhaps clarify that matter, because I know that the opposition has lined up many hon. members who will speak, and we would like to give them the opportunity to speak to this bill.

Mr. Benjamin: Beware, Jean-Luc.

Mr. Flis: In introducing this bill, the minister clearly stated that he expected most National Harbours Board ports will be able to achieve local port co-operation status. Therefore, let us look at the powers of a local port corporation compared to

what the NHB ports have now. Let me give hon. members just a few examples of the new powers this bill would provide. First, port managers are now appointed by the National Harbours Board in Ottawa. A local port corporation would have the power under this bill to appoint its own port manager.

Mr. Pepin: That makes all the difference in the world.

Mr. Flis: So, that is why I do not know why the hon. member for Vancouver East (Mrs. Mitchell) is drawing in the red herring of patronage and everything else. The local port corporation will have this power to appoint its own port manager.

Second, rates and tariffs for services are now fixed by bylaw and are therefore subject to governor in council approval. Under Bill C-92, the local port corporation would set its own rates and tariffs with the single exception, of course, of harbour dues which will still be set by bylaw. Third, at present there is a $250,000 limit on spending for local projects and programs. Beyond that, Treasury Board approval is required, and we all know how long that process takes. Under the bill, much greater spending authority will be granted.

• (2140)

If funds for the proposed program are derived solely from working capital, that is not requiring government grants, then authority in the order of $5 million is being contemplated. Now there is a limit in legislation, as the hon. member who spoke before me mentioned, of $50,000 on the awarding of contracts. Again, a much greater limit is envisaged. In addition, any limit would be contained in bylaws rather than the legislation itself, so that changes can be made to fit future circumstances. The minister will be in a better position and will have more time to provide specifics when the bill reaches committee stage.

Finally, local port corporations will have clear authority over the employment of all persons necessary for the conduct of the affairs of the individual port. These examples clearly indicate a greater degree of autonomy. When the minister introduced the bill on June 14, he made it very clear that the ports had reached adulthood. The time has come to give them more freedom of operation than in the past.

The hon. member for North Vancouver-Burnaby referred to Bill C-50. A comparison with the predecessor to this bill, Bill C-50, shows that the degree of autonomy at the outset in perhaps not as great as in the present proposal. The minister made it very clear in his speech that the reason is that a balance had to be struck between the objectives of autonomy and accountability. The approach taken in this bill is one of evolution. It is quite possible that the degree of autonomy will be as great as in Bill C-50 over time, but the evolutionary process must take place.

This is because it will be possible to transfer from a Schedule C to a Schedule D Crown corporation without change to legislation. For the time being, ports will remain as Schedule C which, it should be recognized and I think hon. members recognize, has certain advantages. They do not have to pay any income tax. There are no dividends. They are eligible for government grants. Also, it will be possible to transfer to harbour commission status, the most autonomous of port structures in Canada.

I should add that this bill fulfills the promise made by the Prime Minister (Mr. Trudeau) in January 1980 in Vancouver. The member for North Vancouver-Burnaby referred to that visit by the Prime Minister. I think the Prime Minister's promise has been fulfilled by this bill, that this government would give greater autonomy to the port of Vancouver, something I am sure the members from Vancouver would wish for their constituents.

In summary, I am convinced that the autonomy that will be achieved by individual ports through this bill will be very real. It is not just paying lip service. The changes are not cosmetic. Port communities across the country will applaud Members of Parliament in all parties for having supported this important piece of legislation.

Before closing, I would like to take a moment to commend the members of the Transport Committee for the way they worked together, sometimes in a very partisan fashion, but when the need arose for partisan politics to be set aside, they pushed through good legislation and good policies. If we can get this bill into committee, I know with that committee it will come out a much better and improved bill, something that Canadians right across Canada want.

I commend the hon. member for Dartmouth-Halifax East (Mr. Forrestall). When he spoke on the bill, he said:

> We want this kind of legislation. It is constructive legislation . . . The minister knows I personally want to see this bill through second reading, into committee and back into this chamber before we adjourn for the summer.

That is the kind of commitment and undertaking that Canadians want from the Official Opposition. The members in the gallery are listening to this. It has caught their attention. Members in opposition have a role to play, as do members on this side. The members on the Transport Committee are not pushed around. They know what they want. They know what is good for Canadians. I know that they will put this bill through and it will come out an excellent bill in the long run.

Mr. Howard Crosby (Halifax West): Mr. Speaker, let me begin my remarks on Bill C-92, which enacts the Canada Ports Corporation Act by considering the main thrust of the new part of this legislation. The two major features of this bill are, first, the establishment of a national ports policy and, second, the creation of a new corporate structure or framework to permit implementation of that policy.

If the national ports policy is sound and sensible and the organizational structure is efficient and effective, the bill will be a forward step for Canada's marine transportation industry. However, there is a real danger that a deficient ports policy and an inefficient and ineffective organizational structure will not be quickly or easily remedied. Indeed, it has taken over 45 years and three false starts in the House of Commons to produce Bill C-92. The warning and the challenge are both

clear. We must examine the provisions of Bill C-92, particularly the new ports policy and the new organizational structure with a critical but open mind.

If on balance the new legislative provisions have merit, the bill ought to proceed to the appropriate committee for close and detailed examination. However, if the provisions contain defects that cannot be rectified or remedied, we ought to recognize that the eventual enactement of Bill C-92 will wreak havoc on a delicate but viable national ports system. For this reason, we should examine the current scope and status of the national harbours system in the context of the total marine transportation system.

First let me explain what I mean by the marine transportation system. It is an integrated system of onshore facilities and marine vessels coupled with the land transportation system that allows cargo to flow internationally and across Canada and to other points of destination.

Canada is very much involved in international trade. As the minister mentioned when he made his remarks on second reading of Bill C-92 on June 14, 1982, the 15 national ports handle 50 per cent of the cargo that flows across all Canadian ports and port facilities. That is 80 per cent of the total exports that Canada delivers to points beyond its boundaries.

It is very easy to see what is the force and effect of our port system. It handles the great bulk of export cargo and is very much a part of our international transportation system.

I commend the Minister of Transport (Mr. Pepin) for allowing that international flavour to continue to exist in our marine transportation system. If he were to take the attitude of his colleague, the Minister of Energy, Mines and Resources (Mr. Lalonde) who looks upon the petroleum industry as something that can be Canadianized, other international participants being excluded, we would have havoc in marine transportation in Canada and in its interconnections with international associations. There is within this national ports policy the capability to continue the international connections that have existed since time immemorial in Canada. We will be able to take part in a national transportation system to the benefit of all parts of Canada as well as to the benefit of our trading partners, and to the benefit of participation in international trade. That is something that must be kept in mind as part of the larger world. If we exclude ourselves from that it will be to the detriment of the whole of the nation.

• (2150)

Let me look at the structure of the National Harbours Board as it exists today. We have the central authority, we want to have it decentralized. I would remind members of the House that that act of decentralization has already been started. In fact, many of the positions and many of the divisions and many of the internal structures that are part of the National Harbours Board complex have already been decentralized. So there has been taking place within the structures of the National Harbours Board a degree of decentralization and to some extent some of the ports like the port of Halifax have experienced that kind of decentralized control. So in many ways it exists throughout the national port system. I am referring primarily to the 15 national ports that are distinguishable from the harbours commission ports and the ports that are merely operated under the Government Piers and Harbours Act. There does exist with respect to some of those 15 ports a kind of local autonomy. I think those ports, like the port of Halifax, that have had a degree of local autonomy, realize and recognize that this is a very viable kind of control and that if it is increased and advanced in the future it may have traumatic effects on the ability of local ports to service their communities and to create greater economic opportunities within those coastal communities.

One thing we should keep in mind, however, Mr. Speaker, is the competition that already exists amongst national ports that operate under the National Harbours Board at present. That competition, Mr. Speaker, in many ways can be quite healthy but in other ways may be quite damaging. Just as evidence that such competition exists, I refer to an article by Mr. Charles N. Forward, entitled "The Development of Canada's Five Leading National Ports". I hasten to add that included in that designation of five leading national ports are the ports of Montreal, Quebec, St. John and Halifax, as well as the port of Vancouver. Of course, the first four named ports are on the east coast of Canada and are in direct competition. Mr. Forward says in his article:

> Competition between the ports has waxed and waned throughout the years and specific regional rivalries have developed. Montreal and Quebec have competed for the trade focused on the St. Lawrence system, as have Halifax and Saint John for that focused on the ice-free Atlantic coast. But in a broader context, Montreal and Quebec have co-operated against their Atlantic rivals in defending the St. Lawrence share of national trade versus that of the Atlantic ports.

What that statement makes clear, Mr. Speaker, is that the ports of Montreal and Quebec, with the assistance of the national structure that exists in the National Harbours Board, have combined their efforts to take an unfair advantage of the east coast ports of Halifax and St. John. Nobody knows that better than the participants in port activity in the port of Halifax. They have always seen the Montreal-Quebec complex as being unfair competition. Whether that statement can be documented in terms of statistics over the years hardly matters, because the perception is very clear. The federal authority, through the National Harbours Board, has given unfair advantage to the ports in Quebec, and particularly the port of Montreal.

What example can I give, Mr. Speaker, of unfair advantage? There are allegations of sweetheart deals in the port of Montreal, given by the National Harbours Board through its local officers, to companies and to onshore companies which operate vessels, like the TASK group that maintain facilities and utilize the port of Montreal. How can that allegation be countered? Very simply, Mr. Speaker, by producing the facts that relate to these deals that exist in the port of Montreal and in all the national ports under the control of the National Harbours Board.

Is that kind of information forthcoming, Mr. Speaker? No, Sir, there is litigation before the courts right now, where the

litigating parties are asking for this information. Mr. Speaker, Halterm, which operates the major container terminal in the port of Halifax, has had an increase in its rental fees, at the demand of the National Harbours Board, from 15 cents a square foot to 65 cents a square foot. Naturally, Mr. Speaker, the operators of that tremendous container facility in the port of Halifax want to know if this is a fair increase in the rental for the facilities they have. They can only know that if they know what their competitors are paying in the port of Montreal and the port of Quebec and other ports operating under the same National Harbours Board system. That information is not provided, so they do now know, and thus the suspicions rise. So, Mr. Speaker, it is important that we recognize what has been happening in the current set up through the National Harbours Board. We have the competition between the ports, particularly the ports on the east coast. We have that competition based on what may be unfair practices, in terms of sweetheart deals for rental facilities at less than their value.

I would remind members of this House, Mr. Speaker, that the National Harbours Board in its last report, for 1981, had a net income of $59.8 million, and that was on total revenues of only $180 million. So, Mr. Speaker, the National Harbours Board is doing very well through the ports that it now operates, the national ports like Halifax and St. John's. We have to be very wary, Mr. Speaker, to be sure that the National Harbours Board is administering the act fairly among the ports under its jurisdiction.

There is another point that we have to put on the record in this House, so that we can properly judge this bill and judge whether it is going to remedy the mischief that has occurred in the past. I refer to the recent write-off of debts by the National Harbours Board with the aid and co-operation of the Government of Canada. That write-off amounted to something like $475 million. The Minister of Transport recently in the House quoted an amount of $500 million, which is even greater. That write-off of debt consisted of $350 million of capital debt and $150 million in interest on that capital debt. That debt of $500 million that is owed by the National Harbours Board to the government and to the people of Canada was simply wiped out. But how is it wiped out and in respect of what ports was it wiped out? Well, $133 million in capital and $98 million in interest was wiped out, cleared off the books, cancelled, in respect of the port of Montreal. So, Mr. Speaker, there we have $231 million of debt wiped out in the case of the port of Montreal. That is over half of the total debt write-off. When you do things like that, Mr. Speaker, it is not hard to realize that this great national organization called the National Harbours Board can show a net income of $59.8 million. But the taxpayers of Canada should not be fooled by this, because there is no $59.8 million in real net income terms. It is simply $59.8 million taken from one pocket of the taxpayers and put into another pocket of the government and a government agency. So, Mr. Speaker, we have to be very wary.

I wanted to point out, before I get to more positive remarks about the bill, that we do have a few complaints about the National Harbours Board, we do have a few complaints about the way the government has dealt with the National Harbours Board and with the way the National Harbours Board has dealt with some of the national ports, particularly the port of Halifax, in debt write-off and in the matter of creation of facilities.

There is a great deal more, Mr. Speaker, that I want to say, but if I might call it ten o'clock and resume the debate at a future time, I would be quite happy to do so.

The Acting Speaker (Mr. Blaker): It is proposed by the hon. member for Halifax West (Mr. Crosby) that I call it ten o'clock. Shall I call it ten o'clock?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

FARM CREDIT CORPORATION—AVAILABILITY OF FUNDING. (B) ADVANCE CROP PAYMENTS

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, about two weeks ago I had an opportunity to question the Minister of Finance (Mr. MacEachen) in this House during question period concerning items very important to the agricultural community in Canada. I asked about plans that the government may or may not have for assisting farmers in financing their day-to-day affairs. Specifically I referred to some of the things the government could be doing now as the result of the passage of Bill C-88, dealing with farm credit, that enables the Farm Credit Corporation to raise money by any means, with the concurrence of the Minister of Finance.

• (2200)

I asked the Minister of Finance about plans he may or may not have to support the Minister of State in the other place, who is responsible for the Canadian Wheat Board, and the Minister of Transport (Mr. Pepin), in their efforts to raise the level of cash advance under the Prairie Grain Advance Payments Act. Specifically, I was concerned about what the government intended to do with the Farm Credit Corporation.

As the farmers of this country know, for a long time the Minister of Agriculture (Mr. Whelan) promised that the Farm Credit Corporation would receive additional funds with which to enable farmers to meet their financial commitments. Many times over the past few months, prior to June 1, the minister has made the statement that the corporation would receive an additional $1 billion in funds on June 1 that would be available for loans to farmers at favourable interest rates. Many members of the agriculture committee which dealt with Bill C-88

thought that the minister was going to make use of Clause 16 of the bill which reads as follows:

> The Corporation may, with the approval of the Minister of Finance, borrow money by any means, including issuing and selling bonds, debentures, notes and other evidences of indebtedness of the Corporation.

To a lot of members that meant that the corporation was going to be in a position, with the concurrence of the Minister of Finance, to make use of the small business bond which had worked quite well during the two years it was in operation and before the Minister of Finance changed it in the budget of November 12, 1981.

If the Minister of Agriculture can prevail upon the Minister of Finance to allow the Farm Credit Corpration to make use of some of those areas of the bill that would allow the Farm Credit Corporation to raise money, it would be of assistance to the farming community.

Members of this party have often suggested that the agribond concept be adopted. This would mean that a farmer would have the opportunity to lend money to the Farm Credit Corporation at a preferred rate of interest and would likely do so, if he was assured that the money would be made available to farmers or people engaged in agriculture in his own area in order to assist them with their ventures.

This is important to the farming community, because farming has become very productive in the past few years due to the fact that it is increasingly capital intensive. This means that more money is needed to finance the day-to-day operations of the farm. Anything we can do to assist farmers to gain access to financing at reasonable rates will help them.

This is evident in present conditions of extremely high rates of interest. The books of many farm operations show that the largest single cost is not in relation to seed, fertilizers, repairs or wages, but interest payments. This situation puts a strain on the farming community's efforts to remain as productive as it has been in the past. This is a very serious matter and the Minister of Finance should pursue it. I hope the parliamentary secretary will respond favourably tonight to the suggestion I put forward in my question two weeks ago.

The second thing that I want to cover is what is happening to the Prairie Grain Advance Payments Act. The purpose of this act was to enable the Canadian Wheat Board to make advances to farmers who have grains, handled by the board; wheat, oats or barley, in storage; that is, to borrow money against them. The money is not in the form of a gift, but simply an advance against the grain that has been grown but not yet marketed. The loan is interest free; the federal government picks up the interest. That provision has been widely used in the past. The act went into effect in 1957.

• (2205)

At that time the limit on the advance was $5,000. Subsequently, it was raised to $15,000. But that can only be a portion of the money represented by his stored grain. As an example, if a farmer only grew $10,000 worth of grain, he would not be able to obtain a $15,000 cash advance. He could obtain approximately two-thirds of the initial price, which would work out to probably something like 50 per cent of the value of the grain. So it simply means that once a farmer has grown the grain and stored it, if he is not able to sell it he can go to the Canadian Wheat Board, get a cash advance and use that as normal operating funds to pay for fertilizer, seed and other operating expenses.

This has been very useful, Mr. Speaker, but I have two statistics which point out what has happened as interest rates have gone up and farmers, like any other businessmen in the country, have found themselves in a cost-price squeeze. In 1980 there were something like 15,400 applications. In 1981 that number almost doubled to 28,000. But the interesting fact is that in 1980 there was something like $61 million advanced to farmers under this act, but in 1981, even though the number of farmers did not quite double, the amount of money loaned out went up by three times, to over $205 million. That gives you some idea of the use of that provision by farmers.

I suggest that if the government is interested we on this side would co-operate and put through an amendment to the bill which would substantially raise the level from $15,000. I do not know what the figure should be, but I suggest it should be $25,000 or $30,000 at least. There have been suggestions that it go to $50,000. If the government did that, farmers would have access to additional funding for the beginning of the crop year, which is August 1. I hope the parliamentary secretary will respond favourably to those two suggestions.

Mr. Douglas Fisher (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, the hon. member has asked the minister to take a look at some of his ideas, and I personally welcome them as concrete suggestions. I may say in return that the hon. member must know that the minister, as he showed today, has quite a few ideas of his own and we are all looking forward to his announcements next week. We will hope that we can have additional discussions on this in the future.

The minister is aware of the financial difficulties faced by many farmers, and he is examining new measures being proposed to provide selective aid to those farmers with viable operations but who are in financial distress. The member has mentioned the question of an extra $1 billion for funding the Farm Credit Corporation. I refer him to Bill C-88 which was proclaimed on April 8 this year. It provides for an extra $75 million in government equity in the FCC, and that amount in turn increases the corporation's statutory borrowing authority by an additional $1,875,000. Amendments to the act also enable the FCC to borrow funds externally with approval of the Minister of Finance (Mr. MacEachen), and this provides a more flexible source of financing, the use of which is currently being studied by the Minister of Agriculture (Mr. Whelan) and the FCC. Initially it would, of course, be unreasonable to expect the FCC to borrow $1 billion as its first venture into the private sector.

Bill C-88 also provides for interest rebates of 5 per cent over two years under the $45 million special loan program designed to assist farmers in financial distress.

The hon. member has referred to the Prairie Grain Advance Payments Act. An amendment to provide additional funding is under consideration. However, the hon. member suggests that additional funding could be made available to farmers under this program without increasing the deficit. He should know that advances under that act are made to farmers by the Canadian Wheat Board using its line of credit with chartered banks, guaranteed by the Minister of Finance under the Canadian Wheat Board Act. The government pays the cost of interest and is liable for any loss which may occur in the event of a default.

The hon. member should know that in the year ended March 31, 1982, payments in connection with the Prairie Grains Advance Payments Act totalled some $13 million as was reported to this House in the final supplementary estimates for that year.

• (2210)

ENVIRONMENTAL AFFAIRS—REQUEST THAT ACID RAIN SUBCOMMITTEE BE REACTIVATED

Hon. John A. Fraser (Vancouver South): Mr. Speaker, I am very pleased to see that my good friend, the hon. member for Lac-Saint-Jean (Mr. Gimaïel) is here this evening. We served together on the acid rain subcommittee. Acid rain is the subject of my remarks tonight. I want everyone to know, hon. members and anyone who is listening or watching these proceedings, that the hon. member for Lac-Saint-Jean and others serving on that committee came down with a unanimous report on the terrible urgency for this country and the United States to do something jointly about the acid rain problem.

What is significant is that the all-party subcommittee on acid rain worked extraordinarily well together. All of us believed, no matter what our partisan political position, that Canada is being hammered to death by acid rain, as is the United States although not proportionately to the same degree. However, certain places in the United States are taking just as much punishment.

Our subcommittee agreed jointly and in a non-partisan way that something had to be done about acid rain. We had the unique advantage of being able to go to Americans and say, "One of the differences you have in this country is the acid rain situation." On this subject there was no partisan difference among the major political parties of our country. Acid rain has to be stopped. We cannot stop acid rain all by ourselves. Fifty per cent of the acid rain that falls on Canada comes from the United States and 50 per cent comes from us. But the only way to stop acid rain is by having a joint agreement. The hon. member for Lac-Saint-Jean, along with many members of all parties, who know exactly what I am talking about, will not disagree—I hope they will not disagree—with anything I have to say tonight.

In recent days we have seen headlines in newspapers. There was a report in *The Globe and Mail* on Wednesday, June 16, 1982, which stated that the U.S. blames the stalling of talks on acid rain was as a consequence of statements made by the Minister of the Environment (Mr. Roberts) for the Government of Canada. The minister is saying effectively that the Americans do not want an agreement—at least the American administration does not want an agreement. There is a big difference there because this does not apply to all Americans. The American administration does not want an agreement and is stalling. That is what the minister is saying.

Hon. members know that on June 17, the hon. member for Hillsborough (Mr. McMillan), my colleague in the Conservative Party and spokesman for environmental affairs for our party, raised the following question with the Prime Minister (Mr. Trudeau): "Please, will you get involved in this in a much more high profile way?" On the same day I put a question to the Right Hon. Prime Minister, asking him to please reactivate the subcommittee on acid rain. The Prime Minister said he would take those remarks under consideration and pass them on to the Minister of Environment.

On June 16, the hon. member for Brant (Mr. Blackburn), a member of the New Democratic Party who served on our acid rain subcommittee, moved a motion under Standing Order 43, asking that the government reactivate the subcommittee on acid rain. A day later I put questions to the Minister of Energy, Mines and Resources (Mr. Lalonde) asking what response his department has given to the subcommittee's unanimous report that was brought down last October on what must be done to stop acid rain in this country and in the United States. I am sorry to say that the Minister of Energy said he had discussions occasionally with the Minister of the Environment, but the Minister of Energy did not answer my question about what kind of response in writing that department had given.

I must tell hon. members that we are in a very, very serious situation. The Minister of the Environment is not mincing words when he says that these talks with the Americans are in imminent danger of collapse. I urge all hon. members to join with me tonight in endorsing the necessity to reactivate the acid rain subcommittee.

This is not the first time this has been requested. I wrote a letter to the Minister of the Environment on May 12, 1981, asking that the acid rain subcommittee not be disbanded. On June 5, 1981, the hon. member for Sault Ste. Marie (Mr. Irwin), who was the chairman of our very effective committee and who gave great service to the country and to the committee—and I do not apologize for saying that—also wrote to the hon. House leader asking, "Please don't disband the acid rain committee."

Recently the Minister of the Environment spoke to the Air Pollution Control Association in New Orleans on June 21, 1982. By the way, I was invited by that group some number of weeks ago to participate in a special seminar on air pollution problems in North America. At that time the minister said:

• (2215)

In Canada we are deeply disappointed with the state of negotiations between my country and the United States government on acid rain. The footdragging and interference in the development of scientific information has reached frustrating proportions. The administration's rejection of our proposal to reduce sulphur dioxide emissions in eastern North America by 50 per cent by 1990 and

a clear indication that it may be some considerable period of time before it will be able even to begin to discuss control actions, is a bitter pill for us to swallow.

In the moment or two remaining I want to say that if we are to win this battle, we must break away from traditional diplomatic channel because they are not sufficient. I see the hon. member for Lac-Saint-Jean nodding in agreement. We have been through this and we know that we must find other ways to get at American legislators. We need to reactivate the acid rain subcommittee. We need to have Members of Parliament from all parties going to the members of the House of Representatives and to American senators. We need to support our own Canadian coalition against acid rain. We need to have individuals working under a policy to co-ordinate and support the efforts of hundreds of thousands of Americans who also want to stop acid rain in their country.

My question is simple. It arises out of the questions which I and other members have put in the House and through correspondence. Will the government consider reactivating the subcommittee on acid rain to give us a chance to get at American legislators? I know, because I have been there, as have other members, that we can get to them on a personal basis. That is not possible through traditional diplomatic channels. We must use every possible resource, tactic and strategic, available to us. If we do not do that, I say that we will fail in this. We cannot have a quarter of our country savaged by this terrible phenomenon because it will not be accepted by our children or our children's children.

Mr. Jim Schroder (Parliamentary Secretary to Minister of the Environment and Minister of State for Science and Technology): Mr. Speaker, I have the honour to respond to the question of the hon. member for Vancouver South (Mr. Fraser). The fact-finding report of the subcommittee on acid rain has been helpful in raising public awareness of the acid rain issue in both Canada and the United States.

A number of the recommendations of the subcommittee form part of the program activities which we have been carrying out for some time. To note just a few, in April, 1981, Environment Canada issued national emission guidelines for new thermal power plants. A review of new motor vehicle emission standards for nitrous oxide is underway. Standardized monitoring techniques are being put in place. United States legislators and journalists have visited Canada to see our concerns first hand.

The hon. member for Vancouver South quoted from the minister's speech in New Orleans. I should like to continue that quotation, wherein the minister said:

> The latest obstacles, which occurred less than one week ago at a negotiating session in Ottawa, are forcing us to an agonizing reappraisal of the usefulness of continuing discussions.

He continued:

> Our emission reduction proposal was drawn from the same science that U.S. negotiators have drawn diametrically opposed conclusions. On a per capita basis our proposal is more costly to Canadians than to Americans. We are willing to put our money where our mouth is. I can only conclude that the values and factors influencing Canadian decision-making are considerably different from those in the U.S.

• (2220)

Acid rain remains one of our foremost environmental problems. We are looking for ways to break the log jam, to continue constructive dialogue with the United States to find solutions to this problem. This is important since in Canada, as a whole, 50 per cent of our acid rain originates in the United States, and in the regions of particular concern, such as the tourist and recreation areas of Ontario, as much as 75 per cent of the acid rain comes from the United States.

When the sub-committee reported on the nature and complexity of the acid rain problem it concluded that the problem was indeed serious. The nature of several of its recommendations also clearly indicates that regardless of the complexity, enough is already known to begin taking control action. This position has been clearly accepted.

The minister is aware of the concern hon. members have expressed over the state of acid rain negotiations. He shares their frustration with the lack of progress that has been made so far. Indeed, he welcomes any suggestion which could help bring discussions with the U.S. to a fruitful conclusion.

As I mentioned earlier, the Department of Environment is currently undergoing a reassessment of its approach in these difficult negotiations. Reactivating the subcommittee is one of a variety of options which are available to the government. The suggestion and the interest of the hon. member is appreciated and will certainly be considered as a possible alternative to our current method of negotiation.

If the minister and the government decide that reactivation of the subcommittee may help resolve the serious problem of acid raid, this option will be given serious consideration. In any event, with the vast amount of knowledge that members of the subcommittee have accumulated, I would encourage them to continue making their views known so that we can continue keeping up the pressure on the United States.

[*Translation*]

EXTERNAL AFFAIRS—INQUIRY RESPECTING MEASURES GOVERNMENT INTENDS TO TAKE TO HELP LEBANON

Mr. Pierre Gimaïel (Lac-Saint-Jean): Mr. Speaker, before coming to the issue I wish to raise this evening, I would like to say that I am in complete agreement with the last comments made by the hon. member for Vancouver-South (Mr. Fraser) concerning acid rain. He has my full support and I hope that his representations will bring results.

As for the issue I want to raise myself, I directed a question this week to the Minister of Employment and Immigration (Mr. Axworthy) concerning the opportunities available to Lebanese people wishing to come to Canada because of the war in their own country. I asked to bring up this issue again, Mr. Speaker, because I want people in Canada to be better informed about the situation in Lebanon and the reasons why Canada should now help the Lebanese people.

As Canadians, we have some responsibility in this matter. For two years, I have been trying to explain this responsibility

in the House, but it has not always been easy because the problem is very complex. I shall now try in the few minutes available to me to explain this responsibility. Hon. members will know that, for whatever reason, 40,000 Syrian soldiers have been residing in Lebanon for the last six years. Even though they were once invited into the country, these 40,000 Syrian soldiers constitute a foreign military force in Lebanon. I wish to emphasize, Mr. Speaker, that Lebanon has always been an ally of Canada and of the western block, a capitalistic country, one of the most beautiful countries in the Middle East and of all the countries in the Middle East, the one which probably resembles most Canada. This has therefore been the situation in that country for the past six years. For two years, I have been asking the Canadian government to take a stand and to request that Syria withdraw its troops from Lebanon because, as everyone knows, the Lebanese people and the Palestinians, or the PLO for those who prefer, have been living together for years with no problem at all. There would be no problem if they were allowed to live together under a Lebanese government or under the supervision of a United Nations international force. These people are able to live together. The problem came about because the fact that a small country such as Lebanon, which has a population of 1.5 million, also included with its borders 40,000 Syrian soldiers as well as 300,000 Palestinians ten per cent of whom are armed to the teeth, in addition to all the weapons which enter the country regularly. This has created a kind of channel which was bringing war to the very borders of Israel, and for the last two years, I have stated frankly in this place for everyone to hear that Israel eventually would have no other choice but to attack Lebanon because of this enormous concentration of troups. This is the responsibility that Canada must share with all other western countries, Mr. Speaker. Since 1975, we have closed our eyes to the fact that Lebanon was bound to be the place where a war between other countries would be fought. Now, everyone is surprised to see that the Israelis and the Syrians are not bombing each other and are waging war on a territory which is not theirs. Not a single Israeli bomb as fallen on Syria and not a single Syrian bomb has fallen on Israel. These bombs fall on the country which is most similar to ours, our greatest friend in the Middle East, namely Lebanon.

• (2225)

In that context, considering that those people are being bombarded and that they are about to lose their homes, their wealth, their children and perhaps even their nationality, are we Canadians along with some of our allies such as the United States helping them today to find a way out of this predicament, or at least helping them to survive? I would ask the parliamentary secretary to further explain what he said this week. What does it mean for the Lebanese who are already here and for the others who are anxious to come to Canada, and what facilities will our government make available to them? I also wish that once and for all Canada would ask that all foreign troops be withdrawn from Lebanon, be they Syrians or Israelis. I also urge our government to support the Lebanese people as a nation and help them survive as a country, either by sending troops to join the UN forces or by voting in favour of maintaining there a military international peacekeeping force. But indeed we should let the Lebanese people be Lebanese, we should let that friendly country survive and be our friend. Mr. Speaker, I thank you for giving me those few minutes to make my point and I look forward to hearing the reply of the parliamentary secretary.

Mr. Rémi Bujold (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I would first commend the honourable member for Lac-Saint-Jean for his contribution this evening and his plea for the Lebanese people. He showed an excellent knowledge of the situation in that country and his involvement in this issue for more than two years. It is true that Lebanon is going through extremely grave and trying times, and for that reason and to reply to all the points raised by the honourable member for Lac-Saint-Jean (Mr. Gimaïel) and others across the country, the Minister of Employment and Immigration (Mr. Axworthy) last week, on Tuesday June the 15th to be exact, announced the special measures taken by the Canadian government to face that most unfortunate situation now prevailing in Lebanon. I would like to take a few minutes to review those measures and try to bring them in better perspective for the benefit of Canadians. First, Mr. Speaker, the 1,000 visa holding Lebanese visitors now in Canada will be authorized to remain in Canada for one year after their visas have expired, in addition to that extension, a work permit will be granted. At the end of the one-year period, each individual case will be reviewed and a decision taken as to the possibility of applying for permanent resident status.

Second, Mr. Speaker, Lebanese visitors now in Canada and having close relatives in this country can, under the Act, apply for permanent resident status without having to leave the country in order to submit their applications outside of Canada.

Third, Mr. Speaker, Canadians or permanent Canadian residents with relatives facing difficulties in Lebanon will be entitled to sponsor the latter, even though they may not meet the usual criteria under the Immigration Act.

Fourth, Mr. Speaker, no person under a deportation order will be deported from Canada and sent back to Lebanon before the situation in that country is back to normal. It should be emphasized that it is difficult if not impossible to tell Beirut residents that for the time being no one can have access to our Canadian embassy. Just this evening, we saw on the newscast the bombing in Lebanon, especially in Beirut, and it is absolutely impossible to ensure that our Canadian embassy in Lebanon can extend usual services.

In conclusion, Mr. Speaker, I would emphasize that the Canadian government gave the International Red Cross $1 million to help and support people now in Lebanon. Of

course, other steps will be considered in due time, and hopefully the situation in Lebanon will correct itself, and that friendly nation will be able once again to enjoy peace.

[*English*]

The Acting Speaker (Mr. Blaker): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until two o'clock tomorrow afternoon.

At 10.32 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, June 23, 1982

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

THE ECONOMY

STATUS OF ATLANTIC PROVINCES—MOTION UNDER S.O. 43

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Atlantic Canadians have been brutalized by the government's callous non-efforts to recognize their region as a meaningful part of Canada. A spark was struck for them yesterday by the Minister of Finance (Mr. MacEachen). I move, seconded by the hon. member for Malpeque (Mr. Gass):

That this House give every encouragement to the Minister of Finance not to let that glimmer of hope be extinguished forever on Monday night.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FINANCE

SUGGESTED TAX EXEMPTION FOR SASKATCHEWAN HOME OWNERS—MOTION UNDER S.O. 43

Mr. Len Gustafson (Assiniboia): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. The "Devine" government of Saskatchewan yesterday implemented 13.25 per cent interest rates for home owners in the province of Saskatchewan. I move, seconded by the hon. member for Moose Jaw (Mr. Neil):

That this government do not tax the benefit of the 13.25 per cent interest rate to home owners in the province of Saskatchewan.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

EXTERNAL AFFAIRS

CANADA—CZECHOSLOVAKIA AGREEMENT—CALL FOR ELIMINATION OF DUAL CITIZENSHIP—MOTION UNDER S.O. 43

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, under the provisions of Standing Order 43, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That before finalizing the Canada-Czechoslovakia agreement resolving outstanding issues between our two countries, which the outgoing Czechoslovakian ambassador has indicated is in its final stages, the Secretary of State for External Affairs make a statement on motions to ensure that, at least, the dual citizenship notion in any such agreement is resolved thereby eliminating the current blackmail tactics employed by the Czech authorities against Canadians of Czech origin visiting Czechoslovakia.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. members: No.

* * *

LABOUR CONDITIONS

B.C. TELEPHONE COMPANY LAY-OFFS—MOTION UNDER S.O. 43.

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. B.C. Telephone Company recently announced that it will lay off up to 2,000 of its employees for six months due to alleged revenue reductions even though the company has received residential rate inreases totalling 18 per cent from the CRTC for this calendar year alone. Therefore I move, seconded by the hon. member for Kootenay East-Revelstoke (Mr. Parker):

That instead of savaging its own employees this House calls on B.C. Tel to solve its alleged financial problems by altering its policy and practice of buying shoddy over-priced hardware from its big mother company in the United States, the General Telephone and Electronics Corporation of Stamford, Connecticut. Further, that this House instruct the CRTC to roll back the 18 per cent increases given to B.C. Tel this year if it persists in this plan to reduce further the already unacceptable quality of service it provides to its subscribers.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

S.O. 43

METRIC CONVERSION

COMMISSION EXPENDITURES—MOTION UNDER S.O. 43

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. We have all heard of ten-speed Liberals. I would like the House to acknowledge one-speed MacEachen, that is, reverse. We look forward to his Monday night's reversal with the hope that he will roll back the government's negative economic and energy policies, cut government spending and taxes, and offer some stimulus to job creation and productivity. Therefore I move, seconded by the hon. member for Winnipeg-Assiniboine (Mr. McKenzie):

That, if the minister is looking for areas to cut government spending and at the same time assist small business as well as consumers, he might look to the Metric Commission which this year will spend about $10 million and which will add untold millions of dollars to the overhead costs of retailers, which will result in higher prices to consumers at the check-out counters.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

[*Translation*]

HOLIDAYS ACT

REQUEST FOR DESIGNATION OF CANADA DAY—MOTION UNDER S.O. 43

Mr. Jean-Guy Dubois (Lotbinière): Madam Speaker, I rise on a matter of urgent and pressing necessity, under the provisions of Standing Order 43.

In a few days, on the first of July, we shall be celebrating Canada Day, as it is commonly referred to by our news media, commentators, politicians and by the Canadian public. However, the status of Canada Day has yet to be officially sanctioned by law. Consequently, whereas the Constitution was patriated on April 17, 1982, and it would be entirely appropriate to celebrate that event on Canada's birthday, I move, seconded by the hon. members for Bonaventure-Îles-de-la-Madeleine (Mr. Bujold), Roberval (Mrs. Beauchamp-Niquet) and Lévis (Mr. Gourde):

That the House consider Bill C-37, to amend the Holidays Act, including the status of Canada Day, and that only one member per party be allowed to speak so that the House can deal with all stages of the bill before July 1, 1982, and we can officially celebrate Canada Day on July 1.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1410)

[*English*]

ADMINISTRATION OF JUSTICE

CONDUCT OF WITNESSES IN MONCTON MURDER TRIAL—MOTION UNDER S.O. 43

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I rise under the provisions of Standing Order 43 on an important issue concerning the circumstances surrounding the murder of two city of Moncton policemen in December, 1974. The Solicitor General (Mr. Kaplan) is by now familiar with my concerns. Given the importance of a decent and rational policy governing the use of paid informers by our police forces and the need for prevention of abuses, I move, seconded by the hon. member for Edmonton North (Mr. Paproski):

That the Solicitor General inform the justice committee, in camera if necessary, whether certain witnesses at the trial of the above-mentioned murderers, while on the witness stand, failed to disclose their relationship with the accused men.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

CANADIAN NATIONAL RAILWAYS

TRANSFER OF CHAIRMAN'S OFFICE TO EDMONTON—MOTION UNDER S.O. 43

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, recently Canada was greeted with the news that Jack Horner was appointed chairman of the board of CN. Now Canadians who have been told to tighten their belts see that the new chairman is moving his office to Edmonton from the head office in Montreal. Therefore I move, seconded by the hon. member for Waterloo (Mr. McLean):

That this House direct the government (a) to table the costs involved to move the CN chairman's office closer to his ranch, and (b), to announce publicly its new policy which allows the chairmen of boards of Crown corporations to move their offices anywhere they desire.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

HOUSING

CALL FOR INTRODUCTION OF MORTGAGE INTEREST TAX DEDUCTIBILITY PLAN—MOTION UNDER S.O. 43

Mr. Bill Domm (Peterborough): Madam Speaker, it is now over two and a half years since the last budget to address truly

the needs of home buyers was introduced in the House of Commons. Under that Conservative budget the average Canadian home owner would have saved $125 a month on mortgage payments as a result of the Progressive Conservative interest deductibility plan. Because of the Liberal-NDP coalition defeating that provision, home owners now face mortgage renewal rates of almost 20 per cent, housing starts are down 50 per cent from last year, and 200,000 construction jobs have been lost. Therefore I move, seconded by the hon. member for St. John's West (Mr. Crosbie):

That the Minister of Finance give his most serious consideration to including a mortgage interest deductibility plan in his latest attempt to formulate a realistic and workable budget, and thereby provide some much-needed relief to the increasingly beleaguered home owners of Canada as well as to the Canadian home construction industry which is currently experiencing its worst year ever.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

UNEMPLOYMENT INSURANCE

SUGGESTED EXTENSION OF BENEFIT PAYMENT PERIOD—MOTION UNDER S.O. 43

Mr. Jim Fulton (Skeena): Madam Speaker, I rise under the provisions of Standing Order 43. Since the Skeena federal riding had, as of June 1, 6,949 workers on unemployment insurance, which is 19 per cent of the work force; since, as of May 1, 2,497 families had been forced onto welfare, which brings the total to 25 per cent of the work force; since native people, particularly on reserves, along with those people who have run out of unemployment insurance and those people who long ago decided that there are no jobs and that there is little point in registering at Manpower—and since none of these Canadians shows up in the monthly statistics, I move, seconded by the hon. member for Mission-Port Moody (Mr. Rose):

That the ministers responsible for job creation and unemployment insurance quit announcing phony programs and manipulating figures and immediately introduce an unemployment insurance extension period for those workers who will run out of benefits in the coming weeks as a result of Liberal and Conservative policies, and that steps be taken to diversify our regional economy.

Also, the forestry employment program which was reannounced yesterday should be redrafted as only two out of 11 projects in northern British Columbia have received approval, while Skeena is a third of British Columbia and the B.C. forest industry paid $220 million in federal taxes last year alone and we want some back.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

FINANCE

CALL FOR WITHDRAWAL OF TAX AFFECTING LIFE INSURANCE POLICIES—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, one of the many tax grab measures contained in the government's November budget was that which affected life insurance policyholders. In light of the fact that the total extra tax value of this measure would contribute a negligible amount to government coffers, yet had a detrimental financial effect on some 9 million policy holders who are still up in arms over the issue, and that the Minister of Finance (Mr. MacEachen) plans to introduce a new budget in the House on Monday night, I move, seconded by the hon. member for Prince Edward-Hastings (Mr. Ellis):

That the Minister of Finance in his new budget announce his intention of withdrawing this punitive tax measure involving life insurance policies.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

• (1415)

RAILWAYS

CROWSNEST PASS RATES—DEMAND FOR HOLDING OF PRODUCER REFERENDUM—MOTION UNDER S.O. 43

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, I rise on a matter of pressing necessity under the provisions of Standing Order 43. Given that the Minister of Transport is proceeding to change the statutory Crowsnest Pass freight rate without the consent of those who live and work in western Canada, and given the fact that 12,000 of these persons are protesting this action through a petitions which will be filed in the House of Commons by myself and other members of the New Democratic Party caucus, I move, seconded by the hon. member for Humboldt-Lake Centre (Mr. Althouse):

That the Minister of Transport stop all plans to change the Crow rate and immediately place a producer referendum before western grain growers which will decide whether they wish the Crow rate continued and that a parliamentary committee be struck to ascertain the views of all persons in the west who will be affected by a change in the Crow rate.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

IMPORTANCE OF FORTHCOMING BUDGET

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I had intended to put my question today to the Minister of Finance but he is, right this minute, outside the House of Commons giving television interviews when he should be here answering questions.

I will put my question to the Prime Minister. The Prime Minister knows that Canada is suffering from a crisis in confidence. Inflation has increased 2.4 per cent since February, 1980; unemployment has increased by over 350,000 people; interest rates have increased by over 3 percentage points, and the Canadian dollar has fallen almost ten cents since this government came into office.

In view of the fact that economic conditions are the worst in over 40 years, does the Prime Minister realize that this is the most important budget that will have been presented in the House of Commons during his term of office and that it cannot simply be a cosmetic update of last year's November budget?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, it goes without saying that the Minister of Finance is very much aware of the many problems facing our country and other western countries. He does not need the hon. member's rhetoric to make him aware of these problems, and he is equally aware that there is a limit to the resources available to the government to cope with them. With the means at his disposal, the minister will try to deal with these problems as satisfactorily as is possible and help Canadians get through the present difficult period.

[*English*]

Mr. Wilson: If the Minister of Finance felt so strongly about these economic problems, why does he not have the guts to be here to answer these questions?

POSITION OF MINISTER OF FINANCE

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I will ask my supplementary question of the Prime Minister. Due to the failure of the Minister of Finance to design a budget last year to address the economic problems today, and because that budget, in fact, compounded the economic problems of today, will the Minister of Finance, in the face of this failure, follow the accepted parliamentray tradition and offer his resignation to the Prime Minister before presenting this new budget so that the Prime Minister will have the flexibility to accept a new man to put a fresh face on economic policy in this country?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, I do not quite understand the nature of the hon. member's question. He is complaining about the fact the Minister of Finance is not in the House today—the minister is in the House as often as he can be—while the hon. member has previously been fond of complaining that the Minister of Finance does not give press interviews or does not make enough speeches outside the House, and now, when he does, the hon. member has the gall to complain. I would ask him to please be patient on both counts, and to wait until Monday, when he will realize that the Minister of Finance has a very clear grasp of the problems besetting Canadians and that he is more than competent to respond to the present situation.

[*English*]

Mr. Wilson: Possibly the Prime Minister is indicating who his new Minister of Finance will be.

• (1420)

EXCHANGE VALUE OF DOLLAR

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, let me ask a question which must be answered by the Prime Minister. Yesterday the value of the Canadian dollar dropped following the announcement that there would be a budget speech. There is uncertainty in the market today. There will continue to be uncertainty until Monday night when the budget is brought down. Would the Prime Minister take this opportunity to allay that uncertainty in the marketplace by stating whether or not the government is proposing to continue the monetary policy it has been following and whether or not the stabilization of the Canadian dollar will be a primary objective of this forthcoming budget speech?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, the hon. member is wondering about our fluctuating dollar and trying to see the dollar's fluctuation as a sign. He should have wondered—if his leader would stop talking, perhaps the member for Etobicoke Centre could at least have the courtesy, I would not say to listen but to at least make a pretence of listening to the answers. Respect for Parliament, Madam Speaker, starts here. So instead of starting to wonder during the past few days about the downward pressure on the dollar, the hon. member should look at what has been happening for several months and stop looking for simplistic causes for phenomena that are infinitely complex.

[*English*]

REQUEST THAT TAX LEGISLATION BE INTRODUCED FOLLOWING BUDGET PRESENTATION

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question, too, is directed to the Prime Minister, since the Minister of Finance is chatting up the tourists and taking the air on Parliament Hill.

Some hon. Members: Oh, oh!

Miss Carney: In light of the fact that there has been very little legislation introduced since the November 12 budget, creating terrible uncertainty in the country, will the Minister of Finance be introducing specific tax legislation immediately, or are we faced with a summer of uncertainty after our winter of discontent?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, as the members of this House know, the Minister of Finance, as far as last November's budget is concerned, has already introduced transitional measures which have removed any uncertainty as to the nature and scope of the measures in question. Regarding the rest of the question and the possibility of further measures, I would ask the hon. member to wait until Monday evening, when the Minister of Finance will make his statement.

[*English*]

ECONOMIC COUNCIL PROPOSAL TO CREATE JOBS

Miss Pat Carney (Vancouver Centre): Madam Speaker, my supplementary question is directed to the minister of employment following the failure of the Prime Minister or the Minister of Finance to account to this House. The Economic Council of Canada, which is an advisory body reporting to the Prime Minister, states that the best way to create 100,000 new jobs in the private sector would be to allocate up to $450 million in direct cash wage subsidies. The Council states this would be the best way because it would be a non-inflationary way of creating more jobs. Since the minister has allocated only $36 million, or about one twelfth of the amount suggested by the Council for direct wage subsidies, does he plan to redirect more funds into this kind of program which will produce jobs now when people need them?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, to begin, I would like to say that the Economic Council report, which I was very pleased to receive yesterday, basically endorses the general thrust and direction of the government, including its major emphasis on the training and retraining of workers to meet the skills shortage and, in particular, as the Council stated—

Miss Carney: Answer the question.

Mr. Axworthy: —to ensure that at this time, when there are lay-offs in many industries, we use the time so workers can improve their skills.

Miss Carney: Answer the question.

Mr. Axworthy: As far as job conditions are concerned, the fact is that we are now spending close to $500 million, not $36 million, on a wide variety of job-creation programs for the handicapped, students, young people, and for people in high unemployment areas. Our approach to it has been a balanced, plural approach, so that we can meet each problem and target into it. We do not simply take one-dimensional approaches which would solve only one part of the problem.

Some hon. Members: Hear, hear!

REPORTED STATEMENT BY BANK OF CANADA GOVERNOR

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Prime Minister. On the very day that the Minister of Finance was announcing in the House of Commons that there would be a new budget, and was raising at least the prospect of a change in the financial direction of the government, to which everyone in this country is looking forward, the Governor of the Bank of Canada said in Winnipeg, and I have in my hand today's press report illustrating the point, that there will be no change in the high interest rate policy of the government. My question to the Prime Minister is as follows, and it gets to the root of the responsibility in the parliamentary system of government: who is in charge of the financial policy of the Government of Canada? Is it the government that was elected, or is it the Governor of the Bank of Canada?

• (1425)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I have not seen a copy of the speech, but I am certain that the Governor of the Bank did not say there will be no change in the high interest rate policy of the government.

Mr. Broadbent: I suggest that the Prime Minister get a copy of the speech and read the quotes with care. Mr. Bouey makes it abundantly clear that, in terms of his responsibility, there will not be a change in the interest rate policy. As a senior servant responsible to the people of Canada, that is a sheer derogation of responsibility in advance of anticipated budget changes.

* * *

HOUSE OF COMMONS

REQUEST THAT BYELECTIONS BE HELD

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have another question concerning the matter of responsibility. On May 11 I asked the Prime Minister a question with regard to the need for the people in the constituencies of Timiskaming, Broadview-Greenwood and Leeds-Grenville to have their democratic right respected to have members elected to this House by calling by elections. In turning down that appeal, the Prime Minister said:

I think the first step in ascertaining what the people think would be to convey to them clear facts and thoughts—

Will the Prime Minister test the people of Canada? Will he ascertain their response to the forthcoming budget by living up to his democratic responsibility and letting the people in these three constituencies have a member by announcing the date of those byelections?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I suggest we hear the message from the budget first. When the hon. member has heard it, perhaps he will not want a byelection because it is so good.

Mr. Broadbent: I believe in miracles, but I do not believe in what the Prime Minister is suggesting to be a possibility.

RIGHT TO REPRESENTATION

Hon. Edward Broadbent (Oshawa): Madam Speaker, once again the Prime Minister has evaded the democratic right of the people of Canada by not dealing with the issue directly. Does he not think it is his moral responsibility to give to the people in these three constituencies, who have been without a member for more than six months, the right to have someone here to express his or her views on their behalf, and specifically to put his budget proposals to the test by having byelections in those three areas?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I think there is some posturing in the question. The hon. member talks about a moral responsibility. Is he suggesting that the law passed by this House, which gives the Prime Minister six months to make that decision, is immoral in some way?

Mr. Broadbent: How about the distinction between legality and morality?

Mr. Trudeau: If the hon. member wants to explain to me why it is legal but immoral, I will listen to him.

POSITION OF PRIME MINISTER

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, why is the Prime Minister afraid to call the three federal byelections?

Some hon. Members: No answer.

INQUIRY RESPECTING DATE OF BYELECTIONS

Right Hon. Joe Clark (Leader of the Opposition): The Prime Minister is also afraid to answer the question. Will he tell the House of Commons when the electors in Broadview-Greenwood, Leeds-Grenville and Timiskaming will have the right to have elected representatives here in this House of Commons so that those thousands of Canadians will not be denied their democratic right? When will those byelections be held?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, how can the Leader of the Opposition talk of denying democratic rights when the law of this country says specifically that the Prime Minister has six months to make that announcement? If I go beyond those six months, I will be both immoral and illegal in denying the people their rights. However, if I am following the law, I do not see why the hon. member should be free to interpret it in some other way.

REASONS FOR PRIME MINISTER'S POSITION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, if the Prime Minister can find Liberal candidates in those ridings, they may well content themselves with those academic arguments for denying citizens of Canada the right to be represented here in the Parliament of Canada. We in this party, and it is certainly the case in the New Democratic Party, believe that the people of Canada have a right to be represented here in the House of Commons of Canada. The Prime Minister has the power today to call those byelections. Only a lack of courage can explain his failure to call those byelections. Why will he not call them and, if he has found the courage, when will those byelections be?

• (1430)

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the hon. member really believes that, he should be introducing a private member's bill suggesting that the six months allowed to call an election should be shortened. Why does he not have the courage to follow his own suggestions?

Some hon. Members: Hear, hear!

* * *

HOUSING

FUNDING FOR CO-OPERATIVE AND LOW-COST UNITS

Hon. James A. McGrath (St. John's East): Madam Speaker, I have a question for the minister responsible for housing. With housing starts down by 51 per cent, and with mortgage interest rates back up to 20 per cent, the minister must surely realize that the housing industry is teetering on the brink of collapse. Is the minister prepared to take the money for the Canada rental supply plan, which is not being taken up, for reasons which are well known to the minister, and redirect that money into co-operative and low-cost housing?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the reason why the Canada rental supply plan has not been taken up as yet is apparent to most members of the House, but obviously not to the hon. member. The plan, introduced in the budget, had $350 million allocated to it. It was designed to give a $7,500 interest free loan to encourage builders to come in and build new homes. The corporation, after that plan was passed by this Parliament, after a three-month delay—

Some hon. Members: Oh, oh!

Mr. Cosgrove: —after this government had to use closure to get the bill through the House, advertised it to the building community. Within a very few short weeks, some 2,500 developers who applied will be taking it up, and building will be under way. It will be a successful program.

Some hon. Members: Hear, hear!

MINISTER'S ADVICE

Hon. James A. McGrath (St. John's East): Madam Speaker, the minister seems to be out of touch with reality. He is certainly out of touch with what is going on out there. Perhaps, Madam Speaker, he might be able to explain to the House and to the country, as half a million Canadians face mortgage renewals, as mortgage interest rates hover around 20 per cent, why only 883 people have qualified for the deferral of interest payments plan, and only 497 have qualified for the one-time grant of $3,000? These are the people to be protected, the so-called "dire straits" cases. What explanation does he have about that?

While he is on his feet, perhaps he could tell us what hope he has to offer to the 500,000 Canadians who are facing mortgage renewals, many of whom, the minister knows by the advice he gave his colleagues, will be forced to walk away from their homes, their dreams, their life savings, and face foreclosure? What advice does he have to give to them, on the eve of the minister's new budget?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, probably the most welcome point that I could make to the hon. gentleman and to Canadians is to remind them that this government will not accept the advice and the report and the study and the research done for the former minister of housing in the Conservative government. We will not accept the report prepared by the former president of the Conservative Party of Canada, who recommended that the government withdraw from social housing, privatize CMHC, not support non-profit housing and go away directly from the rehabilitation of homes. We will not do those things.

Some hon. Members: Hear, hear!

FOREIGN INVESTMENT REVIEW AGENCY

REQUEST FOR CHANGES IN PROGRAM

Hon. John C. Crosbie (St. John's West): Madam Speaker, in the absence of the Minister of Finance who, rather than come in here to face the music, after agreeing to bring down a new budget, is hiding and running like a titmouse to his corner—

Some hon. Members: Oh, oh!

Mr. Crosbie: —I have a question for the Minister of Industry, Trade and Commerce. Most observers have said that we have to convince domestic and foreign investors that their investment is needed in Canada—that it will be welcomed and secured and will not be endangered retroactively—if we are going to overcome our economic problems. In fact one observer has said that if we want to correct our unemployment, we have to create an investment climate where people will have confidence in the future.

Is the minister prepared to make changes in the FIRA program so that it will be more streamlined, so that it will facilitate the climate for investment in Canada, for example, by making the limits apply only to large proposed transactions, to give automatic approvals if 90 days have passed without the applicant hearing, and that kind of action. Is the minister prepared to do that, to carry out those principles and help overcome unemployment?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, we have been carrying out an administrative review of FIRA, as we said we would do in the economic development document last fall. We hope to reach some conclusions on that before too long. I want to remind my hon. friend that most forms of investment in this country are not dealt with in any way by the FIRA process, for example, investment in the form of debt, equity investment of a non-controlling nature, investment by Canadians, as well as any form of investment by the existing foreign-controlled sector, and any way related to what they are already doing. Where the Foreign Investment Review Act applies its basic purpose is to assure benefit for Canadians from the project in question. That is basically a good deal, both for the investor and for the Canadian economy. I do not know why my hon. friend should be in any way opposed to that.

REQUEST THAT GOVERNMENT REVERSE POLICIES

Hon. John C. Crosbie (St. John's West): Madam Speaker, if the minister looks in the mirror he will see one of the main reasons why there is no confidence, by investors in this country, any longer. The investor, whether he is Canadian or foreign, has been made to feel like a leper here in Canada, due to the statements and hostile attitudes of the minister and his

government. Are those hostile attitudes and statements going to be reversed? Will concrete steps be taken to welcome foreign investors into this country, as long as they comply with our laws? Will he do that, in order to give employment in places like the Atlantic provinces and other parts of Canada where employment is no longer being created? Will he take some steps to undo the fantastic damage that has been done in the last 27 months?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I think my friend is totally inaccurate when he suggests that I have made hostile statements of the type he has alleged. My basic approach is that investment is certainly welcome as long as, as he says, it meets our laws. Those laws involve showing significant benefit to Canadians. In fact the latest balance of payment figures show that long-term investment is up $1 billion in the first quarter of this year compared to the last quarter of last year.

Some hon. Members: Hear, hear!

Mr. Gray: When it comes to looking in the mirror, he ought to remember what happened when the Canadian people looked at him in the election two years ago. They threw him right out of office—and it will happen again.

Some hon. Members: Hear, hear!

Mr. Crosbie: You have not learned very much. Wait until they get their chance.

* * *

ADMINISTRATION OF JUSTICE

ARRAIGNMENT OF ALBERT RAUCA

Mr. Jack Burghardt (London West): Madam Speaker, my question is directed to the Solicitor General. Would he please give the House the details about the alleged deal the minister is reported to have made with Simon Wiesenthal in the arrest of suspected Nazi war criminal Albert Rauca?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, following the arrest and arraignment of Albert Rauca, I received a telephone call from Simon Wiesenthal in which he made some representations to me about it. But I want to inform the House that that was the first time this particular individual had ever been mentioned to me or, from what I can find, to the Government of Canada, by Simon Wiesenthal or anyone on his behalf. I want to inform the House, as well, that there is no such agreement as that referred to in the Ottawa *Citizen* article this morning.

HOUSING

PLIGHT OF HOME OWNERS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is for the Prime Minister. He makes no distinction between legality and morality. It may well be legal to charge 20 per cent interest rates on mortgages, but it is immoral when people lose their homes because they cannot afford to make the payments. I ask the Prime Minister, with this in his mind, is it because he lives in public housing that the government is not prepared to bring in some kind of interest rate relief for mortgage holders? Is it because he is out of touch with reality that he refuses to give the people in those three ridings the opportunity to express their opinion on government policy by holding byelections?

• (1440)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am not quite sure of the relevance of the question. The hon. member talks about the immorality of these interest rates which cause people to lose their homes. Is he suggesting that the people who buy Canadian government bonds at 19 per cent are immoral? Is he?

Mr. Deans: You are out of touch.

* * *

ENERGY

REQUEST FOR POSTPONEMENT OF OIL TAX INCREASE

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I have a supplementary question. One of the reasons we are having difficulty in our country and industry after industry is closing down is that the Government of Canada offered Canada Savings Bonds at a rate far higher than many companies can make, including companies in the mining industry, to get a return on their investment. If the government refuses to abandon its obscene interest policies, the cost of living inflation will be further compounded by an increase in natural gas and oil taxes, taking another $1.8 billion out of consumer's pockets.

My question is directed to the Prime Minister. If Governor Bouey refuses to let the government scrap its high interest rate policy, will the government, through the Prime Minister, at least enter into negotiations with the producing provinces to delay at least for six months the imposition of these added fuel taxes in order to give a modicum of relief to the terribly hard pressed consumers of this country?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, in his preamble, the hon. member referred to an expression that he should remove from his vocabulary.

Regarding the government's high interest policy, the hon. member should remember that high interest rates are the result of a situation that the government is fighting against, namely, high inflation rates, and the hon. member should join the government in its efforts to get rid of high inflation rates, which would indeed bring interest rates down to much lower levels, thereby immensely improving our economic climate, as the hon. member is asking.

* * *

[*English*]

INCOME TAX

PROCESSING OF RETURNS

Mr. John Gamble (York North): Madam Speaker, my question is directed to the Minister of National Revenue, who will know that one of the items in the November, 1981, budget related to the repeal of provisions of the Income Tax Act granting the right to acquire, for tax advantage, income-averaging annuity contracts. That repeal was to be effective for the 1982 taxation year and not the 1981 taxation year.

A certain Richard Griffith, one of my constituents—as did other Canadian taxpayers—filed his tax return for 1981 on the assumption that his income averaging-annuity contract would be treated under the provisions of the budget of November 12, 1981. However, he has not been so assessed. Canadian taxpayers have not been assessed, and they have not been in receipt of the refunds to which they are entitled under the provisions of that budget, having been advised by Revenue Canada that refunds will not be processed until amendments to the Income Tax Act reflecting budgetary changes have been passed by this House.

Will the minister indicate to those taxpayers and to this House that he will instruct his officials to process those refunds to which taxpayers are entitled as though the enabling legislation in fact had been passed by this House?

Hon. William Rompkey (Minister of National Revenue): Madam Speaker, we gave taxpayers a choice. We encouraged them to file their returns according to the provisions in the budget, but we also gave them the choice of having their returns calculated on the present law or the future law. I have read the article in the *Sun* that the hon. member has read. It is a specific case. It is true that we have to issue refunds according to the statutory limitations as they exist at the present time. If the budget provisions are over and above that, then further refunds will be forthcoming at a later date.

However, I have to point out that this applies to a very, very limited number of people, and in the case of the gentleman in question he is in a pretty high income bracket, I suggest, because I understand he is getting thousands of dollars by way of refund, which is not true for most people, including me.

Miss MacDonald: It is his money.

Mr. Rompkey: There are very few people whose 1981 returns will be affected. Let me give some figures. So far we have received over 14.7 million returns as opposed to 14.4 million returns in 1981. In 1982 we have issued almost ten million refunds as opposed to 9,847,740 in 1981. There are no refunds being held up. No refunds are being stockpiled, but we are processing them according to the present statutory limitations.

REQUEST THAT REFUNDS BE ISSUED

Mr. John Gamble (York North): Madam Speaker, regardless of the fact that this gentleman may have a rather substantial income, the issue remains the same. The money belongs to him, and it should be refunded. What the minister has said in this House is in conflict with what the taxpayer has been advised and what officers of the minister's department have said. On the basis of that disclosure, will the minister now instruct his officials to refund, specifically to this gentleman and to all other taxpayers who fall into this category, the moneys to which they are entitled under the provisions of the law as they now stand?

Hon. William Rompkey (Minister of National Revenue): Madam Speaker, I gave that assurance in my previous answer. We are issuing refunds up to the present statutory limitations. That is what is being done. That is what will be done.

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PARLIAMENTARY DELEGATION FROM SICILY

Madam Speaker: I have the honour of drawing the attention of the House to the distinguished presence in our gallery of a delegation of parliamentarians from Sicily, headed by the Hon. Mario D'Acquisto, President of Sicily, who is accompanied by the Hon. Salvatore Natoli, provincial Minister of Tourism and Transport, and regional members.

Some hon. Members: Hear, hear!

* * *

[*English*]

VOLUNTARY ORGANIZATIONS

TAX PROPOSAL SUBMISSIONS

Mr. Walter McLean (Waterloo): Madam Speaker, my question was for the Minister of Justice in his role as Minister of State for Social Development. He was in the House a moment ago. In his absence I will direct my question to the Prime Minister.

On November 3 of last year I asked the Secretary of State whether the give and take tax proposals which have been put forward by the national voluntary agencies would be a part of the budget. He replied that he would see that they would be

taken to the cabinet and see that the cabinet had an occasion to examine particular propositions carefully and that the matter would be processed without unreasonable delay. The November 12 budget ignored the voluntary sector and its three million volunteers who provide caring.

Last week in questioning in the House the Minister of Finance said he had no representations whatsoever from the Secretary of State regarding these important proposals put forward by the national voluntary agencies in terms of give and take tax proposals and postal rates. My question—

Madam Speaker: Order. That really is exaggerated. I remind hon. members that they must ask questions.

Mr. McLean: Very simply, Madam Speaker, in light of this time frame and in light of the need that is there in the voluntary sector, will the minister see that these proposals, which have been on the table for this length of time, are discussed before Monday's budget is introduced?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, this question has been raised several times in cabinet by me personally and by some of my colleagues. However, it is a matter for the Minister of Finance, and if any decision is made to that effect, it will be announced in the budget.

* * *

[*English*]

MINES AND MINING

ANNOUNCED LAY-OFFS IN NORTHERN ONTARIO

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, my question is directed to the Minister of State for Mines. This Friday the Adams mine at Kirkland Lake will lay off 460 workers for five weeks, as will the Sherman mine at Temagami on July 6 for 11 weeks, the Griffith mine at Bruce Lake, and the Algoma mine at Wawa. All told, these lay-offs will affect over 2,100 mine workers in northern Ontario. The minister knows full well that these mines supply their entire iron ore and pellet production to the steel mills of Ontario and to the Canadian manufacturing industry, which has been heavily devastated by the inappropriate November 12 budget, the Alsands collapse, and the National Energy Program.

Will the minister assure the House that she has recommended specific measures to prevent these pending lay-offs in northern Ontario from becoming permanent casualities of the Liberal scheme to "scare hell out of Canadians?" Will there be specific and immediate measures in the budget to be brought down next Monday?

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, I am delighted that the hon. member has finally been able to locate the mines and the ores in the proper places. I compliment him.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mrs. Erola: I should like to inform the hon. member that through Section 38 we have been able to employ many of those miners who have been laid out—

Mr. Lewis: Laid out?

Some hon. Members: Oh, oh!

Mrs. Erola: —and I welcome this opportunity to inform members of this House, particularly those members in B.C. and other areas of the country affected, that Section 38 is there and should be used. I am very disturbed that there are many parts of this country where Section 38 is not in effect, simply because hon. members have not done their jobs.

* * *

• (1450)

[*Translation*]

HAZARDOUS SUBSTANCES

UREA FORMALDEHYDE FOAM INSULATION—MINISTER'S MEETING WITH VICTIMS—PROGRESS REPORT

Mrs. Éva Côté (Rimouski-Témiscouata): Madam Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Last weekend, the minister had a meeting with the Quebec federation of victims of UFFI. First, I would like to know what the results were of this meeting and second, yesterday and today the media reported that 18 cases of cancer, allegedly due to UFFI, although there was no scientific proof, had been discovered in the province or throughout Canada. Among these 18 cases, there were said to have been eight deaths. I would like to know whether the minister is aware of this, and whether the situation is as serious as it appears?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I can confirm that on the weekend I met the 13 representatives of associations of owners of homes insulated with UFFI, who sit on the National Advisory Council that was created to assist and advise me in connection with the government assistance program. The association representatives made four major recommendations which would partly modify certain aspects of our assistance program. I gave them the assurance that I would examine the recommendations as soon as possible, and in this connection, I told the chairman of this association that I wanted to meet the Advisory Committee next Saturday morning when I would reply to the suggestions they made on the weekend.

As for the hon. member's second question about articles discussing the possibility that people had died from the effects of this product, I must say that no scientific connection has been established between UFFI and cancer in humans. This was the answer I was given following consultations with the

Department of National Health and Welfare and the National Research Council. However, I can inform the House that my colleague, the Minister of National Health and Welfare, has just authorized a grant of more than $200,000 to Dr. Nantel in Quebec City to help him continue his research in this area. We hope to obtain information, not only for the sake of informing the public but also to remove any unwarranted concern.

* * *

[*English*]

PUBLIC SERVICE

REPORTED AUSTERITY PROGRAM—GOVERNMENT POSITION

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, my question is directed to the Prime Minister. Will the Prime Minister confirm or deny the understanding of the Public Service Alliance of Canada that the Government of Canada, in co-operation with the governments of the United States and Great Britain, has agreed to institute a five-year public service austerity program, the first and second years of which will freeze salaries above $25,000 and result in strict limitations on contract negotiations, and mass reductions in staff and services to the public?

Right Hon. P. E. Trudeau (Prime Minister): I must say I had not heard of it, Madam Speaker. It is probably not true.

* * *

SOCIAL SECURITY

REQUEST FOR INCREASE IN BENEFITS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, the Prime Minister has told us today what many of us have always suspected about the nature of Liberal morality. Whatever is legal is moral, and no distinction is to be made between what you can get away with and what is morally right. It is no wonder that our society is disintegrating. While the government has been flying kites on income restraint or controls, Canadians over the age of 65 and those who may be younger but are on disability pensions, some 10 per cent of the population, have had their incomes severely restrained for too long already.

Will the Prime Minister assure retired Canadians that action will be forthcoming on pensions, that the budget will indicate the intention of the government to increase the GIS and CPP disability pensions immediately, and that more comprehensive reform of both private and public pension schemes will soon be on the agenda of this House and not put off? Or does the Prime Minister maintain that because the poverty—

Mr. Cousineau: Sit down.

Madam Speaker: Order.

Mr. Blaikie: —of so many senior citizens is legal—

Madam Speaker: Order.

Mr. Blaikie: —there is therefore nothing wrong with it?

Right Hon. P. E. Trudeau (Prime Minister): I thank the member for his little homily on morality, Madam Speaker, but I am sure he would have helped me to understand his concept of morality better if he had been able to help his colleague sitting in front of him answer the question I asked him.

Mr. Deans: I will gladly answer it. I will answer it after question period.

Mr. Trudeau: If it is—well, Madam Speaker, they are discussing it among themselves. Let that be concluded.

Some hon. Members: Hear, hear!

* * *

RESEARCH AND DEVELOPMENT

REQUEST FOR INCREASED FUNDING

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, I would have liked to address my question to the Minister of State for Science and Technology or the Minister of Finance, who are both away, and who failed to collaborate in the last budget to produce a single dollar's worth of research funding leading to industrial job creation and regeneration. Therefore I will ask the Prime Minister if he believes that in this budget there will be funds allocated for research and industrial development to create legitimate jobs rather than just spending money funded by increased deficits, which is the fundamental difference between Conservative policy and Liberal policy? Will there be job-creation through industrial research and development funding carried forward in this budget?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, the hon. member should review the funds allotted to the various research councils. This would show him the government is making a serious effort to help research and development in this country. I would also remind him that he probably did not know how to make his colleagues realize the significance of it because to my great surprise, hon. members from his party voted against the medical sciences research estimates earlier this week, Monday night, when estimates were passed.

[*English*]

QUERY RESPECTING GOVERNMENT POLICIES

Mr. Gordon Gilchrist (Scarborough East): Another non-answer, Madam Speaker. Will the Prime Minister at least assure the House that there will not be an absence of funding which would stand in the way of legitimate research and job creation in this country? Many of the principles contained in the last budget actually work against the interests of an industrial society in Canada. Would the Prime Minister assure

us that his policies will not work against investment and job creation, or be funded by deficits?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, as I indicated earlier, the government's commitment to research and development is well known. This government has no intention of changing its policies, and I invite the hon. member to make representations to his colleagues in order that they approve any new government initiative in that area.

* * *

[*English*]

AUTOMOTIVE INDUSTRY

REPRESENTATIONS MADE BY CAR LEASING SECTOR

Hon. John A. Fraser (Vancouver South): Madam Speaker, my question is directed to the Minister of State for Finance who will remember that on June 18 my colleague, the hon. member for Haldimand-Norfolk, raised the question of the recent budget changes in the capital cost allowance for daily rental cars as opposed to leased cars. At that time the Minister of Finance said my colleague obviously had his facts wrong and there was not a problem here.

In view of the fact that I have now received exactly the same representations from the industry, can the minister tell the House whether the Department of Finance has received and looked at the representations made by the industry, especially the leasing industry, and are any steps being taken to straighten out this situation because there is an unfair anomaly here?

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, the department received representations from the car leasing industry; they were reviewed. However, I am not aware of the final recommendations that may have been made to the Minister of Finance.

[*English*]

REQUEST THAT MINISTER SUPPORT REPRESENTATIONS

Hon. John A. Fraser (Vancouver South): I wonder if the minister could assure this House, now that there have been two representations made within a matter of a few days, that he will speak directly to the Minister of Finance and personally make sure that the concerns of the leasing industry are met, and quickly.

[*Translation*]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, I can assure the hon. member that the Minister of Finance paid close attention to the review of representations made by the automobile dealer association in respect of the capital cost allowance on car leasing. However, before accepting or rejecting the claims in the brief, the hon. member will agree that an assessment of the points made in the representations must be made, to see whether they are justified, and I imagine that, based on that assessment, the Minister of Finance will take a decision and announce it to the hon. member.

* * *

EXTERNAL AFFAIRS

SITUATION IN LEBANON—GOVERNMENT POSITION

Mr. Ian Watson (Châteauguay): Madam Speaker, I have a question for the Right Hon. Prime Minister about the situation in Lebanon. According to the Red Cross, the invasion of Lebanon by Israel has allegedly resulted so far in more than 10,000 deaths, mosts of them innocent civilians.

[*English*]

The Lebanese authorities indicate the death toll may be closer to 20,000.

[*Translation*]

Since Irish General Callaghan, commander of the United Nations peacekeeping force in Lebanon, has revealed that the cease fire in force since July 24, 1981 had been respected by the PLO and that British Prime Minister Thatcher has indicated that the PLO had not been party to the recent attempt against the Israeli ambassador in Great Britain, this would amount to a blatant and wanton aggression on the part of Israel. Is the Government of Canada considering taking concrete steps and imposing trade sanctions as well as recognizing the Palestinian people with a view to exerting pressures on Israel to encourage it to respect the basic principles of international law?

[*English*]

Is the Prime Minister now prepared to indicate to Israel that if the wanton killing and injury of civilians in Beirut continues, Canada will implement sanctions?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I believe this question has been answered before by the Secretary of State for External Affairs. The Government of Canada is not considering any sanctions at this time. We are, I think, keeping pretty close to a line that was adopted by the United Nations, which has not asked for sanctions and, indeed, a unanimous resolution of this House. On June 8, while I was away, a motion moved by the hon. member for St. John's West was passed. In part it reads:

> That this House support the resolution of the United Nations Security Council calling for an immediate and unconditional withdrawal of all Israeli military forces from Lebanon—

That is a position which the House supported unanimously. I take it the House would still support that today, but we are not envisaging sanctions.

PETITIONS

TABLING OF REPORT OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the report of the Clerk of Petitions stating that he has examined the petitions presented by hon. members on Tuesday, June 22, 1982, and finds that they meet the requirements of the standing orders as to form.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Lewis: Madam Speaker, I would like to take this opportunity to ask the government House leader to give us some indication as to the business of the House for the next week and beyond.

Mr. Pinard: Madam Speaker, we have had consultations and we have come to an agreement as far as business for Monday afternoon is concerned. It relates to the access to information bill. We have agreed to have completed both the report stage and third reading stage of that bill by 5.45 p.m. Monday. Therefore, I seek unanimous consent for the following motion:

That no later than 5.45 p.m. on Monday, June 28, 1982, the Speaker shall interrupt any proceedings and put forthwith and successively without further debate or amendment all questions necessary for the disposal of the report stage and third reading stage of Bill C-43, an act to enact the Access to Information Act and the Privacy Act, to amend the Federal Court Act and the Canada Evidence Act, to amend certain other acts in consequence thereof.

Madam Speaker: Does the House give its unanimous consent to the motion as read by the President of the Privy Council?

Some hon. Members: Agreed.

Motion agreed to.

[*Translation*]

Mr. Pinard: Madam Speaker, as far as today is concerned, the business of the House has been announced. Next week, Monday, as I indicated earlier, we shall complete consideration of the report stage and third reading of the access to information bill, and at 5.45 p.m., the debate will be interrupted in order to put all questions. Monday evening we shall have the budget speech, and Tuesday and Wednesday will be the first two days set aside for debate on the budget.

As far as the rest of the week is concerned, since July 1 is Canada Day for most members, the House will not sit until Monday the following week.

[*English*]

Mr. Lewis: Madam Speaker, something has come up since I had an opportunity to speak to the government House leader. I would ask him, if I may, to intervene with the finance minister respecting the normal lockup which takes place for opposition spokesmen and the media concerning the budget on Monday night. The government House leader will realize that in order for opposition spokespersons to do a proper job, to inform themselves and also to ask questions of finance department officials, it is necessary to have some time to consider the presentation on Monday night. We have been trying to reach the Minister of Finance and I would ask the government House leader to use his good office to ensure the normal lockup for the opposition and the media.

Mr. Pinard: Madam Speaker, if a formula can be found to make sure that we can have the budget speech first rather than those of the critics, I might consider reporting that request to the Minister of Finance. There is no standing order forcing the Minister of Finance to act in any way in that respect. But the remarks of the hon. member are on record and I will probably see that the Minister of Finance has the opportunity to read *Hansard*.

Mr. Deans: Madam Speaker, on the matter of House business, I would like to support the position taken by the acting House leader for the official opposition with regard to making arrangements for lockup. I think it is vitally important that members who are responsible for dealing with budgetary matters be given the opportunity to be briefed appropriately on those provisions contained in the budget.

I would like to ask two other questions, however. One is with regard to the Small Businesses Loans Act. It has been brought to my attention that the Small Businesses Loans Act requires extension before the end of June in order to ensure that the banks will be able to lend moneys necessary and to receive the guarantees required so that small businesses can continue their business operations. Would the government House leader give some thought during the course of the afternoon as to when we might find the time between now and next Wednesday to accommodate what appears to be an important matter?

My other question is with regard to Wednesday next. Would the government House leader consider again the possibility of the House sitting at other than its normal sitting hours on Wednesday next and without in any way reducing the number of hours that we would normally sit? Perhaps we could sit between ten o'clock in the morning and two o'clock in the afternoon, or between nine o'clock and one o'clock, or between eleven o'clock and three o'clock—whatever is appropriate—so that members who have to travel a far distance, to British Columbia and other points, can go to their constituencies and be there on July 1 to take part in the festivities and to represent properly the federal presence in the July 1 celebrations.

Mr. Crosby: Tell us how interested you are in Canada Day.

Mr. Pinard: Madam Speaker, as to the hon. member's last request, I heard the hon. member for Halifax West say that he might be interested in Canada Day. It is a surprise to me to know that all Tories think the same way.

Some hon. Members: Oh, oh!

Mr. Pinard: I am very serious when I say that Canada Day is most important. I want to assure the Tory party that we are very serious on this side. I make the offer right now. If hon. members want the Canada bill now, we will have it as the first item today, provided we can conclude the debate before six o'clock tonight.

Some hon. Members: Hear, hear!

Mr. Pinard: I am sure the Tories will refuse that offer.

Some hon. Members: Hear, hear!

Mr. Crosby: Let us solve other problems first.

• (1510)

Mr. Pinard: Madam Speaker, the question is whether we could sit earlier than at the normal hour next Wednesday to allow members who are interested in celebrating Canada Day more time to travel.

Some hon. Members: Dominion Day.

Mr. Pinard: I want to report to the hon. member that we made the suggestion. I know that he agrees, but it is the Tory Party which has refused, so under the circumstances we will sit during normal hours. I am willing to reconsider the matter and again to put forward the proposal that we sit from nine to one o'clock, ten to two o'clock, or eleven to three o'clock next Wednesday in order to allow the vote to be taken earlier than at six o'clock, so that members can leave to celebrate Canada Day or, for some of them, Dominion Day.

On the second request concerning the Small Businesses Loans Act, it was brought to the attention of the opposition a few weeks ago. We had negotiations on it. Now that it is known that there will be a budget speech, I presume it will be easier to obtain an agreement to get that bill through all stages without debate. I am willing to hear any good suggestions so that it can be done any time before next Wednesday.

Mr. Dionne (Northumberland-Miramichi): Madam Speaker, I rise on the same point of order raised by the hon. member for Simcoe North regarding the lockup. I would ask you, Madam Speaker, as protector of the rights of hon. members of the House, to ensure that the budget speech is delivered first in the House, so that all members of the House have the same rights and privileges and so that Canadian people can hear the budget as the minister delivers it, not as some commentator with the CBC or some other outfit decides to interpret it, or not as some critic for the opposition decides to interpret it, before the budget is even delivered.

If the opposition and the press are not smart enough to follow the minister's speech, it seems to me that that is their problem, not the problem of the other members of the House. I want an assurance that the rights of all members of the House will be protected to hear the budget first.

Some hon. Members: Hear, hear!

Mr. Lewis: Madam Speaker, in discussing further the business of the House, I should like to point out that the latest reference to July 1 is a lot more clean-cut than the one the government House leader made at two o'clock on Tuesday morning when there was no one from the official opposition in the House.

Some hon. Members: Why, why?

Mr. Lewis: This one is a lot more straightforward.

Returning to the intervention of the hon. member opposite with respect to budget night, there is absolutely no way the opposition, members of our party or members of the NDP, could properly brief themselves without having some time to review the documents and to question the minister's officials. That is the only fair and appropriate way to do it. It just does not make any sense, as regards the efficient operation of this business and what is coming before the country on Monday evening, to do otherwise. Otherwise, we run a great risk with opposition spokesmen and with the media.

Madam Speaker: Hon. members have made their points about the lockup. I am sure they realize that this has nothing to do with the Standing Orders. Those kinds of arrangements are made between departments and members of the opposition. The Speaker has no authority whatsoever to implement such a proposal.

Mr. Deans: Madam Speaker, on this point of the lockup, I am really quite distressed that the government and its supporters are taking the very negative position which they are. I want to ask—

Mr. Gauthier: I am getting fed up.

Mr. Deans: I get fed up with you, but I do not stop you from coming here.

Mr. Cousineau: Address the Chair.

Mr. Deans: I gather I am not the only one fed up with the Liberals, judging from the Gallup poll.

Some hon. Members: Hear, hear!

Mr. Deans: I wonder whether I might ask the government House leader two things with regard to the possible lockup. First, is it true that the Liberal caucus voted not to have one? Second, will the government House leader make a proposal to us at a meeting some time today at which we can look, with the possibility of having that lockup available for members of the opposition and members of the press?

Mr. Pinard: Madam Speaker, on the first question, obviously the hon. member knows that what goes on in caucus should stay in caucus. I am certainly not the one who will render those discussions public. I do not know whether or not that subject was discussed. If it was, I cannot mention anything about it. If it was not, it is easier for me not to say anything.

On the second question, in the past when a lockup was held or discussed, it was discussed at the level of the Minister of Finance, his officials and his critics, not at the level of House leaders. In so far as I am concerned, I have preferences. I would not mind a lockup at ten o'clock on Monday, but if it is earlier than that, I would prefer to talk with the Minister of Finance first.

* * *

THE BUDGET

ORDER OF THE DAY FOR PRESENTING BUDGET

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, at this stage I should like to request, pursuant to Standing Order 60(2), that an order of the day be designated for consideration of the following, if opposition members still want it, "That this House approves in general the budgetary policy of the government", to be proposed by the Deputy Prime Minister and Minister of Finance (Mr. MacEachen) at 8 p.m. on Monday, June 28, 1982.

ROUTINE PROCEEDINGS

[*Translation*]

PUBLIC ACCOUNTS

PRESENTATION OF SIXTEENTH REPORT OF STANDING COMMITTEE

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, I have the honour of tabling the sixteenth report of the Standing Committee on Public Accounts.

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

* * *

[*English*]

PETITIONS

RETENTION OF CROWSNEST PASS RATE

Mr. Laverne Lewycky (Dauphin): Madam Speaker, I have the honour and duty to present some 1,312 signatures from the Dauphin area regarding retention of the Crow rate. These petitioners represent many small towns such as Roblin, Shortdale, San Clara, Inglis, Boggy Creek, Dauphin, Sifton, Ochre River, Makinak, Minitonas, Fork River, Winnipegosis, Ethelbert, Alonsa, McCreary, Kelwood, Kinosota, Swan River, Ste Rose, Laurier, Amaranth, Oak Brae, Bowsman, Gilbert Plains, Grandview, Meadow Portage, Valley River, Cowan, Dropmore, Benito, Rorketon, Glenella, Durban, Birch River, Ashville, Renwer, Russell, Norgate, Pine River, Waldersee, Plumas, Neepawa, The Pas, Rossburn and Angusville.

These petitioners feel that the Crow rate is of important benefit to western Canada and one of the earliest incentives granted to settlers. They are concerned that the changing of

the Crow rate will reduce farm incomes, contribute to the breaking up of communities on branch lines, and increase trucking and road costs, and that since three royal commissions have recommended the retention of the Crow rate, they pray that the Minister of Transport (Mr. Pepin) will take this into consideration.

Mr. Les Benjamin (Regina West): Madam Speaker, I have the honour to present a petition on behalf of 1,219 Canadians in the provinces of New Brunswick, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia who are calling upon the federal government to reconsider proposed changes in the Crowsnest Pass rates and that the present statutory grain rates, the Crowsnest Pass rates, be retained in perpetuity for grain producers. This petition includes signatures, not only from these provinces, but I might specifically mention in the case of Alberta, the Hutterite Bretheren of Vegreville, grain producers and grain users in the eastern provinces and in British Columbia who use western grain because they can get it on the statutory grain rates; it saves them about $20 per tonne.

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, I rise to present a petition on behalf of some 3,106 Canadians from the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. These are people who have not been included in the consultation process with Dr. Gilson and wish their views in support of maintaining the Crow rate to farmers to be known to the House of Commons and the Parliament of Canada.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, I am very pleased this afternoon to present a petition signed by some 3,001 concerned citizens from northwestern Saskatchewan on the very important subject of the Crow rate. The petitioners believe the Crow rate to be an important benefit to western Canada and that the change in the Crow rate will reduce farm incomes, contribute to the break-up of communities on the branch lines and will increase trucking and road costs. They stress that three royal commissions have recommended the retention of the Crow rate. The petitioners call upon Parliament to maintain the Crow rate in perpetuity as presently guaranteed by statute on their behalf by urging the Prime Minister, the Minister of Transport and all Members of the House of Commons to heed the message of this timely petition.

• (1520)

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, I am pleased to present a petition that shows in advance of the Gilson report on grain freight rates that people in western Canada want to retain the Crowsnest Pass freight rate.

I am filing petitions signed by 3,373 Canadians who support the Crow rate. They come from all provinces of Canada. All of these people present the grass roots opinion in western Canada

and all parts of Canada, a fact that has been ignored by the Minister of Transport (Mr. Pepin) and Dr. Gilson. They are people who are deeply concerned about grain producers, small prairie communities and the grain industry which contributes to the economic wellbeing of Canada.

These people state in their petition that three royal commissions have examined freight rates for grain in Canada and all have recommended that the Crow rate be retained. It would be consistent with their wishes to ask the Minister of Transport finally to pay heed to these people and their significant expression of opinion on the Crow rate. They would challenge him to conduct a plebiscite—

Madam Speaker: Order. Hon. members should be reminded that they must simply read what the petition is about. They must not read all of the petition.

Mr. Hovdebo: Madam Speaker, democracy rests with the consent of the governed. I challenge the minister to show that the wholehearted consent of those who will bear the brunt of these changes is considered.

* * *

[*Translation*]

SMALL BUSINESSES LOANS ACT (NO. 3)

MEASURE TO AMEND

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism)) moved for leave to introduce Bill C-122, to amend the Small Businesses Loans Act (No. 3).

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

* * *

[*English*]

PUBLIC ACCOUNTS

CONCURRENCE IN NINTH REPORT OF STANDING COMMITTEE

Mr. Clarke (Vancouver Quadra): Madam Speaker, I should like to move that the ninth report of the Standing Committee on Public Accounts, presented to the House on Monday, November 23, be concurred in.

Madam Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

CONCURRENCE IN TWELFTH REPORT OF STANDING COMMITTEE

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, I should like to move that the twelfth report of the Standing Committee on Public Accounts, presented to the House on Thursday, December 17, 1981, be concurred in.

Madam Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 2,759, 4,167 and 4,272.

[*Text*]

MR. DON MARRIOTT

Question No. 2,759—**Mr. Cossitt:**

1. Is Mr. Don Marriott the director of restaurants and catering of the National Arts Centre and, if so, since his appointment, what was the total amount charged by Mr. Marriott for entertaining persons on the premises or elsewhere with food and beverages at taxpayers' expense?

2. Was this sum charged to promotion?

3. (a) On any occasion did Mr. Marriott entertain members of his family and personal friends at taxpayers' expense and, if so, in each case, on what date and at what cost (b) what was the total cost of the entertainment?

Mr. Jack Masters (Parliamentary Secretary to Minister of Communications): I am informed by the National Arts Centre as follows:

1. Mr. Marriott is the director of restaurants and catering at the National Arts Centre. As part of his responsibilities to direct and promote the restaurant and catering operations of the National Arts Centre, Mr. Marriott undertakes duty entertainment on behalf of the centre; the total amount expended on and off the premises over the 27 months that he has been employed (April 1, 1979 to June 30, 1981) is $19,856.88 at regular menu prices. However, the actual cost to the National Arts Centre Corporation is $9,406.88 after deduction of fixed costs and profit margins from "on premises" charges. For "on premises" charges, there is no cash involvement.

2. The expenditures are charged to "duty entertainment" for the promotion of the restaurant and catering services of the National Arts Centre.

3. (a) Over the seven months between April 1, 1979 and October 31, 1979, the initial period of Mr. Marriott's employment when his family remained resident in Stratford, Ontario, on three occasions his wife or one of their two children consumed a meal the costs of which were borne by the centre; the policy of the centre is to cover the expenses to a reasonable limit of members of the families of personnel visiting the National Capital region to find suitable housing when personnel has been recruited from outside the region.

Over the 20 months between November 1, 1979, and June 30, 1981, on six occasions his wife and his two children consumed a meal the costs of which were borne by the centre when, due to extended periods of work during evening hours, Mr. Marriott was absent from home for protracted periods of time.

Over the 27 months between April 1, 1979 and June 30, 1981, a friend known to Mr. Marriott prior to his employment at the centre was among the persons offered meals on two occasions and beverages on two occasions by Mr. Marriott in promoting the restaurant and catering operation as a normal part of his duties. The exact dates and cost of each event cannot be established.

Except as set forth above, to the best of his recollection, on no occasion has Mr. Marriott entertained members of his family and personal friends at taxpayers' expense.

(b) The total cost to the centre of these meals and hospitality is estimated at $139.

DIPLOMATS DECLARED PERSONAE NON GRATAE

Question No. 4,167—**Mr. MacKay:**

1. Since World War II, how many foreign diplomats were declared *personae non gratae*, as referred to in the October, 1979 McDonald report, 1, p. 8 and in the August, 1981 McDonald report, 2-1, p. 65 and, in each case (a) what foreign diplomatic missions were involved (b) what was the name of the foreign diplomat and on what date was he/she ordered to leave the country (c) what announcements, if any, were made to the Canadian public?

2. Since World War II, how many foreign diplomats were ordered "less formally", other than being declared *personae non gratae*, to leave Canada because of their offensive intelligence activities, as referred to in the October, 1979 McDonald report, 1, p. 8 and in the August, 1981 McDonald report, 2-1, p. 65 and, in each case (a) what foreign diplomatic missions were involved (b) what was the name of the foreign diplomat and on what date was he/she ordered to leave the country (c) what announcements, if any, were made to the Canadian public?

3. For each case in parts 1 and 2, were any retaliatory actions taken by the foreign powers involved and, if so, what was the nature of such actions?

Hon. Mark MacGuigan (Secretary of State for External Affairs): 1. According to records in the Department of External Affairs, 37 foreign officials have been declared *personae non gratae* since World War II in consequence of their involvement in unacceptable activity in Canada, though not all of them had been accorded diplomatic status. The figure includes trade representatives, journalists, and other embassy support staff.

(a) The foreign diplomatic missions involved in these 37 cases were Cuba, Czechoslovakia, Hungary, Iraq, People's Republic of China, Poland, U.S.S.R., Socialist Republic of Vietnam (SRV) and Yugoslavia. (b) and (c) Twenty-seven of the 37 officials declared *personae non gratae* were publicly named and their identities are as follows:

	Name	Title	Country	Date	Announcements to the Public
1.	G.F. Popov	2nd Secretary	U.S.S.R.	July 12, 1956	Press release
2.	A. Loginov	Asst. Military Attaché	U.S.S.R.	Dec. 7, 1961	Press release
3.	V.V. Tarasov	Correspondent, Isvestia	U.S.S.R.	April 28, 1964	Statement in the House of Commons
4.	A.E. Bychkov	Staff	U.S.S.R.	May 4, 1965	Press release
5.	V.N. Polushkin	Staff	U.S.S.R.	May 4, 1965	Press release
6.	V. Didenko	Asst. Military Air Attaché	U.S.S.R.	May 24, 1968	Press release
7.	J. Hegedus	1st Secretary	Hungary	Jan. 7, 1970	Press release
8.	V. Veber	2nd Secretary	U.S.S.R.	July, 1977	Press release and statement in House of Commons
9.	A.V. Krysin	Economist, Trade Office	U.S.S.R.	Dec., 1977	Press release and statement in House of Commons
10.	O. Retsov	Attaché	U.S.S.R.	Feb. 9, 1978	Press release and statement in House of Commons
11.	V. Retsov	Staff	U.S.S.R.	Feb. 9, 1978	Press release and statement in House of Commons
12.	I. Vartanyan	1st Secretary	U.S.S.R.	Feb. 9, 1978	Press release and statement in House of Commons
13.	V. Suvorov	2nd Secretary	U.S.S.R.	Feb. 9, 1978	Press release and statement in House of Commons
14.	V. Borishpolets	Attaché	U.S.S.R.	Feb. 9, 1978	Press release and statement in House of Commons
15.	G. Ivaskenvich	3rd Secretary	U.S.S.R.	Feb. 9, 1978	Press release and statement in House of Commons
16.	Y. Koblov	Staff	U.S.S.R.	Feb. 9, 1978	Press release and statement in House of Commons
17.	P.R. Lillenurm	2nd Secretary	U.S.S.R.	Feb. 9, 1978	Press release and statement in House of Commons
18.	A. Mikhalin	Trade Representative	U.S.S.R.	Feb. 9, 1978	Press release and statement in House of Commons
19.	N. Talanov	Counsellor	U.S.S.R.	Feb. 9, 1978	Press release and statement in House of Commons
20.	V. Oshkaderov	Translator, ICAO	U.S.S.R.	Feb. 9, 1978	Press release and statement in House of Commons
21.	Al Niaimi Abdul Latif	2nd Secretary	Iraq	May 25, 1978	Press release
22.	Ho Xuan Dich	2nd Secretary	SRV	May 29, 1979	Press release
23.	M. Tomic	Vice-Consul	Yugoslavia	May 4, 1979	Press release
24.	I.A. Bardeev	Military Attaché	U.S.S.R.	Jan. 21, 1980	Press release
25.	G.I. Aleksanjan	Asst. Military Attaché	U.S.S.R.	Jan. 21, 1980	Press release
26.	V.I. Sokolov	Staff	U.S.S.R.	Jan. 21, 1980	Press release
27.	M.N. Abramov	Trade Representative	U.S.S.R.	Mar. 31, 1982	Press release

Order Paper Questions

The remaining ten of the 37 were declared *personae non gratae* without any public announcement. Having reviewed these ten cases the government abides by the earlier decisions not to initiate disclosure of details concerning them.

2. Thirty-one foreign officials have been asked less formally to leave Canada without being declared *personae non gratae*, according to records in the Department of External Affairs.

(a) The foreign diplomatic missions involved in these 31 cases were Cuba, Hungary, People's Republic of China, Poland and the U.S.S.R. (b) and (c) Seventeen of these 31 officials were publicly named and their identities are as follows:

	Name	Title	Country	Date	Announcements to the Public
1.	Col. N. Zabotin	Military Attaché	U.S.S.R.	July 12, 1946	Royal commission report and statement in the House of Commons
2.	Lt. Col. P.S. Motinov	Asst. Military Attaché	U.S.S.R.	July 12, 1946	Royal commission report and statement in the House of Commons
3.	Lt. Col. V.M. Rogov	Asst. Military Attaché (Air)	U.S.S.R.	July 12, 1946	Royal commission report and statement in the House of Commons
4.	Sergei Koudriavtzev	1st Secretary	U.S.S.R.	July 12, 1946	Royal commission report and statement in the House of Commons
5.	Zheveinov	Correspondent, Tass	U.S.S.R.	July 12, 1946	Royal commission report and statement in the House of Commons
6.	Maj. A. Romanov	Secretary to Military Attaché	U.S.S.R.	July 12, 1946	Royal commission report and statement in the House of Commons
7.	Lt. P. Angelov	Staff, Military Attaché's Office	U.S.S.R.	July 12, 1946	Royal commission report and statement in the House of Commons
8.	Capt. A. Galkin	Door Guard	U.S.S.R.	July 12, 1946	Royal commission report and statement in the House of Commons
9.	Lt. V. Gouseev	Door Guard	U.S.S.R.	July 12, 1946	Royal commission report and statement in the House of Commons
10.	Capt. G. Gourshkov	Chauffeur	U.S.S.R.	July 12, 1946	Royal commission report and statement in the House of Commons
11.	Lt. A. Koulakoff	Clerk	U.S.S.R.	July 12, 1946	Royal commission report and statement in the House of Commons
12.	Ivan Krotov	Commercial Counsellor	U.S.S.R.	July 12, 1946	Royal commission report and statement in the House of Commons
13.	Vitali G. Pavlov	1st Secretary	U.S.S.R.	July 12, 1946	Royal commission report and statement in the House of Commons
14.	Maj. B.P. Sokolov	Staff (Commercial)	U.S.S.R.	July 12, 1946	Royal commission report and statement in the House of Commons
15.	Mrs. Sokolov	Wife of Maj. Sokolov	U.S.S.R.	July 12, 1946	Royal commission report and statement in the House of Commons
16.	A.M. Farafantov	Staff	U.S.S.R.	July 12, 1946	Royal commission report and statement in the House of Commons
17.	Lt. J.G. Levin(e)	Staff	U.S.S.R.	July 12, 1946	Royal commission report and statement in the House of Commons

At the time of the remaining 14 less formal expulsions the government determined that it would not be in the national interest to initiate publicity concerning them. Having reviewed these 14 additional cases the government abides by the earlier decisions not to disclose details of them.

3. In respect of six of the expulsions from Canada retaliatory action resulted in the expulsion of a Canadian official from our Embassy in the corresponding country.

IT&C—PUBLIC INFORMATION DIRECTORATE

Question No. 4,272—**Mr. MacKay:**

1. Did the Public Information Directorate of the Department of Industry, Trade and Commerce make purchases of goods and services from Robert Warren Productions during the fiscal year (a) 1979-80 (b) 1980-81 and, if so, what were all the purchases and service contracts, including the amounts involved?

2. Did Robert Warren Productions subsequently change its name to Calibre Communications Ltd.?

3. Did the directorate make purchases of goods and services from Calibre Communications Ltd. in the fiscal year (a) 1980-81 (b) 1981-82 and, if so, what were all the purchases and service contracts, including the amounts involved?

4. Was Mr. James York, an information officer with the directorate, the person referred to in an internal audit which warned of an "appearance of conflict of interest" in July, 1980, and, if so, was the fact that he is the brother of Mr. Robert Warren York, an executive of the two companies, the basis for this observation?

5. Did the deputy head of the department approve of continuing a commercial relationship with the two companies and, if so, on what date?

6. Did any relative of the director, Mr. Doug Fyfe, work for either company during the periods mentioned in Parts 1 and 3?

7. Was the following observation made in a draft report of an internal audit of the directorate: "The Audio-Visual Capital Assets inventory of PID was checked using an inventory listing provided by professional and administrative services branch (P&AS). Of 134 items listed, 24 could not be located. Another 28 items were found that were not on the inventory list. The missing items included many attractive pieces of equipment such as cameras, projectors, tape recorders and video cassette recorders. The 28 items not listed were missed by P&AS staff during their inventory count (early 1980) which was part of the implementation of the Capital Assets Inventory System. In addition, no items purchased since October, 1979 have been added to the inventory list. The inventory is stored in a haphazard manner located in many rooms, some locked, some not, on shelves, on the floor, etc. Audio-visual equipment is loaned to employees of PID and the department and to private sector contractors. The loan agreement form is often incomplete—serial numbers missing, due date rarely filled in, signature of the borrower often missing. The follow-up of loans is ad hoc, with little written evidence of any systematic follow-up system."?

8. Was the draft report presented to the director, Mr. Doug Fyfe, on July 29, 1980, or thereabouts and, if so (a) was there any criminal investigation (b) was any of the material mentioned in the report recovered?

9. (a) Which firm or firms benefited from the loans of equipment mentioned in the report (b) was this equipment all returned to the directorate (c) who authorized the "loans"?

10. What are the positions now held by Mr. Doug Fyfe and Mr. James York and do their latest appointments represent promotions from the time when the internal audit report was first presented?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Department of Industry, Trade and Commerce is concerned: 1. Yes.

(a) 1979-80

China Marketing Film Research	
Orientation for ITC	$ 6,150
Slide/sound presentation	2,600
Algiers Trade Fair—"Canada's Industrial Capabilities"	2,600
Shop Canadian A/V presentation production series	800
A/V catalogue material	850
Total	$13,000

(b) 1980-81

Upgrading of sound/slide	$ 1,200
ITC production library	
To supply project co-ordination and interview services re: China film project	1,856
To research, write and produce in video format, running time about 20 minutes COSTPRO TV Program	3,417
Total	$10,185

2. Yes. This change was effective January 21, 1981, and accompanied a move from single proprietorship to incorporation.

3. Yes.

(a) 1980-81

Shop Canadian Film Research & Development	$11,385.44
Mining Opportunities Conference	6,674.00
Opportunities in Mining	9,850.00
Total	$27,909.44

(b) 1981-82

PID Senior Management/ general PID promotional presentation	$ 7,815.40
APTA proposal development	5,203.75
PID promo show re-edited	825.00
New Products Bulletin	4,650.00
Opportunities in Mining	4,291.00
Interactive trade fair exhibit	10,681.25
Mining Opportunities Conference	23,573.00
Total	$57,039.40

4. Yes. Mr. James York was the individual cited in the draft internal audit report of September 25, 1980, and the fact that they were brothers was the basis for this observation.

5. Yes, on September 9, 1981.

6. No.

7. This is a quote from the draft internal audit report of September 25, 1980. Subsequently, a thorough internal follow-up was carried out.

8. No, the "Scope of the Audit", outlining the areas the audit would cover, was presented to Mr. Fyfe on July 29, 1980. He received the draft internal audit report on September 25, 1980. (a) The department thoroughly investigated the situation and found no grounds for criminal investigation. (b) Yes.

9. (a) The following firms borrowed the equipment cited in the draft internal audit report:

Robert Warren Productions	HJM Communications
Mobile Video Tape Presentations (M.V.T.)	Ervin G. Copestake
Image Projections Limited	Calibre Communications Limited
Andre Skalde Photographer	Village Audio Visual Limited
Eduvision Inc.	RPT National Video
Skyline Cablevision Limited	Green Audio Visual Resources
Canadian Labour Congress	Buckingham Cablevision
Alpha Productions & Electronics	G.R.F. Limited
Information Directors Association	R.H.B. Productions
National Video Specialities Inc.	Les Productions Richard Rebesco enr.

(b) The equipment loaned to these firms was returned.

(c) Mr. York was responsible for the equipment. Authority for authorizing individual loans rested with Mr. York and four subordinates.

10. When the draft internal audit report was presented on September 25, 1980, Mr. Fyfe's substantive level was IS-6. He was however, receiving acting pay for performing duties at a higher level and was confirmed as an SX-1, Director Public Information on February 16, 1981. This represented a promotion. Since that time his title has changed to Director General, and as a result of the Treasury Board senior management conversion program he has become an EX-2. Since March 1,

1982, Mr. York has had an interim assignment as an IS-5, acting manager, visuals and advertising unit, Public Information Directorate. His substantive level (GT-6) remains unchanged from what it was on September 25, 1980, when the draft internal audit report was issued.

[*English*]

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

[*Translation*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

* * *

[*English*]

MOTIONS FOR PAPERS

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Madam Speaker: Shall the notices of motions for the production of papers stand?

Some hon. Members: Agreed.

Mr. Jim Fulton (Skeena): Madam Speaker, I wonder if the Parliamentary Secretary to the President of the Privy Council could refer to Motions for the Production of Papers Nos. 62, 63 and 64, which have been on the Order Paper since June 19, 1981. The minister responsible for releasing those papers said in an interview this past week that they would be released this week. Since this is the last sitting day of the House this week, could the parliamentary secretary give us an idea as to when these papers will be put before the House, or is the Minister of Fisheries and Oceans (Mr. LeBlanc) in error when he said that they would be released this week?

Mr. Smith: Madam Speaker, I am not in a position to answer the hon. member's question but I will take the matter up with the minister concerned.

GOVERNMENT ORDERS

[*English*]

CANADA PORTS CORPORATION ACT

MEASURE TO AMEND

The House resumed from Tuesday, June 22, 1982, consideration of the motion of Mr. Pepin that Bill C-92, an act to amend the National Harbours Board Act, the Government Harbours and Piers Act, the Harbour Commissions Act, the Canada Shipping Act and the Fishing and Recreational Harbours Act, be read a second time and referred to the Standing Committee on Transport.

Mr. Howard Crosby (Halifax West): Madam Speaker, our purpose today is to resume debate of Bill C-92, which began on June 14, 1982, and continued on June 22. Before I do so, I would like, with your indulgence, to respond to a remark made in the House a few moments ago by the President of the Privy Council (Mr. Pinard) with respect to the designation of the national holiday as Canada Day. He had occasion to refer specifically to me. I want him and other members on that side of the House to know that what is at stake in the celebration of this national holiday is not the name of the day, be it Canada Day, Dominion Day or Confederation Day, but the spirit Canadians demonstrate on that day, as well as the sense of oneness they have. That sense is not developed or helped by the President of the Privy Council when he makes those kinds of remarks in the House of Commons. Just let me add this warning to him; that if he is to show any maturity and judgment as the conductor of House business, he ought not to make such remarks that are designed and calculated to stir up resentement among people across Canada at a time when we should be bringing those people together in a common purpose.

Let me review some of the remarks I made on June 22 respecting Bill C-92. I said that members of the House ought to examine the new legislation with a critical eye but with an open mind. If the new provisions establish a sensible and sound national ports policy and an efficient and effective organization structure to implement that policy, then the cause of the Canadian maritime transport industry will be substantially advanced. However, the marine transport industry in Canada and internationally will have to bear the burden in the future of any legislative mistakes that are made now. Therefore, we must examine and assess Bill C-92 with great care.

In mentioning the Canadian marine transport industry, allow me for a moment to reflect upon the contributions made by my colleague from Nova Scotia, the hon. member for Dartmouth-Halifax East (Mr. Forrestall). In 17 years of service in the Parliament of Canada, the hon. member has continued to advance the cause and interests of the marine transportation industry. That interest is evidenced in this bill and in predecessor bills in the formation of which he had a great hand. On behalf of the people in the port of Halifax, the Province of Nova Scotia and indeed those across Canada who are interested in marine transportation, I want to make it clear that we appreciate the contribution he has made to that industry in the bill which is before us now.

In my remarks on June 22 I reviewed the operation of the National Harbours Board as it functions today. I said that the board has already implemented an internal decentralization program with respect to its personnel and control of operations. The board has been more than aggressive, in some cases regressive, in its cost-recovery program. The result is a net income of $59.8 million in 1981, an increase of $42.5 million over 1980.

However, much of that increase relates to the generous debt forgiveness afforded the National Harbours Board by the Government of Canada, of approximately $500 million. Let us not give too much credit to the Minister of Transport (Mr. Pepin) and the National Harbours Board. We know that similar refinancings have bailed out the Canadian National Railways and the St. Lawrence Seaway in the past. Let me underline my comments that the eastern Canadian ports of Halifax, Saint John, Quebec City and Montreal are in severe competition and that the National Harbours Board is perceived to favour the Quebec ports because almost half of that $470 million in debt write-offs, or $231 million, relates to the port of Montreal. Only $30 million was allocated to the port of Halifax, which is only about 8 per cent of that total amount. Therefore, Your Honour can see why suspicions of favouritism in the administration of the National Harbours Board policy are rampant on the east coast. When one considers the allegations of sweetheart deals approved by the National Harbours Board to assist and advance the cause of the Cast group in the port of Montreal and the help given to the Canadian Pacific group to provide facilities in Montreal to lure Dart Container Lines from the port of Halifax, one quickly realizes why Nova Scotians watch this federal government agency with a wary eye. But now the question is, what are the hopes and expectations for the future? Will this new national ports legislation achieve those hopes and fulfil those expectations?

• (1530)

Let me now deal with the port of Halifax and how it may be affected by this legislation. I hasten to add that Halifax, along with Saint John, Quebec, Montreal and Vancouver, is regarded by Charles N. Forward as one of Canada's five great seaports. He described the port of Halifax in an excellent article in the "Urban History Review" as a "magnificent natural harbour." The harbour is immense in size, has a great depth of 50 feet very near the shore, is ice-free and has a very low tidal range of under three feet. The harbour and the adjacent Bedford basin easily accommodated immense convoys during World War II. Therefore, very clearly, the port of Halifax is both Canada's gateway and its guardian.

Let me consider the port of Halifax in the current economic context. I have already indicated that on the one hand, it is in fierce competition with the port of Saint John for cargo destined for the east coast of Canada and, on the other hand, it is in severe and fierce competition with the port of Montreal and the port of Quebec for all eastern Canadian cargo. What has happened as a result of this competition in these depressing economic times is that the port of Halifax suffered a downturn in 1980 and 1981 in the amount of cargo handled over the years. In 1981 it had a gross registered tonnage through the port of 21,417,000, which was a slight increase over the previous year. But, taking into consideration other, more effective aspects of the total cargo, it had a substantial decrease. For example, container traffic was down 8 per cent, to 1,785,000 tonnes.

The downturn in the economy has contributed to the slight increase in traffic compared to the port of Montreal, but what is more important are the difficulties which have been experienced in the port of Halifax because of the existing competition and the favouritism which has been shown toward the port of Montreal. Specifically, let me refer to the loss of Dart Container Lines. Dart Container Lines accounted for approximately one third of the container traffic through the port of Halifax and, in turn, accounted for a substantial amount of the total cargo through the port of Halifax. In 1981, it moved its operations to the port of Montreal as the result of an arrangement with the Canadian Pacific group. The loss of Dart was a tremendous blow and caused a disadvantage to the port of Halifax. It has left the container facilities in the port of Halifax substantially unused.

The Fairview Cove container terminal which came on stream during 1981 is experiencing some difficulties, but the fact that it is utilized by the Polish Ocean Lines leads to some hope for the future. There is also hope that other lines can be attracted to the port of Halifax at both the Halterm container terminal and the Fairview Cove container terminal and that this very important segment of cargo can be substantially increased in the years ahead.

Mr. Speaker, very much a part of the national ports legislation is the capacity and capability of a national port to achieve self-sufficiency. In the last full year, which was 1981, the port of Halifax managed to reduce its deficit by some $4 million, so that with respect to its operation during the year, it has accomplished self-sufficiency. It really deserves the status of a national port on the basis of self-sufficiency, that is to say, return of revenue from its operations. I will deal with the other aspects of the national ports determination later. But let me consider the application of the national ports policy contained in Bill C-92 in more general terms.

I want to deal with that national ports policy in the context of the national transportation policy as that policy is enacted by the National Transportation Act. The national ports policy is contained in Clause 2 of the bill, which would enact a new Section 3 of the act. Clause 2 states:

"3. (1) It is hereby declared that the objective of the national ports policy for Canada is to create a port system that

(a) is an effective instrument of support for the achievement of Canadian international trade objectives and of national, regional and local economic and social objectives;

Also as part of that national ports policy, it will be declared in the new section of the act that the ports be efficient, provide access and equal treatment for the movement of goods and, in addition, that local port corporations have a high degree of autonomy. If one reviews that enunciation of the national ports policy in the context of the total national transportation policy, one will find that the national transportation policy involves:

—an economic, efficient and adequate transportation system making the best use of all available modes of transportation at the lowest total cost . . . to protect the interests of users of transportation—

I put those words on the record simply to demonstrate that there is an element of rhetoric in these statements of policy, whether in the national ports policy or in the national transportation policy. It is very difficult to look at the words as they are enshrined in statutory provisions and determine from those

words what will take place in the future, both with respect to the operation of our national ports and with respect to the operation of our national transportation system. Therefore, when we refer to policy in terms of the statutory words used, we must recognize and realize that we are only referring to an academic matter. We are not discussing the reality or what the system will be when it is implemented. Therefore, it is a matter of placing faith in the agencies, in the branches and in the departments of government which administer these policies.

I must say that Canadians have very little basis for placing much faith in the agencies and departments of the Government of Canada from their experiences with those agencies and departments over the past two or three years since this government took office. They have not provided any economic impetus or stimulus to Canadians or to Canadian industry, whether involving the transportation industry, the automobile industry or any other industry. I want to underline that point simply by saying, in conclusion, that while we may establish a statement with respect to a national ports policy, or while we may make a statement with respect to national transportaton policy, that statement is useless and meaningless unless it is given full and proper implementation by a concerned and knowledgeable government department or agency.

The other major thrust of Bill C-92, as I have indicated, is the new corporate structure which will be utilized in the administration of our national ports system. The major features of that structure, as the Minister of Transport (Mr. Pepin) pointed out in his address during the second reading of Bill C-92, involved a maxi-corporation to replace the current National Harbours Board and a series of mini-corporations which will operate the specific national ports to which the legislation will be applied.

• (1540)

I have already dealt with the National Harbours Board. I want to point out and underline to members of the House and interested persons across Canada that there may be no substantial difference in the establishment of a new Canada Port Corporation if it simply carries on with the same attitudes, policies and philosophies of the National Harbours Board as it now exists.

There is an indication in the legislation that there may be substantial differences between the Canada Ports Corporation and the National Harbours Board. Specifically, the Canada Ports Corporation will have a board of directors. If that board simply functions as the membership of the National Harbours Board has in the past, there will be no real benefit.

This is not the first time the Government of Canada has come forward with legislation in the House which changes the status of an existing service or agency and promotes or changes it into another kind of corporation. We saw that in the Canada postal service which evolved into the Canada Post Corporation. I feel safe in saying that to date users of that service have not noticed any substantial difference in the service they are receiving. People have not noticed any substantial difference in the attitude of the persons involved in that service. Maybe those changes will come. We should give the Canada Post Corporation time to effect those changes. However, it serves to underline the fact that merely changing the name or the corporate structure changes nothing unless you change the personnel involved and their attitude toward the performance of their service.

The Canada Ports Corporation will continue to be operated as a national agency. It will continue to be controlled by the Government of Canada. It will continue to be based in central Canada, and probably will continue to have many of the same personnel and players who were involved before. In that respect, the members may ask whether there will be any susbtantial change.

The Minister of Transport assured us of one thing. The chairman of the National Harbours Board, Pierre Franche, will not be staying in that post. With all due respect to him, that may be the most promising sign of this new legislation, that we will get a new look and a new face on this national organization. I do not have to tell Mr. Franche that he is not the most popular person in eastern Canada. He goes there from time to time and hears complaints, but only rarely does he make those visits.

Mr. Pepin: A very good man.

Mr. Crosby: Let me talk briefly about the mini-corporations. As I understand it, there are 15 ports which will qualify for this mini-corporation status as local port corporations. The requirements are that the ports have regional and national significance, that they demonstrate local interest in the port and that they have the capacity and capability to become self-sufficient. Those are sensible criteria for the establishment of a national port. I have no doubt that the ports in which I have a special interest, the port of Halifax and the port of Saint John in the neighbouring province of New Brunswick, will qualify quite easily.

What really is at the heart of this kind of legislative provision is the people who will operate the corporation. That is where I have great concern for this legislation. First, with respect to the port authorities that are now in place in our national ports, the port of Halifax and the port of Saint John, the minister has never undertaken to permit labour representation on the local port authority. Anybody who is familiar with the operation of a port knows what a vital role labour plays in the operation, and knows that without the co-operation of a capable labour force, the port simply will not function.

How the Minister of Transport, through or with the concurrence of the National Harbours Board, can construct a local port authority that does not have labour representation is beyond my belief. The minister must know that I have requested time and again that organized labour in the form of the International Longshoremen's Association or one of the other unions involved with the waterfront be represented on the port authority for the port of Halifax. My request has gone begging.

I have to say that if there is not going to be any change in that attitude and if there is to be no recognition of the role that

labour plays and no change in policy with respect to appointments to the boards of local corporations, I do not anticipate or expect much to flow from this legislation. We have to face the fact that this legislation will simply provide another vehicle to which members and supporters of the Liberal Party can be appointed.

I hate to say it in the presence of the Minister of Transport, who has been so reasonable on other matters, but on our port authority for the port of Halifax we have not one, but two, defeated Liberal candidates. The minister has been broad-minded. He appointed one person who was defeated in a provincial election and one person who was defeated in a national election. In that sense he has both local and national representation. He is not dealing solely with national Liberals or provincial Liberals. He has taken one of each and put them on the port authority.

I hope the minister does not intend to put them on the board of directors of any local corporation that may be established for the port of Halifax. If he does that, that local corporation, as the manager of the port of Halifax, will lose all credibility and this legislation, it if is ever passed, will come crashing to the ground.

With that warning, I say to the minister that basically the concept is good. If he can resist the demands of his supporters and friends in the Liberal Party of Canada, and, in the case of the port of Halifax, of Nova Scotia, and appoint persons who really have the qualifications, the bill can be successful. As I said, it could be a forward step in the marine transportation industry.

I have to say in specific terms that the qualifications listed in this statute for appointment to the board of a local port corporation are in such general terms that I am afraid there will be the same patronage that existed in the past. The directors of local port corporations appointed by governor in council only need to have the experience and capacity required for discharging their function and will be representative of the regional and local populations and interested in management of the port. As I said, if that simply means you have to get Liberal supporters with local interests and Liberals supporters with national interests, the purpose and effect of the legislation may well fail.

Let me deal with one more specific aspect of Bill C-92, the provisions that relate to revenue, both the use of revenue and such matters as borrowing for the ports. There is real concern that the Canada Ports Corporation will utilize those revenue provisions to get total control of the port system and use those revenue provisions to destroy the autonomy that is supposed to be given to national ports under the provisions of Bill C-92. Everybody knows that he or she who controls the purse strings controls the operation. If we simply go through the exercise of having elaborate statutory provisions and give the financial control completely to the central body, we will not have real autonomy. That is a matter we have to look at very carefully.

I want to speak very briefly about the public harbours aspect of Bill C-92. As we know, 500 public harbours across Canada are governed by the provisions of the Government Harbours and Piers Act. Those harbours will be brought within the framework of this Bill C-92 as part of the over-all national ports system.

• (1550)

Again, Mr. Speaker, if you will look at the technicalities of this, you will know that the small public harbours across Canada are really operated by the harbour master, and that the success of that operation depends upon the capacity and capability of that particular officer.

If he or she is knowledgeable and is able to contribute to the management of the harbour, then the harbour will be successful, providing effective and efficient service to the users. But again, if it is simply used as another tool for patronage for the Liberal Party—which it is, and I can document that with thousands of cases—then again the whole purpose of the exercise of this new legislative provision will be lost.

I will not dwell on this point Mr. Speaker. I hate to face the Minister of Transport with these realities of life because I am sure he is not involved in them himself personally. In my province of Nova Scotia, unless you are a member of the Liberal Party, you do not get to be a wharfinger unless you have this political connection. I want to stop that and stop it right now, because it is too dangerous. The ports are too important to the local economy, too important to the fishermen and to others in transport and users who are involved in that port activity, to allow it to be governed in that fashion. I hope that the minister will change that aspect of this operation.

Now I would like to speak for a moment in very general terms about the importance of a national ports system. As a resident of the Province of Nova Scotia and as the Member of Parliament for Halifax West, I fully appreciate the importance of the marine transportation industry. It provides thousands of vital jobs in the Halifax metropolitan area and in other parts of Nova Scotia, like Sydney. In Sydney there is a port that is capable of expansion and extensive growth. There is the Strait of Canso which has tremendous possibilities as a marine transport terminal. We regard marine transportation as vital to the future of Nova Scotia, particularly with respect to offshore development.

We want the system to work. I can speak for myself and I am sure I can speak for my colleague for Dartmouth-Halifax East and my colleague for Annapolis Valley-Hants (Mr. Nowlan), who is also our transportation critic and who is very interested in ports policy. We want to co-operate to ensure that we do have an effective national ports policy, that we have an effective national ports system. We are all willing to work constructively to this end. At the same time, the Minister of Transport and those who deal with him in the Department of Transport and in other aspects and other departments of government interested in transport, all have to work to change their ways. They have to work to implement, once established, an effective national ports policy.

This is one of those many things where, if we all work together—those in Parliament and those who are called upon

to administer the legislation that Parliament enacts—if all those elements work together, then we will achieve something for the benefit not only of the people of the port of Halifax, not only for the people of Nova Scotia, but for all Canadians.

Some hon. Members: Hear, hear!

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I rise to speak on Bill C-92, which deals with national harbours and ports. I want to begin by pointing out that there is only one member of the New Democratic Party in the House—and he is only partly in the House. It may give an indication of the level of interest of that party in this legislation. It is fortunate that it is their caucus representative who is on the Transport committee. I would like to begin by referring to the remarks that member made, the hon. member for Regina West (Mr. Benjamin), in the House, when he took issue with the speech made by my colleague for North Vancouver-Burnaby (Mr. Cook). The member for Regina West rose in his place to say:

> Mr. Speaker, I would like to ask the hon. gentleman who just concluded his remarks: where was he in the last two years in the Transport committee.

Then he went on to say:

> The guy has never shown up for a bloody meeting; he has never been there!

Those are not my remarks, those are the remarks of the erudite member for Regina West. It is not quite the kind of vocabularly I am used to using. Then he went on to say:

> My point of order was a simple question. Is the hon. gentleman going to start appearing at Transport committee meetings?

I would like to ask the member for Regina West whether you have to be consistently a member of the Transport committee in order to speak on the transport bill in the House. Or do you have to be a member of the health and welfare committee in order to speak on a health and welfare bill in the House? Do we have to pass a credentials layout from the member for Regina West before we have permission to speak in the House? I recall very well that just prior to the speech by my colleague, the hon. member for North Vancouver-Burnaby that his colleague for Vancouver East (Mrs. Mitchell) gave us a 40-minute speech in the House. I have just checked the record of the committee membership and I do not find her name on the list of members of the committee. Yet she gave us a 40-minute lecture most of which was a history of ports legislation and had very little to do with the content of the bill. Yet the member for Regina West has the audacity to lecture the rest of us on how and when we can speak in this House. I think that is offensive. It is certainly a little hard to speak to this particular bill because I do not think the minister who is in charge of this legislation has any long-term historical precise interest in this legislation. I do not say he has to design all of his interest to a specific area—except that if he is responsible for the legislation he had better give some attention to it. I think he would rather be reading the latest edition of the Pepin-Robarts report. That is fine.

Mr. Pepin: I am here listening to you now.

Mr. Friesen: Well, I know, but you are here listening to me because it is such a treat, not because you are so interested in the legislation.

Mr. Pepin: Oh, oh!

Mr. Friesen: It would be a help if the Minister of Transport (Mr. Pepin) had all of his intuitive attention riveted on transport issues rather than on other issues. It is a little difficult to deal with this legislation knowing full well that it is not the minister who designed the legislation, nor is it going to be the minister who will make the final disposition of the particular provisions within the legislation. It will be the senior bureaucrats in his department who will make or break all of the sections of this particular bill.

I came here almost eight years ago, Mr. Speaker, short of about two weeks. I remember very well my first election campaign because I was very concerned about the major installation in my constituency known as the Fraser River Harbour Commission. Because of my concern about the relationship of that commission port to my municipality—

Now, the minister is leaving. Here is his last chance for an education, and he is walking out.

Mr. Pepin: I will read it in *Hansard*.

Mr. Friesen: Because of my continuing interest in the relationship of the commission port to the municipality of Surrey, I took interest in it during that campaign. I asked questions, on the convening of the House, as soon as I was elected, regarding the status of that commission port. It has been an eight-year interest of mine regarding this ports legislation. So I would simply point out to the member for Regina West that even though I have not been a member of the Transport committee I do have a major installation in my constituency which is of concern to me, and I think that is enough of a ticket to allow me to speak in this House. So with his permission I will go on and address myself to the concerns I have.

An hon. Member: That is not enough.

Mr. Friesen: That is not enough? Well, I will go ahead anyway, with your indulgence. Mr. Speaker, it bothers me that the legislation before us has gone through several mutations in the past eight or ten years. It began with the Scott report about eight years ago, for which we waited months and literally years. Then we had three of four bills tabled in the House before we could really get a full-fledged debate on this legislation. If a reorganization of the ports administration in Canada was so urgent, we should have done it a long time ago. Now that we have the legislation before us, it seems to me that the latest mutation this legislation has brought about is really not enough of an improvement over the past organization to make it desirable for the country.

• (1600)

I can understand the kind of DREE mentality that exists in the government regarding some of the ports in Canada. There

are ports which deserve to function and operate as federal ports because they are a service to their areas. They may not necessarily be profitable in a cash flow situation or on a balance sheet, but they do form a very valuable function for the entire country. For example the port of Churchill can operate only about two months of the year, yet it is an important link in the transportation system in our country. So I understand the DREE mentality the government has about some of the ports of Canada.

However, why, under the design of this legislation, should the government treat all of the harbours in Canada which are presently National Harbours Board ports, the same way? Why should there be a kind of super board in Ottawa which directs or has its fingers in the operations of all of the National Harbours Board ports and then have about 15 local harbour commissions which report and are actually controlled by that super board in Ottawa? If it is necessary because of socioeconomic reasons for the federal government to be involved in the administration of some ports because the economics are not right for a profit-making structure, I will grant that, but why should the federal government be controlling and manipulating those ports which are profit-making ports? Why should the port of Vancouver be subject to the designs, manipulations and directives of the super board in Ottawa? Surely if that is a viable port—and the volume within that port would seem to indicate that it should be—and surely if the expertise in management is there in Vancouver—and I think it is, after all the experience—it should be able to divest itself of the paternalism of the federal government.

The minister has come back in. I have tickled his fancy. He will correct me later on.

Mr. Pepin: The reason is that the port of Vancouver is of interest to other provinces, Alberta, Saskatchewan and so on. It is in Canada.

Mr. Friesen: The minister says the reason is that the port of Vancouver is of interest to B.C., Alberta and Saskatchewan. Isn't that wonderful?

Mr. Pepin: Yes.

Mr. Friesen: To all of Canada.

Mr. Pepin: That is what I said.

Mr. Friesen: Is it not wonderful to think that those interests will be served only if Ottawa looks after them? Will the managers of the port of Vancouver not look after the interests of Alberta and Saskatchewan? Oh, those poor people in the western provinces! Will the managers of the port of Vancouver not look after the rest of Canada? Only Ottawa thinks of all of Canada; isn't that wonderful? It warms the cockles of my heart—

Mr. Skelly: What heart, Benno?

Mr. Friesen: —to think of the great way the super board in Ottawa will look after all of Canada, but those people in British Columbia who manage that port at Vancouver are not very loyal Canadians and will not look after the rest of Canada! I think those British Columbians have a right to feel insulted by that kind of an inference.

I say to the minister that paternalism may have its place, but only in those areas where ports are not in a position to be independent. Paternalism has its place, but where ports can be independent, why should Ottawa control them, manipulate them and, in effect, strangle them? Why, under the provisions of this legislation, should the Vancouver port have to have its budget and operations ratified by Ottawa? If it makes money, why should it divest itself of its profits by sending them to Ottawa, as the provisions of this bill indicate?

Mr. Pepin: No, you are wrong.

Mr. Friesen: That is a concern I have.

Mr. Pepin: You are wrong.

Mr. Friesen: This is a Vancouver problem, and I know my colleagues who represent the harbour area of Vancouver will look after it. Those colleagues are the hon. member for Richmond-South Delta (Mr. Siddon), the hon. member for Capilano (Mr. Huntington) and the hon. member for North Vancouver-Burnaby. They will look after that matter both here and in committee, but I want to address myself to the concerns I have about the Fraser River Harbour Commission. It happens to be a very well-run operation. It is very well managed. In 1972 it had a net income of $626,836; in 1973 it had a net income of $1,265,005; in 1974, $1,466,616. The profits grew until 1981, when the Fraser River Harbour Commission had a net income of $5,158,755. I take my hat off to the managers of that operation. They are making money, and they are making money because the port is a commission port. That is one of the big reasons. The minister shakes his head. He will not give credit to Chris Brown, his Liberal friend, who operates that port.

Mr. Pepin: That is not what I said.

Mr. Friesen: It happens that Chris Brown is the chairman of the board there. He is a defeated Liberal candidate.

Mr. Siddon: He couldn't get into the Senate.

Mr. Friesen: He happens to be a very sharp businessman and is making money. I would like to give credit to him and the port manager, Mr. Rick Pearson, for doing a good job in spite of the fact that Mr. Brown is a Liberal. He is a very lonely man. However, they are managing the port well. The port is showing a profit because they do not have to have all their actions approved by Ottawa. They can act independently. They can borrow money and invest it. They can buy without having to turn the profits back to Ottawa. These people can plan; that is healthy, and I think the model of the harbour commission ought to be the model for other ports in Canada.

However, there is one aspect of a commission port that bothers me, and that is principally the reason I am speaking

today. One of the reasons the profit picture is as good as it is, is that commission ports do not pay taxes or grants in lieu of taxes. That bothers me. I have talked to the chairman about that on numerous occasions. I have written to the minister, and the response I have received is basically bureaucratic. I know that will not change under this type of administration because that is the mentality that exists.

The one reason the administrators within the harbours section of the Ministry of Transport give for not having a commission port pay grants in lieu of taxes or taxes is that there is such a great socio-economic benefit to the community because the port is there. I admit there is. There are jobs for many stevedores. There are warehousing jobs. There are many transport jobs. There is a great socio-economic benefit to the municipality and the municipalities surrounding that commission port. Nobody denies that. Considering the amount of cash flow this commission port is generating, there has to be a lot of residual benefit to the life of that community. However, if that is true for the commission port, is it not true for Bapco Paints which is just a few miles away? Is it not true for Capital Plastics which is just a few miles away? Is it not true for the Hawker Siddeley plant which is just a few miles away? If it is true that a commission port generates socio-economic benefits to the community, surely the owner or manager of every other industry in the area would argue the same thing. Does the manager of the Bapco plant not think that the fact that he is providing jobs and payrolls to the people at his plant is of general benefit to the entire municipality? It is a specious argument on the part of the bureaucrats within the Ministry of Transport. They should not be allowed to get away with it. I object strongly to that.

Furthermore, it bothers me that when a port can make as much as $5 million in net income in one year, that that gives it an unfair competitive advantage over all other modes of transportation in the area. I think it is a truism that marine transport is the cheapest way to transport goods. It is a lot cheaper than rail or truck transport, so they have a competitive edge already. The very fact that the local truck transport depot or the railway has to pay either taxes or grants in lieu of taxes over and above the normal costs of operation puts the commission port at a distinct competitive advantage, and I do not think that is fair. Why should the commission port get a $1-million tax break, or whatever it is, when all other transport facilities have to pay the whole bill? The fact that the marine facility is not paying taxes or grants in lieu of taxes means that the tax burden for all other residents of the community has been increased. I do not think that is right or fair, and furthermore I do not think the bureaucrats within the department understand that particular problem. I do not mind if there is a port which exists only because of the socio-economic benefits it provides to its area. I do not mind if they do not pay taxes or grants in lieu of taxes as long as the federal government will make it up to that particular community. But here we have a kind of double-barrelled offence; here is a port which makes money and does not pay and the government will not pay, and the municipality has to carry the load.

• (1610)

By all that is fair and right I ask the Minister of Transort (Mr. Pepin) to take note of this representation, even though all the others I have made have been ignored, and correct this injustice which is being perpetrated on the residents of Surrey municipality as a result of the installation known as the Fraser River Harbour Commission.

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, I too appreciate the opportunity to speak on Bill C-92 which would envisage replacing the NHB, established by act of Parliament in 1936, with a super Crown corporation headquartered in Ottawa. In turn, it would be responsible for a number of subsidiary Crown corporations established as the need occurs to manage the financial and business affairs of various ports across Canada. I have to address this matter in light of my experience as a western Canadian, but also as a member representing a riding with rivers on two sides and the ocean on another. Therefore, in my riding there are two harbour commissions with jurisdiction over the north and south arms of the Fraser River, as well as the National Harbours Board being responsible for the major coal port facility of Roberts Bank, just off Tsawwassen. So I have some perception and views on the way in which the commissions have managed their affairs on the north and south arms of the Fraser River, as well as the board's management of the Roberts Bank super port.

Before I get into that, Mr. Speaker, I would just like to deal with the somewhat larger question of the development of west coast ports in general, especially the new coal and grain facilities at Prince Rupert, British Columbia, which come under the jurisdiction of the NHB and which represent a considerable amount of activity and a major investment by the grain consortium and federal and provincial governments. As an example of some of my concerns over Bill C-92 I would like to illustrate some of the problems we have already encountered with the development of Ridley Island. I would suggest that the passage of this bill would not in any way alleviate those problems and it would not have prevented them from occurring. I was in Prince Rupert on Saturday and talked to a number of individuals there. I had a tour of the facilities under development on Ridley Island. For example, I was made aware of a problem with a water line. The new coal port is going ahead great guns; they have cleared the site and are putting in pilings in preparation for the arrival of coal handling equipment from Japan. They have in fact been designing for a year or two a major water supply for the coal terminal. They are doing that, Mr. Speaker, in the usual federal manner, according to goldplated standards devised by government consultants and scrutineered by port officials in Prince Rupert. But ultimately this is subject to a final decision here in Ottawa. All of this goes on, of course, without reference to Parliament or the standing committee, except by hindsight.

We have discovered, Mr. Speaker, that the water line, to be provided at a cost well in excess of $1 million, is to be supplied

by surplus water available at a pulp mill nearby. We discovered recently that the mill does not really want to relinquish that water, but the work has advanced to the point that the situation is irreversible. Yet we learn that no one up there had the wisdom to consult the nearby community of Port Edward which, because of the closure of the B.C. Packers fish packing plant, has discovered that their municipal water supply is far in excess of their requirements. In fact, that municipality has proposed the possibility of providing a ten-inch water line which would fully supply the needs of the grain terminal as well as the coal port for a figure of $300,000 or less. It is just astonishing, Mr. Speaker, that there was not the kind of local representation on the board up there to the extent that they might have anticipated an available water supply from a nearby community. In fact, that community provided a ten-inch water line in the last two or three months to Ridley Island to supply the new grain terminal, at a cost of around $300,000. This at a time when we still do not have the other line under construction. It is going to cost more than $1 million. Its capacity will be roughly the same, and the water is to be drawn from a pulp mill that really did not want to give up the water in any event. There is a total lack of appreciation for local realities when we have consultants from Vancouver and officials and administrators in Ottawa who make these final decisions. We then wonder why the cost of the terminal development rises astronomically from an original estimate of $20 million or $30 million to something approaching now $120 million to $150 million in order to develop the Ridley terminal complex. It is because of this kind of stupidity and the lack of local representation from members of local councils, trade unions, the provincial government, and especially experts in the industry there who should have known and anticipated that this problem would develop. We build these things to gold-plated standards, designed by people in Ottawa and their highly paid consultants who are generally good supporters of the Liberal Party, without any regard for the important economy that might be achieved if we used a little common sense and asked the opinion of the people at the ground level. This applies both at Prince Rupert and Vancouver with regard to the development of the waterfront and with respect to the expansion of the Roberts Bank superport.

● (1620)

If we recall what happened a couple of years ago, we would understand how the development of Roberts Bank proceeded. The manager of the port decided he wanted to expand Roberts Bank to five times its original acreage, without considering the other available port capacity along the north shore of Burrard Inlet; a subject upon which my colleague, the hon. member for North Vancouver-Burnaby (Mr. Cook) and my colleague, the hon. member for Capilano (Mr. Huntington) had some very strong opinions. The port expansion at Roberts Bank was envisaged and created by bureaucrats, approved by experts here in Ottawa without a full appreciation of the impact it would have on the competitive port situation with regard to other existing port facilities which in some cases might well have been expanded.

Getting back to Ridley Island for a moment, we have to ask ourselves also who in their right mind and what kind of logic leads to a situation where of the some $40 million, which has been allocated to the development of the coal port, $30 million of which has already been spent offshore, and that is money allocated in the present year's estimates to the Minister of Transport (Mr. Pepin). This $30 million has been spent offshore in Japan by awarding a bid to a Japanese company which is somehow tied in to Mitsubishi, one of the companies that are purchasing the coal, and to another related Japanese company which is one of the minority shareholders in the coal fields in northeastern British Columbia, for steel piling pipe.

In both cases, we have had extreme difficulty obtaining disclosure from the minister as to the basis on which those bids were let; as to the extent to which competitive Canadian bidders were given fair consideration in the light of the different tax structures in Canada and in Japan; in light of the different tariff situations and the availibility of low interest money in Japan compared to much higher interest capital available to Canadian suppliers such as Stephens-Adamson.

What I am getting at is that under the present structure the NHB is not very accountable to this House in terms of ensuring, in its purchasing policies and in its engineering decisions, that it is getting the best value for money. That is in spite of the fact the National Harbours Board is presently accountable to Parliament through the Minister of Transport. That leads me to ask what will happen when we take that accountability away from the minister. We have heard all kinds of comments in this House in recent times that Crown corporations are there to serve in the national interest, but as they are in competition with private enterprise, they are to operate at arm's length from the minister's control. By allowing that arm's length provision these Crown corporations can often get away with blue murder. We have seen it happen. We are told these Crown corporations operate in the public interest by taking advantage of profits in good times and using them to tide the corporations through the tough times, or taking the profits from one region and using them to help out another region. I would say that all of this has built some abnormal distortions into the system in terms of suppressing the incentive of locally interested Crown corporations to improve their profit picture. Another problem has been that profits have never materialized. In the good years, Crown corporations such as Air Canada, CNR and others, have decided to reflect their profits in what they pay to their employees and what they do in terms of reinvestment and expansion of their systems. The same is true of the Freshwater Fish Marketing Corporation. I cannot mention the CBC because it never makes any profits. But these Crown corporations have never had a history of establishing a cushion or a reserve fund to tide them through the difficult periods. Now we learn, as we did a month or so ago, when the president of Air Canada came before the Standing Committee on Transport, that Air Canada—which reported bright, rosy profits last year—is in severe economic trouble. There is a suggestion that Air Canada may well be coming back to the House to get a recharge of its batteries.

We heard to our astonishment the other day, from Mr. LeClair, president of the CNR, that the flagstaff of the Canadian rail transport system is in severe financial difficulty to the tune of several millions of dollars—in fact, approaching hundreds of millions of dollars. Yet, two years ago we heard under the previous presidency that the CNR was a picture, a model, of a government-run Crown corporation that could outcompete the private sector. That president has quit now. The vice-president is now running things at CNR, and he tells us that the corporation is in a shambles. The CNR is in severe financial difficulty because of the impact of the negative economic situation on mining, on forestry, on manufacturing. As a result the railway is not being called upon to ship goods in the same quantities. We are now into the difficult period when surplus funds should be used to provide a cushion. But what did the president of CNR tell us when he came before the standing committee a week or two ago? He said that it looked as it the corporation would have to come back to the Government of Canada for refinancing if the situation does not improve soon.

Crown corporations have never proved their efficiency in terms of delivering value for money to the people of Canada.

I see the minister who was responsible for Canada Post is in the House. He knows full well that the creation of the Canada Post Corporation under the presidency of Michael Warren was just another dodge to get the government off the hook because it did not have the political courage to raise the price of a postage stamp. The government put Canada Post under the jurisdiction of a Crown corporation with the premise—provided monopoly powers were guaranteed, a question upon which we had a considerable debate a year or so ago—that suddenly a whole new streamlined and efficient postal corporation would be created. Whoever decided to increase the price of a postage stamp to 30 cents did not predict the impact that would have on the usage of the system. We might well find that in spite of the increase in revenue for a piece of mail, that Canada Post Corporation cannot possibly eliminate the deficit that Mr. Warren set out to eliminate.

Crown corporations, while they do serve certain national objectives and they have their positive features, have far too often been used by slippery politicians to get rid of a problem they have not had the courage to solve here in the House of Commons.

It is high time that we looked carefully at our record of creating new Crown corporations. We now have close to 500 Crown corporations in this country. I estimate that this bill creating a super parent corporation and all its subsidiary corporations will lead to another dozen or so Crown corporations that will be added to that list. All of these are without regard to certain criteria which would govern and limit the powers and responsibilities of Crown corporations.

• (1630)

I was really interested last night when I listened to the hon. member for Vancouver East (Mrs. Mitchell) speak about her party's position in relation to Bill C-92. She suggested that we should get on with this bill, get it to committee, and that it was better than what we had at present. Then she began to reel off all the things she did not like about it, to the extent that one could not decipher from her speech what was positive or constructive about the bill or what improvements in fact would be made.

I for one believe—I do not know what will happen in committee when amendments are brought forward—that the Crown corporation to be created will lead to a situation which is worse than the present one. I should like to give some of the reasons for saying that. We on this side of the House have been arguing for a Crown corporations bill that would set out the terms of reference and the specific conditions under which Crown corporations would be established in future and would apply to existing Crown corporations. One criterion was to ensure that there was accountability to Parliament. This proposed port structure set out in Bill C-92 does not provide for accountability to Parliament any more than any other Crown corporation. The present National Harbours Board is accountable, through the Minister of Transport, as are the harbour commissions. We have to pass their estimates. We can scrutinize their financial records. We have seen how difficult it is to get information on Crown corporations through ministers. Sure, they say that they come annually with a report to the standing committee, but we remember Mr. Ediger, the president of Uranium Canada, who was called before the committee last December to explain why Eldorado Nuclear had decided to shut down Uranium City. I overheard he and the minister at the head table deciding that they should not answer any questions. I heard the minister turn to Mr. Ediger and say, "You do not have to answer those questions". Obviously not, because Crown corporations are at arm's length and they are not accountable to the House. This makes a travesty of the situation in terms of the countless abuses we see.

In the case of Uranium Canada which is being argued before the courts, we have heard the Crown attorneys argue that Crown corporations should be immune from prosecution, that they are above the law. As I understand the decision which was taken, indeed that is the case. They do not have to abide by the same laws and regulations as private sector corporations. Why do we want to create a whole series of new Crown corporations now and make them responsible for the management of our ports? They are not accountable to the law. They are not accountable to Parliament. There are no sunset provisions to ensure that when those Crown corporations have outlived their usefulness, they will be eliminated. There is no initiative taken by government to bring in a Crown corporations bill to ensure that that is the case. There is no clear-cut management structure. There is no requirement that people who are appointed to the boards of Crown corporations by order in council should be properly accredited professional people. No, in fact not. These boards are generally comprised of defeated Liberal candidates and other good friends of the Liberal Party.

In terms of the role of Crown corporations, we have not seen a definition of the different types of Crown corporations. For

example, would that corporation be entitled or not to a monopoly in a particular area of trade? Is its role to provide a window on industry? If it is to provide a window on industry, as Petro-Canada was established to do, how do we obtain a record of how that window is being kept and how it is reported to Parliament? What useful things are we learning by that initiative?

What about Crown corporations which are developed to help a small company get ahead, such as in the case of the myriad of subcorporations under the Canada Development Corporation? In the beginning we were told that the initial government interest would be reduced to 10 per cent over a period of time, that the corporation would be used to help companies become profitable and then the government would get out. We all know that once the companies become profitable the government decides to stay in because it has described that that is the only way to help offset the deficits of further Crown corporations which are not particularly efficient in most cases.

What about local autonomy? Should a Crown Corporations bill not decide in which cases Crown corporations should have not merely titular or advisory representation at the local level but at what point they should have decisive authority at the local level? I believe that should be the case with harbour commissions and the harbour board management structure. As the hon. member for Surrey-White Rock-North Delta (Mr. Friesen) pointed out, there is no reason for having this super corporation umbrella structure administered from Ottawa. If these corporations are supposed to operate at arm's length from the minister and from Parliament, then why has the government not had the courage to establish a bunch of regional Crown corporations to manage the ports with a high degree of local autonomy? I would like to hear the minister's answer to that. Of course, he prefers to maintain control, particularly control over budgets and over information which may or may not be passed on to Parliament. There is also the other aspect that Crown corporations have been widely used by the Liberal Party to reward its friends.

I should like to return to the Ridley Island terminal for a moment to illustrate some of my concerns as to why we need a Crown corporations bill. We have a bad enough situation in the way the Ridley terminal corporation was established. The federal government kicked in 90 per cent of the money. Ten per cent was kicked in by Federal Commerce and Navigation which was owned and operated out of Montreal by a fellow named Laddi Pathy, as well as the principals of the company. It is tied in with Paul Martin steamship interests and the like. When it came time to select an operator for the Ridley Island terminal, where one might have considered the people who live in western Canada and understand the importance of Pacific rim trade and the nature of the unique port problems out there, the federal government did not even go out to tender.

Mr. Pepin: We did.

Mr. Siddon: It did not even seek proposals from alternative proponents who might well have wanted to manage the port.

Mr. Pepin: You are wrong. How can you say that?

Mr. Siddon: Well, the minister can challenge me and tell me the truth.

Mr. Pepin: There was a bid.

Mr. Siddon: The information I have is that the National Harbours Board did not invite tenders on the management of the port. It was awarded to Federal Commerce and Navigation.

Mr. Pepin: You are wrong.

Mr. Siddon: The minister can deny it if he wishes, but I want to know why we have to have the port run by principals from Montreal who get a free ride to the tune of 90 per cent of the investment capital and decide to buy equipment from Japan which could have been provided from Canadian sources. I think that makes a very good case for the danger of entrusting such things into the hands of boards of Crown corporations which are not elected and are not representative of local municipalities, local shipping interests or local union interests. They are selected and appointed on the recommendation of the Minister of Transport, so that they become an instrument of political influence and little else.

I think all these aspects have to be reflected in a Crown corporations bill which sets out management structure and clear-cut limits to ministerial discretion and to the wide open windows and doors that give the minister untold latitude in the area of ministerial discretion.

What is the government afraid of? Why does it not write these limits into the present bill, unless it appreciates and approves the present situation which lends itself principally to political patronage? Will these corporations pay taxes? Will grants in lieu of taxes, about which the hon. member for Surrey-White Rock-North Delta talked, for the use of municipal services on property which private businesses have to pay taxes on, be based upon the same formula by which other private businesses have to pay taxes to local authorities?

These are the kinds of things which should be set out in a Crown corporations bill before Parliament approves one more Crown corporation which will not enhance accountability to Parliament, which will not enhance financial management or the professionalism of the conduct of business affairs. In fact, it will reduce it.

For those reasons I find it very difficult to understand the position of the New Democratic party. Maybe it is not too difficult, maybe it is natural, because they are very anxious to get this bill through. The reason is that they and their friends in the Liberal Party love Crown corporations. Perhaps it may be for two different reasons, since the NDP favours Crown corporations because they believe in increased centralization of control and the elimination of opportunities for the private sector in the market, while the Liberal Party favours Crown corporations because it relieves them from making embarrassing political decisions—the price of a postage stamp, for instance—and it provides an opportunity for them to put some

of their failed candidates and friends into highly paid positions so they can ride in limousines, which many do, at taxpayers' expense.

• (1640)

Mr. Pepin: Why do you hate them?

Mr. Siddon: I do not hate them. I think there are some corporations that could well operate in the national interest. However, I do hate the kind of Crown corporation that the Freshwater Fish Marketing Corporation represents where one power boss named Peter Moss handles all the international marketing. He travels to Japan, New York and Europe to sell the fish. All the other concerns which were involved in that business have been wiped out. This includes the Co-operative Federation of Saskatchewan, the northern fishing communities and the companies that operate in those communities. Peter Moss is the one who operates the fishing industry. In the productive years he gives the fishermen the higher payment and in the poorer years when he has a hard time selling the inventory he trades it off by giving up fishing rights to foreign fleets. He is one man with a lot of power who rents himself an apartment in Ottawa and has a government expense account and unlimited travel assistance. He has the authority to make decisions that ought to be subject to political scrutiny. I think it is absolutely reprehensible and it is only one example of a political hack who gets into a position of power because he has the right friends.

Liberal members and members of the NDP in particular desire Crown corporations which centralize power, redistribute income and destroy the spirit of the private sector competitors. The NDP especially believes in political control and abhors individual success. Therefore, I suggest that the hon. member for Vancouver East and her colleagues on the left-hand side of the House stop pretending. They cannot have it both ways. She is not for local autonomy and her colleagues have never supported that. They want centralized authority and they want to see private companies being forced out of business so that the federal government can become increasingly involved in business.

Before we give open arms support for this piece of legislation we must carefully examine the structure of Crown corporations and the purpose for which they are being established. We have heard that the city of Vancouver would like to see speedy passage of this legislation. Mayor Mike Harcourt, who is a well-known member of the NDP, has said that he would like to see it pass quickly. Members of the NDP want to proceed quickly with this bill but we have not yet been told of one way in which this piece of legislation will improve upon the present situation. I do not see any identifiable improvements in this bill.

Three main virtues of this legislation have been cited. First, it will provide that officials at the local level can spend more than the $15,000 maximum which is presently provided for under the 1936 act. They will have another ceiling established by regulation. I point out, however, that there is no guarantee that the ceiling will be adequate in terms of the need in the port of Vancouver to purchase a new crane facility or drydock facility that is worth several million dollars. But the minister does not have the courage to include that ceiling in the legislation.

Mr. Pepin: It may change. I will give it to you in committee.

Mr. Siddon: There are always ways to accommodate change in a bill. While it is always possible to return to committee with new recommendations for changes either to the bill or a regulation, this minister has created a hollow shell with no indication as to how the ceilings will be established. Why should we in British Columbia trust the members of the government? They may say that they will bring the ceiling up to a practical limit which reflects the realities of west coast ports. But when we see what the government has done in Prince Rupert, who did it ask in British Columbia about the waterline to which I referred? The government said it would spend millions on that project. Who did it ask about the management of the port? Its friends in Montreal. Who did it ask about the contracts for the stacker-reclaimer and the steel power pipe and the car unloaders which are being purchased from Britain when it could have been purchases in Canada at a time when unemployment is growing? How can we trust the Minister of Transport and his colleagues suddenly to transfer a degree of local autonomy to our local port managers in British Columbia when our track record does not justify that faith? There is no evidence to suggest that the government will, in fact, proceed in good faith in this respect.

How does this bill improve upon the present situation? We have also been told that there will be a banking provision incorporated into the structure in which these new Crown corporations will operate. A Transport Canada brief dated February, 1982, on the Canada ports said:

> Any funds transferred from a local corporation to the parent corporation would be treated as if they were deposited in a bank, to earn interest and to be subject to withdrawal by the local port depositor when they are required.

That statement sounds very positive and someone like the mayor of Vancouver, or groups like the Vancouver board of trade or the shipping interests, might have read that paper and been convinced that the government would look after them because this banking provision would allow the port of Vancouver to utilize some of its surplus earnings to plan for port expansion and major capital investments without intervention by Ottawa in an attempt to seize a major portion or all of that surplus to cross-subsidize a port somewhere else.

Without sounding selfish, western Canadians must look after some of the interests in western Canada which have been neglected by central Canada Liberal rule. We western Canadians have always shared. We shared in two great wars and in the building of this country. However, we must also look after our own interests.

We need a degree of local autonomy. The government has told us that this banking system will be implemented. The mayor of Vancouver believes it and the NDP has probably fallen for it as well as some people active in the shipping industry in British Columbia. However, if it is so, why does

Bill C-92 make no reference to this banking privilege? It certainly does not clarify it when the Transport Canada brief states that these funds would be subject to withdrawal by the local port. It does not clarify who will have the power to override this provision. Who would have that power? The Minister of Transport is sitting in his place smiling but he will not get up to tell us that there will not be an override—because there will be, of course. That is the reason for a centralized Crown corporation, to bear down on all these regional ports that will not have local autonomy. He will not stand up in the House and admit that the money that is earned in Vancouver will stay there until its ports are developed to become fully competitive with the port of Seattle, the port of San Francisco and the port of Los Angeles. I challenge the minister to stand up now and tell the people of western Canada that the total surplus funding which is earned at the port of Vancouver will be available on a first-call basis for the development of the port.

Mr. Pepin: It will.

Mr. Siddon: I am very pleased that that is in the record. The Minister of Transport has pointed out that any surplus revenues earned in the port of Vancouver will stay there.

Mr. Pepin: Sure.

Mr. Siddon: It will stay there until such time as the regional levels of responsibility decide that they have surplus earnings that can be shared with the Receiver General. That has been clarified.

Second, will the Minister of Transport confirm, now that we do not have to worry about the committee and amendments, that the ceilings on purchasing authority will be judged on the basis of the recommendations of the local officials and that their recommendations will be accepted?

Mr. Pepin: I rise on a point of order, Mr. Speaker. The port of Vancouver can be called by the Canada Ports Corporation. It will stay there. It will be stamped "port of Vancouver" and it will be available to the port of Vancouver for development. Is that clear?

Mr. Siddon: Yes, that is clear.

Mr. Pepin: The amount of money for contract purposes will be indicated by me in committee. Is that good enough?

Mr. Siddon: Mr. Speaker, I appreciate that the minister has qualified a second answer. He said that he will tell the committee what that ceiling will be. That is a step forward which I appreciate. That does not satisfy questions as to whether the local authorities will be able to determine what those ceilings will be as autonomous Crown corporations, or will they be subject to an override administered through the central corporation? I gather there will be an override but we can leave that pass for the time being.

The third point is the question whether the local boards which administer these corporations will contain a balanced representation with the majority decision-making authority representing western Canadian interests. Will the balance of power representing western Canadian interests be in the form of professional people, in the form of local, municipally elected people and in the form of union representation, or will the balance of power remain in the central corporation? Is the minister prepared to answer that?

• (1650)

Mr. Pepin: I will answer that question in committee because it needs a little bit of qualification. I will answer that for the hon. member in committee but, under the law, there are some exigencies, some requirements for the people who will sit on the local boards.

Mr. Siddon: Mr. Speaker, I would then like to ask the minister another question for further clarification, although I know this is not Committee of the Whole.

Mr. Ouellet: Go to the committee. You are here to make a speech.

Mr. Siddon: Is he prepared to tell us that representation on the board will be drawn from a list of people who submit their credentials and that the positions will be filled on the basis of ability, not political connections?

Mr. Pepin: "Ability" is in the bill.

Mr. Benjamin: Like Bill Davis in Ontario?

Mr. Siddon: Well, then, I wish the Minister of Transport could answer one final question for me. Why is it that the candidate I defeated in the last two general elections now sits on the North Fraser Harbour Commission and has had no previous experience with port management?

Mr. Pepin: He must be a pretty bright guy.

Mr. Ouellet: He is an intelligent fellow.

Mr. Siddon: Well, I suppose that he is in the same category as the manager of the South Fraser Harbour Commission who was a former defeated Liberal candidate. He wanted to get into the Senate, as pointed out by my colleague, the hon. member for Surrey-White Rock-North Delta. He is much more competent as a manager than he would have been as a senator, but I gather that it was because of a tiff with the Prime Minister (Mr. Trudeau) that he was granted that little plum.

Mr. Pepin: Your colleague paid homage to the man.

Mr. Siddon: I did, too. Sometimes there are people of ability on the other side who would be better off in the private sector than they would be in politics.

Mr. Pepin: On the other side, too.

Mr. Siddon: I think all the points I have made reflect our concern as British Columbians with regard to the major port of

Vancouver and the port of Prince Rupert. These ports are absolutely essential to Canada's economic future because our balance of payments depends so heavily on the natural resources which are exported and will be increasingly exported from western Canada, our resources of grain, timber, coal and minerals. The management of those ports should contain a strong ingredient of regional input which is not influenced by political preference but, rather, by common sense and professional ability.

We should be invited to play a role and we should not be subject to major overrides emanating from Ottawa. If that means that there is no need for an overriding umbrella organization, if it means that a Crown corporations bill is necessary to set out the conditions and limits under which all Crown corporations act as a prerequisite to my supporting this bill, then so be it. But in the final analysis I would reserve my support for Bill C-92 until we find out in committee just to what extent the Minister of Transport and the government are prepared to proceed in good faith in terms of representing the concerns of western Canadians. This should not be shown by making more decrees from Ottawa and by making hollow promises but, rather, by their actions. This should be shown not by incorporating into this bill words in hollow shells or words like "subject to regulation such and such" but, rather, by incorporating into this bill the kinds of concerns expressed by our members and, indeed, by the members of the NDP, although I do not know their reason because they said they would support it anyway.

Mr. Benjamin: No, we did not.

Mr. Siddon: I will not support this bill until I can be convinced that it is good for western Canada, that it is good for British Columbia and that it is good for my riding.

Some hon. Members: Hear, hear!

Mr. Pepin: We will try hard.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I certainly share some of the comments of the hon. member who just spoke, other than those rather schizophrenic ones that he presented on areas such as patronage, Crown corporations, and the failure to recognize appropriate linkages in the design of any area in the transportation system. I certainly have the greatest respect for the hon. member, but I do not believe some of his remarks really applied to the issue. Anyone who scrutinizes his speech will realize that it probably illustrates the misguided strategy of the Conservative Party which has forced him to co-operate, rather than express his own serious feelings about the welfare of British Columbians whom I know he strongly supports. With those brief remarks, I would like to take up and support some of his remarks.

He stated his serious concern over the nature of the way in which the Crown corporations in this country are operated. Today we have a bill before us under which those Crown corporations will be created in much the same mould as the previous ones. I do not believe the basic problem is with Crown corporations as such, because we do live in a mixed economic environment. I would like to point out that if we review Canadian history, we find that one of the organizations which sired the Crown corporations was the Conservative Party. We have before us the CBC and a number of others.

Mr. Pepin: CN.

Mr. Skelly: These Crown corporations were not created because they wanted to set some evil loose on Canada. They were simply created because it made good sense. Unfortunately, we have lost control over many of them. They are not accountable to the public, which owns them through Parliament or through the government. Unfortunately, I think that people who sit down and read the speeches of the hon. member and others in the Conservative Party will be confused because the Conservative Party is essentially confused. It fails to recognize that it is not so much that Crown corporations are opposed but, rather, their lack of accountability is objected to. I would like to point out that the province of Saskatchewan and a number of other provinces have mechanisms in place to force more accountability by Crown corporations to the people who own them.

When the bill goes to committee, I would urge the minister to consider amendments such as those which work very well with certain other Crown corporations, such as Air Canada and CN. The annual report for the new harbours organizations will come to Parliament but will unfortunately end there, in the hands of the government, with no detailed accountability provisions. If the minister were prepared to extend that one step further, he would certainly improve accountability by allowing that report to be sent to the Transport committee for study.

It is interesting that the hon. member spent a great deal of time representing the misguided policy of his party but spent virtually none on his own sincere interest in the people of British Columbia. He spent a great deal of time saying how he was not supporting this bill until certain amendments were made. But, in reality, the Conservatives have a choice. This bill has dragged on for eons. If enough of their members were to speak, it is clear that they could speak beyond six o'clock and put an end to the bill for another eight years. However, I do not think they would do anything like that because there is a recognition that, flawed or not, it is probably an improvement on the existing legislation. There is concern and need. Ultimately, this bill will go to committee.

Mr. Siddon: What does it improve?

Mr. Skelly: If there are problems later on, we will deal with them at a different stage. Certainly, in defence of the remarks of the hon. member for Vancouver East (Mrs. Mitchell), it is not so much that they were in support of the bill which appears as a flawed document, but that they were meant to illustrate an advance on the existing situation and that it should therefore go to committee. I expect that when all is said and done, the members of the Conservative Party will support that

position because that is the only rational approach in handling this matter.

I would like to refer to the question of patronage. I know that the hon. member who just spoke is a man of insight and sincere integrity. He has good instincts and is a capable individual politically. He could not understand why his opponent in the last federal election, the Liberal candidate, now sits on the Fraser River Harbour Commission. I think that must have been said with tongue in cheek.

Mr. Siddon: Times have changed.

Mr. Skelly: There are members in the Conservative Party who ask questions like that seriously and who have difficulty, because of certain performances and tactics that we have seen in this House, in mustering more intellect than a box of rocks. Ultimately, that does not involve the hon. member who spoke before me, because he knows and fears, as we do, that the government is riddled with patronage. The country is riddled with patronage.

I do not want to go much further into the subject. We fear the use of patronage in this legislation and we would urge the minister not to practise it. If one looks at the legal operations conducted by the Government of Canada, whether involving the handling by CMHC of mortgages and other problems, or whether involving prosecution under federal legislation, we see patronage pervading the whole system. It is unfortunate not to realize that it is probably not so important to reward one's political friends in an under-the-table mechanism as it is to win the confidence of the people in this country.

• (1700)

When patronage becomes so blatant and pervasive, it really sickens people. Ultimately that attitude carries over and reflects on all governments and all things that governments try to do in an honest and sincere manner. I would urge the minister that when he has a say over the way individuals are selected, he opt for confidence, opt for an objective manner that will put aside the kind of patronage that already riddles the system of the Liberal government. Unfortunately, many governments are afflicted by this curse. We are presently faced with one piece of legislation in this House and one concern. Enough for patronage.

Crown corporations are useful and valuable in a mixed economy. They can be used as a catalyst to enhance the efforts of private firms and individuals, but they must be accountable. They must pursue the goals which Parliament has laid out for them. They must be accountable to their owners, the people of Canada, through Parliament and effectively in committee.

The last point is the question of linkages. The ports bill is not something in isolation. The previous speaker was beginning to allude to certain kinds of situations. He mentioned Port Edward, Prince Rupert and the pulp mill, and other transportation linkages. He was beginning in his limited time to deal with the problem of linkages.

A port is simply a facility. My colleagues from Regina West (Mr. Benjamin) and Vancouver East (Mrs. Mitchell) have expressed the fact that we are really dealing with transportation as a public utility, something that facilitates other aspects of the economy. It creates economic development and employment. Therefore, we are looking at a public utility. A public utility is put in place in order to make more effective and to bind together linkages to other aspects of the economy.

It might be well for just a moment to pick up from where the previous speaker, the hon. member for Richmond-South Delta (Mr. Siddon), left off. He was discussing these very serious concerns. I share those concerns about the development at the port of Prince Rupert. That again is a linkage problem. We are looking at grain linked back to the agriculture industry which creates employment and wealth for Canadians through offshore exports. We are looking at the other purpose of linkage of that port, which is coal development. We are making a tremendous investment in coal development. The port of Prince Rupert will ultimately be the mechanism by which the resources, once developed, and the transportation facilities, the B.C. Railroad and the CNR, eventually wind up at the coal port in Prince Rupert to be shipped to the point where they will be used.

It is incredible that this government continues with its head buried in the sand on the matter of linkages. There was an article on the front page of *The Vancouver Sun* last weekend which indicated that the Government of Canada and the Government of British Columbia are interested in having the Japanese invest more money in the project and to share in the enormous costs, projected to be around $1 billion, inflating to $1.3 billion.

Ultimately the people of British Columbia and in the rest of Canada will have been done in. The Quintet group and the other group selling coal appeared in Japan and made a deal with Japanese steel manufacturers. They appeared in Japan and tried to make their own deal. They made a contract which is very difficult for the public to get hold of so that it can determine the value of their resources being sold.

There is a feeling in British Columbia that the coal from that province is being sold below the cost of production. They feel we are not going to obtain a return. Canadian taxpayers will eventually have to pour an enormous amount of money into transportation, townsite development, power development and port development. Ultimately Canadian taxpayers will pay to ship coal to Japan. We will build a large, new port and put in a port authority to take care of that. Where is the linkage? Where is the common sense? I invite the Minister of Transport (Mr. Pepin) to stand up, as he was prepared to do with the hon. member for Richmond-South Delta, and tell the people of Canada how they are going to be shafted.

Quintet Coal arrived in Japan and made a deal to sell coal to the Japanese. The contract was not released to the public. We do not know what kind of a deal it was, or what the future arrangements will be if there are problems. They solved the problem by telling the Japanese to invest more money. The Japanese will invest more money if they are given greater

equity. They already control a substantial amount of those companies. Where is the common sense? Where is the linkage? We have one corporation in Japan dealing on behalf of nine steel mills involved in the Quintet deal. On the other hand, you have Quintet representing as private holders all the people of Canada, selling the coal too cheaply. Then they expect the Canadian people to invest enormous sums in tunnels, railways systems, car systems and port systems to send the coal to Japan at a price below the cost of production.

The point I am trying to make is that the business of ports is the business of linkages, the business of public utilities that facilitate the selling of Canadian goods offshore and bringing goods into the country. That has to be part of an economic strategy. Those ports are being developed in a vacuum.

Just to carry this linkage problem a little further, one of the most insane things to happen is that we have different companies in Canada selling to a single company in Japan which buys offshore at other locations. They have southeast coal. They are trying to develop coal resources on Vancouver Island and sell it to the Japanese. They are trying to develop coal resources in the northeast. They are trying to develop coal in Australia. There is an overcapacity. That drives down the price. The Japanese through one purchasing corporation has the right to buy anywhere as long as the price is right and there is long-term capability. When you have overcapacity as we have, the Japanese will have their choice on price. If the price is too high and there is an overcapacity and others are willing to sell, the price will drop. Believe me, the Japanese are willing to kiss us goodbye. How is that going to affect us in these economic times? It is absolutely irrational that Canadians allow private firms individually to go to Japan to compete with one single operation, a sophisticated purchasing and marketing organization.

A mechanism was used by another government of the province of British Columbia in years gone by with regard to gas. I refer to the creation of the B.C. Energy Corporation. That corporation bought all the gas produced in British Columbia and then sold it. It never came out of the pipes. There was a big return to British Columbia. If we did the same thing with a Canadian coal corporation which dealt with a sophisticated Japanese marketing firm, that would make economic sense. It would stop the Japanese from coming in and taking equity positions in those firms, the Japanese then owning our resource and selling it to Japanese steel manufacturers. It is absolute stupidity to have the Japanese taking over our resource and then making a deal with a Japanese purchaser to buy it at the lowest price.

It is the problem of linkages. I hope the Minister of Transport can convince his colleagues that it is absolutely futile to build any kind of a port system without looking at the problem of linkages. We must look at where we are going as a country. An industrial strategy is non-existent. Those things exist in a vacuum. As long as that occurs, the Americans in Seattle, San Francisco and down the west coast will draw the business, taking it away from our ports. That will happen unless we have an effective industrial strategy.

That happens with forestry. Our ports on the west coast deal with a number of bulk commodities. Forest products are one of our biggest items. We trust our marketing. Many examples have been given to the Prime Minister (Mr. Trudeau) to show that we need more effective marketing. Our port facilities are important in terms of our forest industry. We put forward the proposition that there be a national forest products marketing corporation so that we do not have to rely on International Paper to market the products of Gold River. We do not have to rely on Japanese firms who are our actual competitors in eastern Asia. They buy chips and raw materials from our ports and sell them, and they are the ones who represent us. Rayonier still sells the products of Port Alice. It belongs now to Western Forest Products, but we rely on foreign competitors in the United States to sell our products. We have an absolutely irrational marketing strategy for coal and for forest products. It is a strategy designed to lose.

• (1710)

It is much the same in terms of port policy. Port policy is designed in a vacuum and just built in and programmed to lose. I would urge the minister to look at what he is doing in terms of port development and make sure that it fits with an industrial strategy that is designed to enhance the return on coal, on forest products and on those products on which Canadians are going to depend. These are the megaprojects through which the government intends to develop future opportunities for Canadians. But they are being sold down the river very rapidly and our opportunities are being squandered, at enormous cost to the taxpayers.

The minister has heard me speak many times on the linkage to marine industrial development in Canada and the development of a Canadian merchant fleet. In terms of that strategy, where the ships go depends on where the ports are. The competitive nature of Canadian ports versus American ports determines which ships will carry the goods. Unfortunately, the linkage has never been there. Canadian ships will use Canadian ports; but we do not use Canadian ships, we use Japanese ships. If we insisted that 40 per cent of our coal be carried in Canadian carriers, they would not be picking up products in other countries; they would be dealing with Canada. If we developed a strategy that provided that all our products that are exported or imported, or even 40 per cent, were carried in Canadian ships, or even a nominal percentage at this point in time, it would help. But no, that linkage is not made and therefore Canadian ports are vulnerable.

Most other nations have adopted policies which favour retaining and encouraging a deep sea fleet. They encourage a marine industrial strategy. That strategy is enhanced and supported by a logical ports policy. Unfortunately, the minister totally ignores that.

Mr. Benjamin: It is in Panama.

Mr. Skelly: It is in Panama, it is in Britain, and in Canadian Pacific, one of our prides and joys.

Mr. Benjamin: Bermuda.

Mr. Skelly: No, not any more. They registered in Britain, in Hong Kong and in Singapore, I believe. They moved out of Bermuda because things got a little tight there. They did not consider coming back to Canada. They went elsewhere. That is the fault of the Minister of Transport. He has a ports policy in a vacuum. He has a non-existent merchant fleet and ultimately the entire government is operating in a vacuum, with their linkages to the forest industry and the coal industry, and opportunities for Canadians are being squandered.

Therefore, Mr. Speaker, when we move to committee these are some of the points that we will reinforce and strengthen. I know that my colleagues to the right will bring forward the same proposals that we are putting forward.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, one should not talk about transportation and the minister's policy in any aspect of this sphere of our public interest without extending to the minister the sympathy which some of us have for the position to which he has been appointed, and for him as the individual concerned. There are many facets of this department. It is too much for one minister. The needs of Canada cannot be accommodated by a single Minister of Transport, when we look at the air, water and land requirements of this nation. To have foisted this on one minister and left it there is an irresponsible oversight by government of a national need.

It is not very often that I can agree with much of what the member for Comox-Powell River (Mr. Skelly) would say, but in principle we have in this instance a great deal in common. First, we have the national interest of shipping, transportation and the delivery of goods to our ports. Second, we do not agree with the historic management of these ports as they have been executed by the policy of the government of the day, nor have they been executed in a national way for many years. So that we have in common. As to how we might establish the specific management and under what aegis we might put it, at that point we might differ, but the concept and the principles are the same for members interested in transport on this side of the House, apparently.

It all hinges on the policy of government. What is to be the policy? Like virtually all legislation that has come into this House in the last ten years, this is enabling legislation.

Mr. Benjamin: Loser pays.

Mr. McCain: The loser, of course, is the shipper and the industry, who would lose by the discombobulated system that we have used. I would have to say to the minister, through you, Mr. Speaker, that you have inherited that system and that you have been asked through this bill to correct it.

This bill will correct literally nothing of what is going on today. It puts it under a new umbrella and it gives certain ports and commissions which will be appointed an element of authority which they did not have before. But it does not give to those ports the opportunity to have a free hand to promote the business which might come their way.

We will still be constrained on the Atlantic coast of Canada by the policy of the Government of Canada which insists that there should be an ice-breaking structure leading up to the port of Montreal, without any compensation for the competition which that exerts upon the eastern ports. That will still remain in place. We will still have a system and a policy which has forgiven the debts of individual ports under the National Harbours Board, but which overlooked those commitments made by the province to expand the ports of Saint John and Halifax. Those are not forgiven.

I would draw to the minister's attention that I think those provinces and those municipalities which have put money into port facilities under the administration of the National Harbours Board should, indeed, under this bill be forthwith relieved of their economic responsibility or, as the case may be, repay the loans which have been extended to the National Harbours Board and thus to the Government of Canada. Only in this way can the port of Saint John or the port of Halifax be considered to be in an economically viable and competitive position in relation to other ports, Montreal and east.

It is regrettable that this has happened and that this is an oversight. But for some reason or other the Government of Canada has never had any inclination to recognize the needs in the port of Saint John and finance them as they did in other areas of Canada.

We find ourselves with a new structure now, which I do not think is fair or competitive by world standards inasmuch as any new port facility which must go up, must go up under contract by a user, in such a fashion that that port facility will in fact pay for itself. Other shippers will have inherited the opportunity to ship through port facilities over which there is no longer any debt structure and for which they will be paying maintenance but not for the capital cost of the port. This is not a fair or competitive structure into which shippers have been thrust by this bill.

I am not a lawyer and therefore I cannot attack this bill in the legal sense in which it was attacked by the member for Halifax West (Mr. Crosby). I compliment him on the aspects of a legal nature which he first considered as he addressed this subject.

I think we also have to draw attention to the presentation from British Columbia by both the member for Richmond-South Delta (Mr. Siddon) and the member for North Vancouver-Burnaby (Mr. Cook). They in their turn face a situation which is comparable to that of the east coast. We are in fact in our east coast ports competitive with American ports. If in fact we do not recognize this and if our transport policy is not adjusted to meet the international competitive structure, this ports bill will do very little for them.

Let me cite an example of the policy of the Government of Canada which permitted, if it did not stimulate, the purchase of Cast by the Canadian National Railways, another Crown corporation, and the immediate decision by the CN participant of Cast that Cast should now move its operations from Halifax to Montreal.

• (1720)

This is one of the things which makes eastern Canada very doubtful about the benefits which can accrue to Canada as a whole from a Crown corporation's managing the ports when only the policy of the Government of Canada is in fact going to govern the ports. As I see these appointments, in view of the authority which has been extended to the minister, they will abide by, first, his policy; second, his congeniality in respect of the sale or lease of property; third, his congeniality in respect of the building of a new structure; and fourth, the congeniality and generosity—if one might also add that word—of the Minister of Finance (Mr. MacEachen) and the President of the Treasury Board (Mr. Johnston), because all of these ministers will have to give approval to any function of any consequence at any port anywhere in Canada. We do not have an independent port system. We have, instead, a policy of government which insists that it shall in fact exert absolute control over the ports of Canada through ministerial authority.

The minister, for instance, will appoint the commission which will be governing a port, but he has not given that right to the provinces. I hope he will. Perhaps he can give me as quick an answer as he gave the hon. member for Richmond-South Delta. Will the provinces have any right to appoint members to these commissions? I believe the minister has reserved this right for himself.

Mr. Pepin: No, they will not.

Mr. McCain: The minister says no. I submit it certainly is the right of at least two provinces to appoint members to these commissions because both the provinces and the municipalities within those provinces have a vested interest by virtue of financing directly—or loans to the port of Saint John, in the case of the province of New Brunswick—and they certainly should be trustees of their own fates by virtue of their own appointments to harbour commissions at ports.

Mr. Pepin: They will be on the regional council.

Mr. McCain: If it would not be asking too much, I wish the minister would say that just a little louder.

Mr. Pepin: The provinces will be represented on the regional council.

Mr. McCain: Yes, but the regional council does not govern the affairs of the province of New Brunswick except indirectly, and I think they should be directly on that board. I plead with the minister to accept that.

Mr. Pepin: Mr. Speaker, may I ask a question? Is it the hon. member's objective that every activity in the country should be administered by the three levels of government working on any single activity? If that is so, then the federal government should be represented on boards and committees with respect to road transportation, for example. I believe this would be a duplication of work. Is that not good reasoning?

Mr. McCain: Mr. Speaker, I suppose that reasoning might be applied to British Columbia, if British Columbia is prepared to accept it, but I am not prepared to accept it in New Brunswick as long as the province of New Brunswick has a direct financial commitment to the port of Saint John. I believe that does in fact entitle New Brunswick to an appointment on the board in the city of Saint John, as it does the city of Halifax, the city of Dartmouth and the provincial government of Nova Scotia with respect to the Halifax facilities. Because, as I understand it, they are the only harbour commission ports left which have liabilities. All the rest have been forgiven by the Government of Canada.

If the policy of the Government of Canada with respect to ports continues as it is, I wish to cite two examples of what can and has happened in this competitive structure when interfered with by federal policy. For instance, it seemed essential in a province in which one third of the total economy depended upon the forests, and since most of those products were being exported, that there should in fact be a forest products terminal at the port of Saint John. Because of co-operation between federal and provincial interests and users, a forest terminal facility was established. However, after that something else happened. Not only was that facility created, but there was also additional work done on other ports whithin competitive reach in such a fashion that instead of having all the product that was anticipated go over the wharf facility in Saint John, it will now go in at least three other directions as a result of the improvement of facilities in direct competition with the port of Saint John.

I think this is just reason why the province of New Brunswick should have a representative on that commission as well as on the regional council. The port of Saint John has no control over its own future if public ports other than those which have formerly been National Harbours Board facilities are to be brought under severe competition by public expenditures from the federal treasury at other ports of a competitive nature. This will not work because the port of Saint John can no longer function if its trade is to be taken away by improvements at other ports.

If federal policy is to continue as it has been, I think we will find the same diffusion of trade at the port of Saint John as has already occurred, because the policy of the Government of Canada was that we should not keep the frost-free facilities at the port of Saint John in good shape. In response to a request for improvements to facilities, a machine was created. It was supposed to improve the loading capability of the port. However, instead of putting the contract into the hands of people who knew what was required and had studied and tendered on the job, the contract was awarded to a firm which built a conveyor system which could not possibly work from the day it arrived in the city of Saint John. That defeated the objective of putting perishable commodities quickly aboard a vessel in the city of Saint John in all kinds of weather. That was needed, but the National Harbours Board would not do that job well. If we find ourselves again under the thumbscrews of tax by

policy through ministers of the Crown in Ottawa, the port of Saint John still cannot function.

The federal government has reserved the right to exert authority over the lease and sale of land within a port. In the last instance of which I am aware—and there may be others—the National Harbours Baord, as a result of federal policy, dilly-dallied for more than three years in relation to a rather urgent project in an effort to try to make a land deal with the developer concerned. We cannot wait for three years for the policy of government and the influence of the Minister of Transport (Mr. Pepin) to clear the title by lease or sale of land for a project, and as long as this remains under the authority of the minister, the situation will not improve.

Another instance of a very serious requirement is the fact that a facility was built in St. Andrews, New Brunswick, in the Champlain industrial park. That facility was built with the sole purpose of serving the tuna processing plant in that location. The plant was built on the site of the wharf—at some inconvenience to itself, I might add—but as a result of the additional application for use of that facility—by the forest industry, again, and by the agricultural industry in the province of New Brunswick—the port is now crowded.

The Government of New Brunswick, the local chambers of commerce, the local mayors and the local industrialists have been approaching the Government of Canada for about a year and a half because the tuna plant is going to expand to the point that it virtually will require the facility for itself if it is to function actively and efficiently. There is no answer to that plant yet, or to those chambers of commerce or to the province of New Brunswick as to if or when any moneys will be spent to improve that facility, which is now used in a three-pronged way. This, of course, will remain under the present structure of this act. There is no improvement as to when a decision can be made to accommodate the trade of a local community.

What have we gained? I am afraid we find ourselves in the same position outlined by the hon. member for Richmond-South Delta, inasmuch as when a contract comes up for a terminal operator, it does not go to a firm headquartered in Saint John; it goes instead to an operator in the city of Montreal. I cannot think of anything more conflicting with the best interest of the port of Halifax, the port of Saint John or the port of Prince Rupert than to have an outside base of terminal operation which cannot help but conflict with its parent structure.

• (1730)

When you take a Montreal operator and put him in Saint John, he is going to be mainly interested in his own operation, the port of Montreal. I submit that not only should tenders have been called in Prince Rupert and New Brunswick on a local basis, but they should have been assisted if necessary to become the terminal operators in Saint John, Montreal and Halifax. You cannot have people with a conflict of interest and who are subject to the policies of the government of the day.

I am afraid we have seen a very high-handed approach to transportation by the government. I do not believe this is all the fault of the present minister. I think he inherited much of it and did not have time to give it proper consideration. He was perhaps influenced more by Treasury Board and the Minister of Finance than by the public good, as was expressed to him in terms of VIA Rail. If the same high-handed policies are to be exerted on the ports of Canada, and there is every possibility of that happening, then the ports have very little to look forward to unless there is a major change of policy.

There seems to be inflexibility when the minister rejects the concept that a provincial representative should be on any commission in which it has a vested interest. The minister does not want that. I do not accept his comparison with other situations; I only ask for it in the case where money is involved and has been put up front.

Crown corporations, Mr. Speaker, are only as effective as their mandate. They are only as independent as legislation and policy allows them to be, and there is no independence in this structure. It may appear that there is because local commissions will be appointed, but they will in fact be appointed by the minister and will be well aware of the policy under which they are appointed. Then they will be under the observation and direction of a ten-year appointee of the government who will only get his job under the direction of the minister and government of the day. It cannot be any other way. He goes in there to do a job with the policy guidelines he has been given. So instead of having a three-man or a five-man commission which the National Harbours Board has had in the past, we are going to have really a single czar of port transportation authority under this government's policy. There will be no assurance of local input in a meaningful way, other than that permitted by the policy of the day. So we have local autonomy as a selling point of this bill but in fact it does not exist.

I do not know whether the minister has given up the right to appoint the manager of the port, or whether the local commission will in fact appoint.

Mr. Pepin: The local commission will.

Mr. McCain: That is a step in the right direction. But the other aspect is that the local commission will have passed through the skimmer of political discretion and will certainly have some influence exerted on it as to who should be appointed. I think the local port has to have more authority than is given by this bill.

Let me come back to the international nature of the port structures of Canada. At one point in time we had a very substantial movement, in the early stages of the container business, through the ports of Saint John and Halifax. These movements were carried through to the central and northwestern part of the United States. It was unfortunate that the charges of the Canadian transportation system put us out of the competition for that business. This was accelerated by the United States exerting pressure on their transportation facilities to better the competition offered by Saint John or Halifax.

I think the ports have to have an element of approach to the railroads, the rate structures and the operation of their own ports. I cannot think of any example better than that of

Vancouver. Given the rates and service extended by the port of Seattle, Vancouver will not be able to compete under the constraints and regulations which may be imposed by a minister whose policies do not reflect the needs of those ports. They do not have the flexibility and they must get the approval of the minister, the czar of ports administration, the Minister of Finance and Treasury Board before they can make any substantive move or change in their charges. They are bound by regulations, by a constitution so-called, which are approved by the minister and can only be changed with his approval. So they need the autonomy and the freedom to act. The ports need sometimes to say yes on the spot, as in any other business.

It is not improper to mention the policy of this government on applications by shipping lines to enter the ports of Canada. In one instance in particular a line which wanted to enter the port of Saint John was told it was the policy of the government that if you want to do business in this country you shall do it through the port of Montreal. Not only did Saint John not get the business, but neither did the port of Montreal. The policy cost both ports business.

You cannot have political influence and at the same time have the proper management of the ports structure which this nation requires. This bill, which is not accompanied by an element of policy which indicates there is in fact port autonomy, is a useless piece of window dressing which does little more than rephrase the original National Harbours Board Act. It puts a new gown on it with a lot of tinsel which is going to fall off when it gets on the dance floor. The tinsel does not mean that the ports of Atlantic Canada will have any independence unless there is an absolute about-face in government policy. That is what it is all about, policy—industrial policy, transportation policy, transportation viability, the greatest possible productivity, economy and number of jobs. When they become the objective of government policy, then the independence of individual ports will have been created. But as outlined here, that independence is retained in the hands of the minister, his appointees and the employees of his department. It is a façade, not an improvement.

[*Translation*]

The Acting Speaker (Mr. Blaker): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: On division.

Motion agreed to on division, bill read the second time and referred to the Standing Committee on Transport.

• (1740)

UREA FORMALDEHYDE INSULATION ACT

PROVISION OF ASSISTANCE TO HOME OWNERS

The House resumed from Monday, May 31, 1982, consideration of the motion of Mr. Ouellet that Bill C-109, to provide for payments to persons in respect of dwellings insulated with urea formaldehyde foam insulation, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Hon. Roch La Salle (Joliette): Mr. Speaker, I shall take advantage of this opportunity to make a few comments on this bill, which should be examined very carefully, considering the impact it will have on UFFI victims and the seriousness of their situation. The subject has not been before the House for quite some time, but the UFFI problem is causing thousands of Canadians to suffer losses that are almost irreparable. Our official critic, the member for Hamilton-Wentworth (Mr. Scott) made a very eloquent speech on the subject. He quoted figures, and I feel he was perfectly right in speaking on behalf of 80,000 to 100,000 families, 300,000 Canadians altogether. He was also right in pointing out to the government that if all these people, these families had been located in the same city, the government would immediately have taken special measures and declared a national disaster, and there is no doubt that they would have been assisted by other levels of government, but in any case, the federal government would have moved far more quickly than it has done up to now.

The fact remains however, that the situation cannot be ignored and this legislation cannot be adopted without a number of very stringent recommendations to the government, especially when we know that thousands of Canadians throughout the country are faced with quite exceptional problems and do not have the resources to cope with them, because of the government's failure to provide for adequate economic legislation. What a terrible thing, for people already facing high interest rates and an economic recession, to have to deal with this curse, so to speak, which sooner or later will oblige them to leave their homes if they are not able to do a thorough cleanup. Mr. Speaker, the House will recall, and there is evidence to that effect, that the matter was already being discussed seven or eight years ago. In the U.S., there had already been hints that the product could be dangerous, and I still wonder how Canada and the Canadian authorities could approve this product and allow it to be installed, and I also fail to understand why the government is refusing, or at least it did for some time, to accept a large share of the responsibility in this area.

It is a fact that some departments had warned other departments, especially the Canada Mortgage and Housing Corporation, of the hazards of using this product. It is also a fact that the government not only promoted its use but also subsidized its installation. Mr. Speaker, I realize that today there are

those who will try to justify the actions of the government or clear it of this responsibility. I feel that by and large, the government is responsible to a substantial extent, especially regarding this catastrophic situation which is making thousands of Canadians suffer, and I find it most regrettable that the government did not act much sooner to accept its share of the responsibility. Of course, the minister responsible has mentioned the government's generosity in relation to the provisions of this bill under which home owners may receive payments of up to $5,000. Our estimates have proved this amount to be entirely inadequate. I realize that the government must limit its spending, but how can you, as it were, negotiate the problems confronting these people and the suffering the situation is causing all these home owners? I feel that all governments have a social responsibility, and in this case there is also a moral one, and I believe that the government would receive the approval and support of opposition members if it were truly willing to respond with a decent minimum, in direct proportion to the problems facing these people.

The financial assistance provided in the bill is grossly inadequate. Realizing this, the government points out that other government levels could do their share. However, we firmly believe that the federal government has a major responsibility to correct a serious mistake. Of course, I am not accusing the minister of having voluntarily misled the public; that is not the point. The federal government subsidized this product and it must therefore take its responsibilities. Since this is a social problem, I feel the government should be much more generous and humane toward these victims.

We are also aware that people are now trying as best they can to rid their homes of this product. Many questions remain concerning the retroactivity of this legislation. Will those who have had this product removed benefit from the funds allocated under this legislation? We shall have the opportunity to put these questions to the minister in committee and we hope that the program will be retroactive and that the criteria or requirements set in the legislation will not disqualify some of the victims of this product. We also know that since the subsidy available will not be enough for people to remove the product completely, the conditions prescribed will only guarantee that the product already installed will be sealed in. Obviously, it will remain between the walls and experts might prevent it from being as hazardous as it is now. Other experts readily admit that this is certainly not a solution. The answer seems to be to get rid of the product, which entails costs three or four times higher than the maximum amount of the subsidy. It is therefore obvious that the bill cannot correct what is a major problem for thousands of Canadians, and I do not think that any member of this House can be satisfied with a bill which is so completely inadequate.

The government is now devising all kinds of programs to create employment. I would have hoped that the subsidy provided under this legislation would be higher since it will necessarily create employment as the work must be done by specialists, by people who are able to correct the problem. This is what the government should do instead of announcing programs which are too often nothing more than disguised welfare. When the bill is in committee, many members will undoubtedly attempt to suggest solutions, and in any case, they will ask the minister for additional funds. Let me simply remind the members of this House of all the statements we have been reading and hearing for at least a year. The minister may have tried to tell us that we are delaying passage of this bill by our interventions in the House, but I do not think that we can be accused of having wasted the time of the House as some members have said recently, and while we are well aware of the urgent need to refer the bill to committee and to consider it clause by clause, we are also aware of our duty to convince the minister of the need for additional funds.

I submit it is not asking too much, Mr. Speaker, that government members show more compassion and generosity toward those 300,000 people, those 100,000 families who will be unable to meet their obligations and cannot afford to stay much longer in those homes. We know this legislation will pass within the next few weeks but they will be unable to make the changes needed, which means that come winter, most of them will have to relocate. And what does the government do? All it can hand out is a mere pittance if you compare that with the needs and misery resulting from that legislation. This is not good enough. It does not resolve the problem it merely mothballs it, and there is no evidence that the effects of that harmful material will not still be felt despite that minimum correction within the coming months. Evidently those people have to get rid of the stuff, and the problem is compounded two, three times over because they cannot sell those homes and they probably cannot get loans either to partly correct the problem. We know full well that the institutions or individuals that are aware of the dangers of that material will not participate financially in any partial repair. Therefore, it is clear that those home owners will have to arrange for a thorough clean-up job. It is also clear that the grant is altogether inadequate.

I can well imagine the minister is referring to the generosity, to the substantial effort made by the government, but we must remind him that this effort is inadequate, that the grant solves the problem only in part. But how is it possible to negotiate or perhaps be satisfied with partial corrections of the ills of the individuals who have to live in those homes? It is out of the question, Mr. Speaker, and I feel we have a duty to make these representations to the minister, and we will have an opportunity for further discussions in committee. I have the clear impression and I hope that the minister himself will have amendments to make in committee, in order to decently address the plight of those people faced with that plague or hazardous product.

Mr. Speaker, I would like to come back to the special opportunity that will be given to us with the budget to be brought forward next Monday. Would the minister exert some sort of a special pressure on the Minister of Finance (Mr. MacEachen), and the Cabinet to have the budget proposal in this legislation multiplied by four at least. Based on the estimates I could get, I can say that to correct a very ordinary home, the cost is apparently in the neighbourhood of $15,000 to $20,000. Therefore, the proposal for a maximum grant of $5,000 represents a mere 25 per cent of the costs of the needed repairs. The situation will absolutely not be corrected. This is a totally inadequate measure and 300,000 Canadians are left with unsafe conditions and the necessity of getting rid of their homes. Humanly speaking, Mr. Speaker, this is unacceptable, and I have every reason to ask the minister to consider this opportunity. For six months we have been urging the minister to come up with a decent budget, a budget that could to some extent revitalize the economy. Finally, too late as always, he took the decision to come up with a budget next Monday. I think that this budget is a God-sent opportunity for the Minister of Consumer and Corporate Affairs (Mr. Ouellet) to urge the Minister of Finance to set aside enough of the funds necessary to implement a worth-while suggestion which might correct the predicament in which those three Canadian families find themselves. Failing that, we will be forced to conclude that the minister will always have the option of being charitable toward 300,000 Canadians, but a charitable approach is not what we need under the circumstances.

As Members of Parliament, we must show that we have responsibilities toward those 300,000 Canadians. Someone made a mistake, unknowingly I agree, but it was a mistake by the federal government in the first place and 300,000 Canadians simply cannot be expected to pay for that mistake. They were encouraged and even given grants to buy a hazardous product. Of course, I am not accusing the minister of being responsible for that unhealthy situation, but the work was done by certain people on behalf of the government. Had I been a member of a government responsible for making such a mistake, I would have been the first one to try to correct a mistake which turned out to be an injustice toward 300,000 Canadians. I would have wanted to solve the problem by offering generous grants. We cannot accept and endorse a suggestion which solves only part of the problem and not all of it. We cannot approve of a suggestion which leaves 300,000 Canadians in misery to cope with insuperable difficulties and leave the responsible minister under the impression that we are satisfied with his suggestion. We are not going to praise the minister for a suggestion which falls far short of the objective. The minister has taken concrete steps in the past and we must repeat to him that his suggestion is not good enough because it does not solve the problem of those 300,000 Canadians. We hope that the minister will keep in mind the remarks made on this side of the House as well as those which I am sure he has heard in other circles. He also met personally the victims of that calamity. But what a splendid opportunity with a budget being tabled Monday next! The minister should try to get something out of the Minister of Finance because he knows full well that his proposal is inadequate to allow those 100,000 homes to be repaired. The minister knows it full well and he has made an effort but, as I said, it is inadequate, and I dare hope that the minister will obtain special funds to take corrective action, so that thousands of Canadians may live in a home as safe as that of millions of other Canadians at present. I think, Mr. Speaker, that this issue is not only relevant but also very important, and we hope to make the minister more aware of the problem in committee if he is not already, and we will support the representations he will make to the Minister of Finance to obtain the required estimates. We will then have done our duty and assumed our responsibilities in the House.

The Acting Speaker (Mr. Blaker): Order. It being six o'clock, this House stands adjourned until Monday next at two o'clock, pursuant to Standing Order 2(1).

At 6 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, June 28, 1982

The House met at 2 p.m.

• (1405)

ROUTINE PROCEEDINGS

[*English*]

THE MINISTRY

MINISTER OF FINANCE—MOTION UNDER S.O. 43

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, this evening the Minister of Finance (Mr. MacEachen) steps up to the plate for the third time as the designated hitter for a team whose win-loss record is as poor at home as it is on the road. In his two previous appearances, although he has carried a budget instead of a bat, he still managed to strike out. In light of this abysmal batting average which has his other team members and everyone in the ballpark suggesting that he be traded for future considerations, and recognizing that he broke with tradition during his two previous trips to the plate by not purchasing and wearing new shoes, I move, seconded by the hon. member for Prince Edward-Hastings (Mr. Ellis):

That the Minister of Finance consider buying and wearing a new pair of Canadian-made running shoes, commonly known as sneakers, so he will have the appropriate footwear to make his getaway following the tabling of the budget.

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ENVIRONMENTAL AFFAIRS

POLLUTION THREAT TO WINNIPEG WATER SUPPLY—MOTION UNDER S.O. 43

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, the entire water supply of the city of Winnipeg is endangered by the commencement of construction of a sewage lagoon near Shoal Lake, Ontario. The Minister of Indian Affairs and Northern Development (Mr. Munro) has a responsibility in this matter as it is the action of an Indian band which is at issue.

The provincial minister of environment in Manitoba has repeatedly contacted the Minister of Indian Affairs and Northern Development about this matter but has received no reply. Therefore I move, seconded by the hon. member for Winnipeg North (Mr. Orlikow):

That this House demonstrate its concern for the health of the people of Winnipeg and instruct the Minister of Indian Affairs and Northern Development to ensure that he takes every step to ensure that the water supply of Winnipeg is never endangered in this way and that he immediately consult with the minister of the environment in Manitoba as to what he should be doing to help in this regard.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

* * *

UNEMPLOYMENT INSURANCE

ELIGIBILITY OF PREGNANT WOMEN—MOTION UNDER S.O. 43

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I rise under the provisions of Standing Order 43 on a very urgent matter. On June 25 a ruling which discriminates against women who are pregnant was upheld in the Federal Court of Appeal. A woman who was critically ill was declared ineligible for unemployment insurance sick benefits because she was six months pregnant. The judge noted that had the provisions in the new Charter of Rights been fully implemented, such a ruling would not have taken place. Therefore I move, seconded by the hon. member for Simcoe North (Mr. Lewis):

That instead of waiting three years until the Charter of Rights automatically makes invalid Section 46 of the Unemployment Insurance Act which prohibits pregnant women from collecting unemployment insurance payments other than maternity benefits, the federal government take immediate steps to delete Section 46 from the act to prevent further discrimination on the basis of pregnancy.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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AGRICULTURE

PROPOSED ESTABLISHMENT OF CANAGREX CORPORATION—MOTION UNDER S.O. 43

Mr. Gordon Taylor (Bow River): Madam Speaker, a picture on the front cover of the *Alberta Report* on May 17, 1982, under the caption "The Food Grab ... Ottawa's Next Big Play", excellently illustrates how thousands of farmers feel about Bill C-85, an act to establish a corporation called Canagrex. The huge hand of government is positioned to grab the buildings, the livestock and the land of the farmer. The

cartoonist, David Saxby, must have read Clause 14 of the bill which would give this new Crown corporation power to buy, sell, store and process agricultural products, and acquire real and personal property by foreclosure of other proceedings or in any other manner and to "do all such things as are necessary or incidental to the exercise of any of its powers ... " etc. Therefore I move, seconded by the hon. member for Pembina (Mr. Elzinga):

That this House agrees to not pass this bill unless these unwarranted powers are removed.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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• (1410)

STATUS OF WOMEN

IMPACT OF MICROTECHNOLOGY—MOTION UNDER S.O. 43

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, this past weekend women from across Canada held a national conference to discuss the devastating impact of microtechnology on women workers. Since most clerical and service jobs will soon be automated, with massive job lay-offs which will put some two thirds of the female work force out of work, I move, seconded by the hon. member for New Westminster-Coquitlam (Miss Jewett):

That the federal government give top priority to developing job opportunities for displaced workers, more relevant retraining programs for women, including apprenticeships, and that mandatory affirmative action be enforced by the federal government.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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AGRICULTURE

DAMAGE DONE TO HOLLAND MARSH, ONT.—MOTION UNDER S.O. 43

Mr. Ron Stewart (Simcoe South): Madam Speaker, a devastating hail storm recently struck the Holland Marsh area of Ontario, causing millions of dollars of damage to vegetable crops as well as destroying hundreds of acres of land and completely wiping out many farmers. This 297region is known across Canada for its rich market garden industry and its vegetable storage and processing facilities. The reclamation of this rich farmland is one of the remarkable achievements of this century. I therefore move, seconded by the hon. member for Simcoe North (Mr. Lewis) and the hon. member for St. Catharines (Mr. Reid):

That the Minister of Agriculture or his representative personally visit the Holland Marsh to see first hand the damage caused to this vegetable capital of Ontario with a view to working with his provincial counterpart to determine whether or not the region should be declared a disaster area.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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MARINE TRANSPORT

HAZARDS TO NAVIGATION—MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax-East): Madam Speaker, once again I rise under the provisions of Standing Order 43 on a matter of some urgency which affects the Minister of Transport (Mr. Pepin). In recent months, incidents of vessel collision and near-collision with standing pier support structures for bridges and other obstacles in navigable waters once again raise the growing urgency for action in Canada with regard to fendering of these support piers. The possibility of collision at high vehicle transit periods across bridges presents the government and the people of Canada with not only a legal but, as well, a definite moral obligation to take those measures immediately which are necessary to put fendering in place so that such incidents will not, in fact, unnecessarily cause the loss of lives at peak traffic periods. I therefore move, seconded by the hon. member for Halifax West (Mr. Crosby):

That this government take immediate steps to effect such protection in the seven critical areas known to exist in Canada before an incident occurs resulting in loss of life.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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FORESTRY

MEASURES SUGGESTED TO EFFECT IMPROVEMENT—MOTION UNDER S.O. 43

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, pursuant to the provisions of Standing Order 43 I move the following urgent and pressing motion. Whereas the forest industry in the Province of British Columbia is in a state of virtual collapse; whereas the unemployed individuals in the province, as has been indicated, have committed arson in some cases in order to create employment in the forest industry of the province; whereas it is unlikely that the forest industry of British Columbia will recover the previous levels because of

protectionism in the American market; and whereas mining has a minister of state in the federal government, and also a very high priority with the federal government, I move, seconded by the hon. member for Skeena (Mr. Fulton):

That the following priorities be established by the federal government: first, an upgrading of the forestry branch, at least to provide a full deputy minister in charge, if not a minister of state; second, that a long term forest policy be developed by the federal government based on stability of the resource and long term employment for the individuals involved; third, the introduction of an international forest products marketing corporation so that Canadians can expect that Canadian institutions will market their products abroad instead of international or foreign competitors, as is the present situation in many cases.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

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NATIONAL DEFENCE

LIFE INSURANCE FOR ARMED FORCES PERSONNEL—MOTION UNDER S.O. 43

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, I rise under the provisions of Standing Order 43. At a time when the Canadian economy is in critical condition, when the government should be protecting Canadian jobs and, wherever possible, stopping the flow of Canadian dollars to the United States, the life insurance plan endorsed and supported by the Department of National Defence for Canadian troops, involving more than 40,000 participants, and tens of millions of dollars in premiums, is carried by three American-owned insurance companies. Therefore I move:

• (1415)

That this House direct the Minister of National Defence to reopen the contract for life insurance for the troops, and limit bidding to the 33 Canadian-owned life insurance companies operating in this country.

Madam Speaker: Is there unanimous consent for this motion?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

PUBLIC SERVICE

REPORTS OF HIRING FREEZE

Mr. John Bosley (Don Valley West): Madam Speaker, I have a question for the President of the Treasury Board who will know of published reports last week quoting Jayne Simms of the Public Service Commission indicating "there is definitely some kind of a push on" with regard to filling vacant positions in the public service in anticipation of a hiring freeze. The minister may also know that senior departmental officials in more than one department are indicating that there is indeed a push on, both to fill vacant positions and to turn temporary employees into permanent employees in advance of an expected hiring freeze to be brought in tonight. Departmental officials are saying it is a done thing already. How did that information about the budget get out? Presumably it got out through Treasury Board. And what is he going to do about it?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, the Minister of Finance will be making his statement on the budget tonight at eight o'clock.

QUERY RESPECTING KNOWLEDGE OF DEPARTMENTAL OFFICIALS

Mr. John Bosley (Don Valley West): Madam Speaker, the minister appears not to have understood the question. The question comes within his purview. Why are departments today, and why were they last Friday, Thursday and Wednesday, moving to fill vacant positions, with full support apparently of the Public Service Commission? How did they know that a hiring freeze is being brought in tonight in advance of the finance minister's announcement? Did it come from his department? If not, will the minister undertake to find out how the departments know?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I understood the question perfectly well. Apparently the hon. member did not understand my answer. The Minister of Finance is delivering his budget at eight o'clock this evening.

Mr. Bosley: That is the rankest disregard for a budget leak I have ever heard, even from this government.

Some hon. Members: Hear, hear!

REQUEST THAT HIRINGS PROCEED NORMALLY

Mr. John Bosley (Don Valley West): Madam Speaker, my supplementary is directed to the minister responsible for the Treasury Board and for all public hiring. How does the President of the Treasury Board condone, (a) a budget leak, and (b) a budget leak which has the effect of making a mockery of the restraint that he personally has been talking about for so long? Will he undertake in this House today to ensure that hirings proceed as normal so that the people of Canada will know that, whatever happens tonight, the public service of this country was not given advance notice so that it can be protected?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I find this whole line of questioning just a lot of rubbish. I suggest that the hon. member for Don Valley West wait until the minister delivers his budget speech at eight o'clock.

Oral Questions

CANADA POST CORPORATION

HIRING OF SUMMER STUDENTS AT MISSISSAUGA, ONT.

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. The Government of Canada is spending thousands of dollars encouraging people to hire students this summer. We received a letter from the Minister of Employment and Immigration urging Members of Parliament to encourage people to hire students. Will the minister explain to the House why Canada Post, a Crown corporation, hired 130 students for summer work at Gateway facilities in Mississauga and then, four days before they were to start, informed 90 of them by letter that there would be no jobs for them?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): I will inquire, Madam Speaker, and report to the hon. member.

REQUEST THAT MINISTER ASSIST STUDENTS

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, the final sentence in the letter reads "I wish you luck in obtaining alternate summer employment". All of these young people need money to continue their education. Does the minister think that these people, who felt they had secure summer jobs, will be able to find summer employment elsewhere? What is the minister prepared to do to help these young people find other employment?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, the hon. member should know that we turned the postal operation from a department into a Crown corporation. I will bring to the attention of the president of the corporation the view of the hon. member, and I will report the answer to him.

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REGIONAL ECONOMIC EXPANSION

BRITISH COLUMBIA COAL DEVELOPMENT—TRANSFER OF CONTROL TO JAPANESE CONSORTIUM

Mr. Jim Fulton (Skeena): Madam Speaker, in the absence of the Minister of Industry, Trade and Commerce I will direct my question to the Prime Minister. I cannot help but paraphrase Winston Churchill a little bit on this day, "Never has so much been owed by so many to so few for so little".

• (1420)

The Prime Minister knows that a deal was struck late last week to transfer effective majority control of the northeast coal project in British Columbia to a Japanese consortium of 12 companies led by Tokyo Boeki and Mitsui with 38 per cent, and leaving Denison Mines of Toronto with only 30 per cent. This $900 million deal may have a greater long-term impact on the Canadian economy than will tonight's budget, as the Prime Minister knows.

Has the Prime Minister or any of his ministers referred this matter to the Foreign Investment Review Agency, or is it the Prime Minister's new policy that foreign firms can be both the buyer and the seller of Canadian resources? And, if so, does the Prime Minister not understand that the seller will sell at the lowest possible price, costing Canadian taxpayers several hundred million dollars over the next 15 years?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, most of the hon. member's question was by way of representation and argument. As far as the question on FIRA is concerned, I will take notice of it and inquire.

EXPORT PRICE OF COAL

Mr. Jim Fulton (Skeena): My supplementary, Madam Speaker, is direced to the Minister of Transport, who has a great deal of knowledge about the northeast coal deal. As he knows, the taxpayers are subsidizing this deal so far to the tune of about $750 million and have a right to a return on that very sizeable investment. The original contract, as the minister knows, provides for a return from a base rate of $95 per tonne, and all of the government contracts, federal and provincial, have been based backwards from that $95 per tonne figure. If on Friday the federal government allowed the Japanese consortium to take majority control of Quintette, as was agreed last week, what is to stop them, once they control and manage the project, from lowering the base rate per tonne?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the base rate throughput per tonne in the Port of Prince Rupert was the object of intensive negotiation. The price obtained at the time was considered to be the best possible price. Is the price that the coal mines got from the Japanese the best possible price, or is it influenced by negotiations between the coal mines in Canada and the Japanese purchasers—that is another subject. At the time of the discussion of the throughput rate in the Port of Prince Rupert, the impression was that the coal mines had negotitated the best possible price.

RETURN ON PUBLIC INVESTMENT

Mr. Jim Fulton (Skeena): I think both the Prime Minister, Madam Speaker, and the Minister of Transport are missing what happened in Tokyo in the last week, in that all of a sudden we have the buyer and the seller now being the same body.

Over the next 15 years, the owners, controllers and managers of Quintette, which is 80 per cent of northeast coal, will be deciding what kind of investment will occur, and what kind of price loadings there will be. This will make it very difficult for CN, or the National Harbours Board, or even the infrastructure parts of the corporation, to know what is going on, because they will be unable to control it. Where it has historically been the case there is a majority control such as this, has there been a reference to the Foreign Investment Review

Agency? If they take control as is now proposed, and if they decide to lower the per tonne price below $95, with its prorated escalating clause over the next 15 years, does the minister tell this House and tell the people of Canada that we are going to get a return on the $1 billion-odd we have put into this project so far?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I think I understand what the hon. member is insinuating. He is saying that because for future advantages the coal mines of Canada—or he is implying that—did not get the best price for their coal some months ago when the deal was put together—

Some hon. Members: No, no.

Mr. Pepin: Well, I will give my hon. friend the opportunity to clear up the matter. And consequently he is saying these advantages are being paid now by way of allowing the Japanese purchasers of the coal to come in as equity owners in the coal mine itself. That is my understanding of what my hon. friend is saying. What I am going to answer to that is that obviously, if there is foreign ownership in these coal mines, it will be subject to FIRA, and FIRA and the Government of Canada will decide if those acquisitions are to the advantage of Canada as stated in the legislation itself.

Mr. Fulton: A final supplementary—

Madam Speaker: The hon. member for St. John's West.

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• (1425)

EXTERNAL AFFAIRS

ISRAEL—REQUEST FOR WITHDRAWAL FROM LEBANON

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Prime Minister. The Prime Minister wrote to the Prime Minister of Israel on June 9 asking him to agree to a cease fire and to withdraw immediately and unconditionally from Lebanese territory. Has the Prime Minister received an answer to that request from the Prime Minister of Israel and, if so, what is the answer?

Can the Prime Minister tell us whether it is still the position of the Government of Canada that Israel should withdraw unconditionally from Lebanese territory, and could the Prime Minister outline for us any steps he has taken since to accomplish these objectives?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, that is the position of the Government of Canada, and I believe it is also the position of this House of Commons, which voted unanimously for a motion, moved by the hon. member himself, asking Israel to withdraw immediately and unconditionally. That motion was supported by the hon. member's party, by the New Democratic Party and by the Liberal Party. It is also a position I have taken in representations to Prime Minister Begin.

Mr. Crosbie: Madam Speaker, the Prime Minister forgot part of the question. I asked the Prime Minister whether he has heard back from the Prime Minister of Israel with respect to his correspondence with him and what steps the government has taken since then to see that these objectives are met. I would like the Prime Minister to address himself to that when he responds to my supplementary question.

REPLY TO CANADIAN REQUEST—POSSIBLE ESTABLISHMENT OF PEACEKEEPING FORCE

Hon. John C. Crosbie (St. John's West): Madam Speaker, as a supplementary question I would like to ask the Prime Minister whether Canada is prepared to consider being a member of an international peacekeeping force in that area, if one is set up either under UN auspices or agreed to by the parties. As the Prime Minister knows, it has been stated by Israel that Israel would like a more effective peacekeeping force. Israel has asked the United States to participate. Would Canada be prepared to participate? Would the Prime Minister deal with those points?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I will attempt to answer the questions in order. Yes, I did receive an answer from Prime Minister Begin. His attitude was contrary to that which I had expressed and the House of Commons had expressed. He believed Israel should not withdraw immediately and unconditionally.

In so far as a so-called peacekeeping force is concerned, the hon. member will realize that his question is hypothetical in its very form: if a peacekeeping force is set up, what will the Government of Canada do? I do not believe I should attempt to answer a hypothetical question, but as a partial response to that, and to the second question, I will say that I discussed the matter with the Secretary General of the United Nations when I met him on Friday of the week before last. I discussed the matter with him and his officials at some length. The question of such a force was raised, and we exchanged views on it.

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THE BUDGET

PRE-PRESENTATION LOCKUP FOR MEDIA AND MEMBERS OF PARLIAMENT

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question was to be directed to the Minister of Finance. I am surprised he is not in the House on the day of his budget.

Some hon. Members: Oh, oh!

Mr. Jarvis: He is out buying new shoes, Mike. They are likely imported shoes, too.

Mr. Crosbie: Does he want any mukluks?

Some hon. Members: Oh, oh!

Mr. Wilson: I will address my question to the Prime Minister. Will there be a budgetary lockup for Members of Parliament similar to that which has been held for some 30 or 40 years, which will allow Members of Parliament the opportunity to study the contents of the budget and provide them with the means by which they can responsibly respond to the elements of the budget? If these lockup privileges are not to be extended, would the Prime Minister explain why they will not be extended?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the first point I would make is that as far as I know this practice has not existed for 30 or 40 years as the hon. member alleges.

Mr. Nielsen: It has indeed.

Mr. Trudeau: I believe it is a practice which began much more recently, some ten years ago, during my administration. I would be interested in hearing about the precedents or the historic references the hon. member has, which allow him to suggest glibly that the practice has existed for 30 or 40 years.

In so far as the proposal made by the hon. minister is concerned, perhaps the Minister of State for Finance has more recent knowledge than I, but to my knowledge, the offer of the Minister of Finance to the opposition on Friday was that they have an advance copy of the budget and a briefing on it provided they undertake not to break the embargo until after the minister has finished speaking.

Mr. Wilson: Madam Speaker, I am advised that the practice of budget lockups was undertaken when the Hon. Donald Fleming was the minister of finance. I can go no further back than that, but the practice has been in existence for some while, and I think the Prime Minister knows that.

• (1430)

APPLICATION OF RULES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, may I put a supplementary question. If it is such an important principle for the government to keep Members of Parliament gagged during the time the Minister of Finance is making his speech, why is it that, when the Prime Minister and members of the Liberal Party were in opposition, they left the House of Commons while the former minister of finance, the hon. member for St. John's West, was making his speech? Why the double standard? Why have we changed these rules now, when the Prime Minister himself was following a different practice as leader of the opposition?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it is true that increasingly this practice of the lockup has been abused by—perhaps by members of both parties. I do not recall the circumstances when the hon. member for St. John's West read his budget, but the Minister of Justice, a former minister of finance, reminds me that it was begun by the Conservative opposition when he was minister and that it is a practice that is—

Mr. Wilson: Why the double standard?

Mr. Trudeau: The hon. member is asking why there is a double standard. It is not a double standard if it is practised by both sides.

I wish the hon. member would listen to my answer, which is that this practice has been going on for some time. As the Minister of Finance points out, it is certainly not fair to Members of Parliament that the people listening to the electronic media—

Mr. Wilson: Why did you leave?

Mr. Trudeau: Madam Speaker, the hon. member is asking supplementary questions. It he wants to ask a supplementary question I will sit down and hear it, but if he wants to hear my answer he should at least be polite and listen while I am answering.

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CANADIAN UNITY

AWARDING OF CONTRACTS BY INFORMATION OFFICE

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, my question is addressed to the Minister of Justice. The incoming executive director of the Canadian Unity Information Office has said that he has been specifically asked to look into CUIO's practices in awarding contracts. What practices in awarding contracts led the minister to issue that request to the new executive director?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, several questions were raised in committee, and I have asked the new director to ensure that all current practices within the Canadian Unity Information Office are up to standard. That is part of his mandate, and since he was newly appointed, I asked him to make sure that all the usual guidelines were followed under his direction.

[*English*]

Mr. Beatty: Madam Speaker, specific questions were not asked in committee as they related to the awarding of contracts by CUIO. Perhaps the minister could elaborate on that.

INVOLVEMENT OF EMPLOYEE IN POLITICAL ACTIVITY

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I have a supplementary question. The new executive director also says that he has been instructed by the minister to review CUIO's guidelines governing the political activities of its employees. Could the minister confirm that he gave three months' notice to Mr. Patrick McDougall, a former employee of CUIO, as a result of his involvement with the Liberal election campaign in the Newfoundland provincial election?

[*Translation*]

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, it is true that Mr. McDougall told me he had taken part in the Newfoundland election campaign, and since he was working under contract and was hired under an exchange with the private sector, he was not aware of all administrative practices. I told him he had been unwise, even though it was after working hours, to take part in the Newfoundland election. Since under his contract, he had to be given three months' notice if we wanted to release him from his duties, that is what we did, and, in fact, he himself offered to leave when he realized he had committed an indiscretion.

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HAZARDOUS SUBSTANCES

INQUIRY RESPECTING RESULT OF RESEARCH BY NATIONAL ADVISORY COUNCIL ON UREA FORMALDEHYDE FOAM INSULATION

Mrs. Eva Côté (Rimouski-Témiscouata): Madam Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. It is connected with the question I put to the minister last week on the status of UFFI victims. Could the minister inform the House on the results of work being done with the National Advisory Council on UFFI, since it seems the minister had a meeting with Council representatives over the weekend?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, to answer the hon. member's question, I can report that the National Advisory Council on UFFI has asked me to allow all home owners to remove the foam from their homes, if that was their choice. Saturday, I accepted this recommendation on behalf of the government, which means that during the next few weeks, a task force including representatives of associations of UFFI victims will work in close co-operation with officials from my department to assist home owners who want to remove the product from the walls of their homes this summer. I have therefore decided to change the regulations of the assistance program for UFFI victims to reflect this new aspect. In addition, the courses we are offering contractors will also be offered free to home owners who want to remove the product from their walls themselves.

* * *

[*English*]

RAILWAYS

GILSON REPORT ON CROWSNEST PASS RATES—REQUEST FOR PUBLIC HEARINGS

Mr. Les Benjamin (Regina West): Madam Speaker, I should like to ask the Minister of Transport about the Gilson report, which I understand he will table today after three o'clock, and which was developed in a sort of Polish government style, behind closed doors, without any public input from grain producers. Will the minister subject the Gilson report to public scrutiny and do as Mr. Justice Emmett Hall did, that is, allow the Standing Committee on Transport and the Standing Committee on Agriculture to hold hearings across western Canada on the Gilson report and its recommendations?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I do not think it is fair to say that representatives of farmers in the west did not take part in the negotiations that took place under Dr. Gilson. Representations have been extensive. There were 67 different groups represented. The next step will see those who took part in negotiations going back to their associations and defending the Gilson report in part or in total. In coming days other ministers and I will similarly meet with representative groups—wheat pools, railways, and all kinds of associations. In the fall we will present a bill on western grain transportation which will be extensively debated in the House and in committee, so I dare say there will be a lot of participation in the process that will lead to the final legislation.

Mr. Benjamin: Madam Speaker, 50 of the 67 organizations that the minister referred to do not grow grain or ship grain that is subject to the statutory rates. This is consultation El Salvador style—on land reform they consult with the land owners, not the land users.

REQUEST THAT RECOMMENDATIONS BE SUBJECTED TO REFERENDUM

Mr. Les Benjamin (Regina West): I have a supplementary question, Madam Speaker. If the minister thinks the Gilson and Snavley reports are so good will he submit them to the grain producers, that is, to those who hold wheat board permits, and allow them to vote on whether they want Mr. Justice Hall's recommendations or the Gilson report recommendations? Let us have no more nonsense such as consulting with outfits that do not grow grain or ship grain that is subject to the statutory grain rates. The minister has deliberately saturated his consulting process with people who are opposed to statutory grain rates, opposed to orderly marketing, and opposed to the Canadian Wheat Board. That is what he has built this stacked deck on, with the Gilson report. Will he submit the question to a referendum—Mr. Justice Hall's report or the Gilson report, which one?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, most of the farm leaders who attended the negotiations are elected on an annual basis, so it must be terribly difficult to be the leader of the Saskatchewan Wheat Pool or the Alberta Wheat Pool and not represent the will of the members of those pools. If anything, they are more in the hands of their members than we are in the hands of the electors.

• (1440)

Be that as it may, I repeat that there will be an extensive process of consultation between representatives of the groups who were at the Gilson exercise and their members in the weeks ahead. I and other members of the cabinet will meet with a good number of these associations. The process of consultation will be really exhaustive by the time we come to debate the bill in the fall. Then there will be parliamentary views expressed on this bill, and if my hon. friend wants to bring other people to committee to discuss the issue, he will have a chance to do that.

I have been involved in this issue for a couple of years now, and almost everywhre I went in the west people would say, "We have discussed this problem now for decades; it is time to act". My hon. friend would like to go back to the past; I suggest he come forward to the present and into the future.

Some hon. Members: Hear, hear!

REQUEST THAT REPORT BE REFERRED TO PARLIAMENTARY COMMITTEE

Hon. Don Mazankowski (Vegreville): Madam Speaker, I have a supplementary question for the Minister of Transport. Why is the minister circumventing the parliamentary process at this particular time? We have the Gilson report tabled, and it is very complex with many areas which require clarification. Would the minister not consider referring the report to a standing committee where he, and indeed Dr. Gilson, would avail themselves to clarify some of the very important recommendations made in this report so that Members of Parliament would have a clear understanding of its recommendations before legislation is brought before the House?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, those representatives who were at the Gilson exercise, as I call it, suggested that now they have the report they should go back to their different memberships and discuss the conclusions reached by the federal representative. They are the ones who want to take it up with their members. Again I say that after the federal government has made its decision on this issue, we will have plenty of time in the fall to debate everything in the Gilson report.

Mr. Clark: Just like VIA Rail.

Mr. Pepin: I do not know what will be retained by cabinet from the Gilson report, but I am quite willing to say today that it is a tremendous effort and generally well received.

Mr. Benjamin: By whom?

Mr. Pepin: Well received by people who looked at it this morning. But I will immediately add that it was almost impossible to read what was on the faces of those representatives yesterday or last night because, before expressing their own personal views on the Gilson report, they want to go back and discuss it with members of their associations, which I think is a hell of a good democratic process.

ROLE OF MEMBERS OF PARLIAMENT

Hon. Don Mazankowski (Vegreville): Madam Speaker, surely the minister should and does realize that he has a responsibility to the members of this House who are elected to serve the interests of their constituents. Fortunately the bulk of those members are situated on this side of the House, but the minister insists on not allowing those members the opportunity of participating in this debate.

Will the minister, before the adjournment of the House, consider referring this report to the standing committee so that members can question the minister and Dr. Gilson to clarify further the recommendations? And since the minister is sold on the report and the consultations, are we to assume that he accepts the recommendations? If not, are there any areas with which the minister does disagree?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, in my understanding of the parliamentary process the role of the opposition is not to comment, favourably or unfavourably, on investigations or reports asked for on our way to legislation. The role of the opposition is to comment, favourably or unfavourably, on propositions that the government intends to put into law.

Mr. Clark: Why did you set up the task forces?

Mr. Pepin: That is what the opposition will have a chance to do in the fall. If every report were brought to the House and to committee for discussion, I suggest there would be no end to it.

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MARINE TRANSPORT

HAZARDS TO NAVIGATION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, my qestion is for the Minister of Transport. I should say to him that the Gilson report, as well as the subject matter which concerns me, is perhaps a little more important to more Canadians than is the ports bill.

In light of incidents, both here, in the U.S., and in certain parts of Europe, involving either direct collisions with bridges carrying vehicular or pedestrian traffic, or near collisions, including Halifax harbour and the St. Lawrence River, I ask the minister whether or not these incidents raise once again in the minister's mind not only the legal obligations which might obtain but also the moral obligation to extend some form of bridge piling structure fendering so as to protect lives in the event of an accidental collision.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, under the Navigable Waters Protection Act the Government of Canada authorizes the construction of bridges over certain waters, and it has responsibility for maintaining traffic in those waters. When it comes to bridges such as the two in Halifax which my hon. friend has in mind, those are

intra-provincial bridges and consequently it is the responsibility of the province to protect the pilings of those bridges. I understand that this is a rather difficult argument to carry to the limit, so we are looking at ways now where, with the co-operation of the provinces, it might be possible to attack this very interesting and important safety matter.

DEPARTMENTAL APPROACH

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, in recent years hundreds and hundreds of lives have been lost in avoidable accidents. Of the 16 existing situations, seven are critical and four are extraordinarily critical. Do I understand the minister to be saying that he and his officials are attempting to develop an approach which will, in effect, result in cost sharing, or total absorption of the cost by the federal government, because it is a multiprovincial problem? Is the minister saying that in fact his department will look at this, and that it is perhaps something we might approach even as early as this summer?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, indeed I was being very cautious because this can be a rather expensive venture. However, in the last number of months, in the maritimes in particular, we have come to some kind of agreement with the provinces under which we are making savings in transportation and allocating those savings to other purposes in the area of transportation. So it is in that limited context that we are looking at it now. It is a question of substantial importance, I am very familiar with and aware of it, and like my hon. friend I think something might be done or could be done, and if something can be done I will try to do it.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF INTERNAL AFFAIRS, COOK ISLANDS, NEW ZEALAND

Madam Speaker: I would like to draw the attention of the House to the presence in our gallery of Mr. Javeta Short, the Minister of Internal Affairs, Cook Islands, New Zealand.

Some hon. Members: Hear, hear!

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HAZARDOUS SUBSTANCES

USE OF AGENT WHITE DEFOLIANT

Mr. Maurice Foster (Algoma): Madam Speaker, my question is directed to the Minister of National Health and Welfare. In view of the public concern which has been generated in a number of places in Canada regarding the use of the chemical Tordon 101 and Tordon 10K, by utility companies to control the growth of brush near power lines, can the minister say if this defoliant chemical, sometimes called Agent White, has been adequately tested so that her department can recommend it as being safe to use, and that there are adequate controls on its use to ensure that it does not pose a public health hazard?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, that defoliant includes one element called Picloram which is on the IBT list. Replacement studies are under way in order to permit us to make a proper health assessment as soon as possible, but there is no reason, to our knowledge, for people to worry about Picloram being a residue on food because of its usage which is licensed and controlled by the provinces. In the case to which the hon. member referred, the province of Ontario has approved Picloram for roadside clearing, but only by licensed applicators. This will be in areas where there should be no population. The only warning which appears on the label is with regard to occupational safety, in other words, for those spraying with that pesticide.

* * *

• (1450)

STATUS OF WOMEN

IMPACT OF MICROTECHNOLOGY

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my question is directed to the minister responsible for the status of women. This past weekend the minister will know that there was a very major national conference which brought women from across Canada to meet here in Ottawa to discuss their concerns about the tremendous impact of high technology particularly on female workers. Of course this revolution is happening now, but it will be worse in the future. Since most clerical and service jobs which employ primarily female workers will soon be automated, what plans does the government have to replace the massive job losses which will put some two thirds of the female work force out of work?

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, as the hon. member knows, the government has already launched a task force which is investigating this very problem. The task force, headed by Dr. Margaret Fulton, has already met in Toronto and will be holding meetings throughout the country. In addition, we, that is, the status of women, as part of the field trials' operations in the Offices of the Future Program which was announced a couple of months ago, are very much aware of this impact on our monitoring and will be devising programs to look into the situation very carefully.

Mrs. Mitchell: I am sure that task forces are fine, but action is needed now. Both short-term and long-term plans by the federal government are needed now. We were told at this conference that retraining programs for displaced female workers are now practically non-existent or, if they do exist, that they are practically obsolete, such as secretarial training, for example, that few women can get into trades training and that women will be pushed into the low-paying, part-time, non-unionized jobs; this is their future.

Oral Questions

TRAINING PROGRAMS

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, in view of this extremely serious situation, does the minister not agree that it is imperative for the federal government to institute mandatory affirmative action, to develop future-oriented job-training programs, including apprenticeship training, and to give major priority to job creation for women? What does she, as the minister responsible for the status of women, intend to do about it?

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, the hon. member should be very much aware of what is included in the National Training Act which was passed by the House and is now awaiting royal assent. This particular act addresses many of the problems which she has raised. I suggest that she examine some of the special training programs which are in effect, and the money which has been put into non-traditional training by the government. I urge the women of the country to examine these programs and to take advantage of the programs which are in existence now. I suggest to them that they are not aware of what is available. It is part of my job and of the hon. member's job to ensure that they take advantage of them.

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TRADE

IMPORTS OF SPUN ACRYLIC YARNS FROM MALAYSIA

Mr. Paul Dick (Lanark-Renfrew-Carleton): Madam Speaker, I should like to direct my question to the Minister of State for International Trade. Imports of spun acrylic sales yarns from Malaysia are increasing rapidly and are resulting in the loss of work, particularly in Perth, Ontario, but in other factories across Ontario and Quebec. Why was a specific restraint with Malaysia not renewed for the 1982-1986 period, similar to the restraints with other countries?

Hon. Ed Lumley (Minister of State (International Trade)): Madam Speaker, I am not aware of that specific product being included in the MFA bilateral agreement with Malaysia, but I will check and get back to the hon. member.

REQUEST THAT IMPORTS BE ROLLED BACK TO FORMER LEVELS

Mr. Paul Dick (Lanark-Renfrew-Carleton): Madam Speaker, at the same time will the minister check and report back on what action the government will take to roll back imports to the former restraint level and re-establish specific restraint levels through to 1986, which would make them consistent with the recommendations of the textile and clothing board?

Hon. Ed Lumley (Minister of State (International Trade)): Madam Speaker, all the bilateral agreements which we have negotiated under the MFA are under discussion right now within the department.

AGRICULTURE

PROPOSED ESTABLISHMENT OF CANAGREX CORPORATION

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I should like to direct a supplementary question to the Minister of State for International Trade. In light of the fact that the minister has not seen fit to go ahead with the national trading corporation, could he explain to the House why he is considering supporting the Canagrex bill which gives the right to buy and sell agricultural products within Canada by the federal government to a Crown Corporation?

Hon. Ed Lumley (Minister of State (International Trade)): Madam Speaker, first of all, the request for the national trading corporation was different from the Canagrex legislation. The Canagrex legislation will fill a void which is not at the present time being handled within the private sector.

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NATIONAL DEFENCE

QUERY RESPECTING REPLACEMENT OF NAVAL RESERVE VESSELS

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is directed to the Minister of National Defence. Last week the minister told the House that, despite the $3 billion which has been cut from the capital program of the Department of National Defence, none of the major projects has been delayed or cancelled. Would the minister tell the House whether or not any smaller projects, such as the replacement of five gate vessels for the naval reserves, have been delayed or cancelled?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, following the answer which I gave the hon. member sometime ago on the capital investment or rather the capital expenditures of the Department of National Defence, he should know, as an ex-minister of national defence, that we project our capital expenditures on a 15-year basis. There are, of course, many fluctuations which affect these 15-year projections, such as fluctuations in American inflation, in the rate of Canadian inflation, and also the rate of the Canadian dollar. All these issues are taken into consideration in our capital expenditures. We must re-evaluate and adjust, as years go by, what we can do with the financial resources given by the government to National Defence. It is not a question simply of what we can do this year or next year. We have to project over the long term, and it depends a lot on the economic situation.

MANPOWER LEVEL OF ARMED FORCES

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my supplementary question will be quite short. As a means of finding the money which the minister will be short of, is he contemplating reducing the size of the manpower of the Canadian forces?

Hon. J. Gilles Lamontagne (Minister of National Defence): No, Madam Speaker. I think the accepted strength at the moment is 83,400 or 82,800. I can correct that if I am wrong, but I think it is 83,400 people. At the moment we are at full strength. There is no question of cutting the authorized strength approved by the government.

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EXTERNAL AFFAIRS

LEBANON—SAFETY OF CANADIAN CITIZENS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is directed to the Prime Minister. I am sure he is aware that there are Canadian citizens and other persons who would be ordinarily resident in Canada who are trapped at the moment in Lebanon. To date, Canadian representatives in Lebanon have not been able either to identify them properly or find out where they are. Would the Prime Minister consider making representations, both to the authorities in Beirut and to the authorities in Israel, asking that they assist us in identifying our citizens and residents who are in that war-torn country and in attempting to have them conducted out of the country with safe passage?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I will inquire into the matter. I understand that the Department of External Affairs has been in touch and assisting with these cases. The hon. member shakes his head no. I will inquire into it, and if there is any way in which we could help, obviously we would want to do so.

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RAILWAYS

GILSON REPORT ON CROWSNEST PASS RATES

Mr. Jack Murta (Lisgar): Madam Speaker, I should like to direct a question to the Minister of Transport. It concerns the Gilson report. The minister has had the report for some two weeks. Obviously he and his department have studied it and his officials have communicated their feelings about the report to him. Could the minister indicate to the House whether there is any part of the report about which he has any great concern or any serious questions?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I said that I would not comment on it because obviously my colleagues want to be associated with me in the decision-making process. But there is one thing in the report which obviously comes to mind immediately. As my hon. friend remembers, in the statement of last February 8 the government had indicated some parameters, some general principles. One of those principles was that the cost for the next four years to the federal government would be at the level of $3.2 billion. It comes out as $3.5 billion in the Gilson report. If my hon. friend, like me, is rather skeptical about the rate of inflation indicated as an assumption in the report, then he might conclude that it will be more than $3.5 billion. That is one of the difficulties.

• (1500)

Another observation which might be made is about all the predictions, about the terrible things that were to happen. We all remember our NDP friends yelling all across the west that this was going to be the downfall of western agriculture. The fact is that should the government adopt the Gilson report, or something approaching it, the increase of the cost of transportation to the farmers would be rather moderate. Should the government accept the whole thing it would be 50 per cent more than the Crow in four years' time, and after 10 years it will be 220 per cent of Crow, which is far away from what those guys had been predicting all along. This is particularly true considering what the defeated government of Saskatchewan kept announcing all through the campaign which took place there. Therefore, one now realizes the unfairness of these boogies that were built up by the NDP and its Saskatchewan wing.

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[*Translation*]

PETITIONS

TABLING OF REPORT OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by hon. members on Wednesday, June 23, 1982, and finds that they meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*Translation*]

GRAIN

TABLING OF GILSON REPORT ON GRAIN TRANSPORTATION IN WESTERN CANADA

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, with your leave, I wish to table, under the provisions of Standing Order 41(2), the Gilson Report on Western Grain Transportation—Report on Consultations and Recommendations, and in French "*Transport des grains dans l'Ouest—Rapport sur les consultations et les recommandations*".

Order Paper Questions

[*English*]

PETITION

MR. SARGEANT—MAINTENANCE OF CROWSNEST PASS RATES

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, further to the petitions tabled by a number of my colleagues on Wednesday last and on this day, directly following the tabling of the Gilson report on grain freight rates, I am pleased to present petitions of some 834 residents of Manitoba. They are people who were excluded from the consultation process of the Gilson report and who call upon Parliament to maintain the Crow rate. They recognize that changing the Crow rate will reduce farm incomes, contribute to the breaking up of communities on branch lines and increase trucking and road costs. Mindful that three royal commissions have recommended the retention of the Crow rate, they pray that the Minister of Transport (Mr. Pepin) will heed the message of this timely petition.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 3,539, 3,540, 4,059, 4,072, and 4,226.

[*Text*]

GRAPHIC ARTISTS, STUDIO S & B

Question No. 3,539—**Mr. Cossitt:**

1. What is a complete list of all business done by any department with Graphic Artists, Studio S & B, 400 St. Antoine St. West, Montreal, including the nature of such business, the dates involved, the subjects involved and the money paid both in each case and in total?

2. Did Graphic Artists, Studio S & B perform government work through any advertising agency, including Vickers and Benson and, if so, what are all the details in this regard?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): In so far as the Canada Mortgage and Housing Corporation is concerned: 1. Studio S & B supplied CMHC with graphic design services, including typesetting and camera-ready art, for the production of a variety of communications materials. This material is designed for use by the corporation to inform members of the housing industry, lenders, home owners, landlords and the general public of its programs and services.

	Amount Spent	
	April 1, 1980 December 31, 1980	January 1, 1981 December 11, 1981
National Housing Act changes	$118,433	—
Energy Conservation	64,183	$ 31,430
Canadian Home Insulation Program	51,714	26,014
Metric Conversion	1,192	—
Residential Rehabilitation Assistance Program	29,272	24,662
Real Estate Marketing	—	2,981
Corporate Identity Program	—	90,719
Housing Technology Incentives Program	—	2,970
Canada Mortgage renewal plan	—	9,668
Human Resources Centre	—	2,411
Exhibits	—	363
	$264,794	$191,218

Total 1980/1981—$456,012.

2. CMHC did not purchase services from Studio S & B through Vickers and Benson or any other agent during the period April 1, 1980, to December 11, 1981.

In so far as the Department of Supply and Services is concerned: 1. Since April 1, 1980, there have been no contracts placed with Graphic Artists, Studio S & B.

2. Although Graphic Artists, Studio S & B provide graphic services to most advertising agencies in Montreal and, in the past, have provided services to several of these agencies doing work on government campaigns, the details of such subcontracting services are proprietary to the advertising agencies.

In so far as other Departments are concerned: none.

CMHC—ASSISTANCE TO HOME OWNERS

Question No. 3,540—**Mr. Cossitt:**

1. With respect to the advertisement ordered by Canada Mortgage and Housing Corporation explaining certain housing provisions in the budget and headed "Attention Homeowners", on what date did CMHC request the advertising firm of Vickers and Benson to book space in newspapers across the country?

2. Is the government aware that Linda Santucci, a representative of Vickers and Benson made telephone calls to certain newspapers including the *Charlottetown Guardian* requesting that the original insertion be not printed?

3. Did the government give Vickers and Benson instructions to "kill" the advertisement and, if so, what are all the reasons that the government would attempt to keep the advertisement from getting into print and specifically, was one of the reasons that someone in government realized that the advertisement was prepared prior to the budget with pre-budget information in the hands of Studio S&B, 400 St. Antoine St. West, Montreal?

Hon. Paul J. Cosgrove (Minister of Public Works): I am informed by Canada Mortgage and Housing Corporation as follows: 1. November 9, 1981. 2. No. 3. No.

CONTRACTS OF TERM EMPLOYEES

Question No. 4,059—**Mr. Baker (Nepean-Carleton):**

1. Did the Department of Employment and Immigration adopt a new policy for the renewal of the contracts of specified term employees and, if so (a) in what way does the policy differ from the previous policy (b) which other departments use this policy at present?

2. Will the effect of the new policy be to require existing term employees to reapply for their positions at the end of their contract and, if so, what will be the impact of this on service to the public and on employee morale?

3. Are any other departments considering adopting a similar policy?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Canada Employment and Immigration Department and the Public Service Commission as follows:

1. No. However, in response to a Public Service Commission directive, national headquarters of this Commission/Department in May of 1981, instructed its regions to take appropriate measures to implement controls on the use of "term" employment. This was done to ensure that "term" employment is not

used as a substitute for normal staffing processes, as well as to prevent a recurrence of a situation which existed prior to 1980, whereby a number of "term" employees acquired extensive periods of service without enjoying the rights of indeterminate status.

(a) The Public Service Commission has not altered its policies with respect to the employment of specified period employees. When a specified period (term) employee's period of employment is terminated by virtue of the specified period expiring and a need continues to exist for work of a term nature, the department concerned is required to obtain referrals from the appropriate referral agency (PSC or CEC) and make another specified period appointment on the basis of merit (most qualified available applicant).

With respect to long term specified period employees (at least five years of continuous service) on August 24, 1980, the Public Service Commission advised departments that a procedure had been established to secure indeterminate status for certain specified period employees who had been appointed for terms of five consecutive years. This procedure allowed appointments without competition through the use of an exclusion order to nullify the effects of appeal rights under section 21(b) and priority appointment rights and consideration under sections 29, 30 and 37 of the Public Service Employment Act. The procedure was intended to deal with situations where specified period employees had had at least five years of consecutive employment in the past without having attained indeterminate status. The new procedure was not intended to provide for an alternative to the normal staffing process for filling positions on an indeterminate basis (i.e. a competition). In this regard, the Public Service Commission reminded departments on January 7, 1981, that the normal procedure to be used to fill positions on an indeterminate basis is the competitive process. This process applies equally whether or not the position to be filled has been temporarily staffed with a specified period employee.

(b) The procedure outlined above applied to all appointments to departments under the Public Service Employment Act.

2. Not applicable.

3. In so far as the Public Service Commission is aware, all departments are following existing policies with respect to specified period employment.

STATUS OF LANGUAGE GROUPS

Question No. 4,072—**Mr. McKenzie:**

1. With reference to the supporting paper No. 1/81 of the Department of Transport Directive, File 2080-1 of January 7, 1982, are Francophones being contacted to relocate to Ontario in order to meet designated quotas of Francophone participation and, if so, in which provinces?

2. Do the Francophones being recruited have to be currently employed in the public service position which is similar to the position in Ontario which is going to be filled?

3. Are other language groups such as Polish, Ukrainian, Italian, Portuguese and English being recruited in the same manner as are Francophones with respect to public service positions in the Department of Transport and (a) if not, for what reason (b) if so, will the relevant recruitment directives be made available to Members of Parliament?

4. In the Department of (a) Agriculture (b) Communications (c) Consumer and Corporate Affairs (d) Employment and Immigration (e) Energy, Mines and Resources (f) the Environment (g) External Affairs (h) Finance (i) Fisheries and Oceans (j) Indian Affairs and Northern Development (k) Industry, Trade and Commerce (l) Justice (m) Labour (n) National Defence (o) National Health and Welfare (p) Public Works (q) Regional Economic Expansion (r) National Revenue (s) Secretary of State (t) the Solicitor General (u) Supply and Services (v) Veterans Affairs (w) the Treasury Board (x) the Ministry of State for Science and Technology (y) the Canada Post Corporation, are other language groups such as Polish, Ukrainian, Italian, Portuguese or English being recruited in the same manner as are Francophones with respect to public service positions and (i) if not, for what reason (ii) if so, will the relevant recruitment directives be made available to Members of Parliament?

5. With reference to the supporting paper, does the Department of Transport, in its Action Plan, ensure that language groups other than Francophones are explored for availability?

6. Which of the departments and the corporation listed in part 4 ensure that language groups other than Francophones are explored for availability?

7. Does the Department of Transport establish areas of competition to include all geographical areas where Polish-speaking, Ukrainian-speaking, Italian-speaking, Portuguese-speaking, Indian-speaking, English-speaking or any other language groups are available and (a) if so, where are the areas (b) if not, for what reason?

8. For each department and the corporation listed in part 4, are there established areas of competition to include all geographical areas where Polish-speaking, Ukrainian-speaking, Italian-speaking, Portuguese-speaking, Indian-speaking, English-speaking or any other language groups are available and (a) if so, where are the areas (b) if not, for what reason?

9. Does the Department of Transport make personal contact with qualified (a) Polish-speaking (b) Ukrainian-speaking (c) Italian-speaking (d) Portuguese-speaking (e) English-speaking (f) any other language group employees to encourage them to move to Ontario for employment and (i) if so, what means of advertising is used, where is it distributed and at what cost is it produced and distributed (ii) if not, for what reason?

10. For each department and the corporation listed in part 4, is personal contact made with qualified (a) Polish-speaking (b) Ukrainian-speaking (c) Italian-speaking (d) Portuguese-speaking (e) English-speaking (f) any other language group employees to encourage them to move to Ontario for employment and, if so (i) what means of advertising is used, where is it distributed, and at what cost is it produced and distributed (ii) if not, for what reason?

11. (a) With reference to the supporting paper, in which provinces does the Department of Transport promote career opportunities with the department by advertising competition posters for all language groups in all high schools, community colleges and universities (b) does the department meet with potential employees from all language groups before it makes a decision on possible employment of a particular person and (i) if not, for what reason (ii) if so, what process is used to ensure all language groups are given equal access to Department of Transport jobs?

12. In each department and in the corporation listed in part 4, are potential employees from all language groups met with before making a decision on possible employment of a particular person and (a) if not, for what reason (b) if so, what process is used to ensure all language groups are given equal access to all Department of Transport jobs?

13. Does the Department of Transport initiate, maintain or increase contact with educational institutions, professional institutions and other organizations in each province and territory in order to identify (a) Ukrainian-speaking (b) Polish-speaking (c) Portuguese-speaking (d) English-speaking (e) Italian-speaking (f) any other language group sources for specific occupational groups and levels and (i) if not, for what reason (ii) if so, in what manner and how often is this done and what process is used to ensure equal contact with all language groups?

14. For each department and the corporation listed in part 4, is contact initiated, maintained or increased with educational institutions, professional institutions and other organizations in each province and territory in order to identify (a) Ukrainian-speaking (b) Polish-speaking (c) Portuguese-speaking (d) English-speaking (e) Italian-speaking (f) any other language group sources for

specific occupational groups and levels and (i) if not, for what reason (ii) if so, in what manner and how often is this done and what process is used to ensure equal contact with all language groups?

15. Does each department and the corporation listed in part 4 develop resource pools for language groups other than Francophones and (a) if not, for what reason (b) if so, for which language groups?

16. Does each department and the corporation listed in part 4 make full use of other language group resource pools at every opportunity when hiring public servants and (a) if not, for what reason (b) if so, how many persons from each language group were hired in each year 1970 to 1981?

17. Does each department and the corporation listed in part 4 identify persons in all language groups other than Francophones who are capable of acceding to intermediate and senior level positions and (a) if not, for what reason (b) if so, how many persons from each language group acceded to an intermediate or senior position in the department in each year 1970 to 1981?

18. In each department and the corporation listed in part 4, by year from 1982 to 1990, what are the projections for each language group's recruitment proportions and how many persons from each group will be hired?

19. What will be the government's over-all employment in the public service, including Crown corporations and the military, in 1990 and what projected proportion will be made up by each language group?

20. For each department and the corporation listed in part 4, are training and development needs determined for all language groups through employee evaluation reports and (a) if not, for what reason (b) if so, how often and can samples of the evaluations be made available to Members of Parliament?

21. For each department and the corporation listed in part 4, is use made of all language group pools for special assignments and (a) if not, for what reason (b) if so, what are all the types of assignments?

22. For each department and the corporation listed in part 4, does the department encourage all language groups with suitable potential to participate in departmental exchange programs and, if not, for what reason?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by Treasury Board Canada and Transport Canada as follows:

The Official Languages Program in the Public Service of Canada is founded on the principle that whether in dealing with the federal government, or in pursuing a career within it, Canadians of each of the two major linguistic communities would have equal opportunities to use their first official language. The equal status of both languages in federal institutions is an explicit objective of both the Official Languages Act of 1969 and of the new Constitution. It is also the objective of the Official Languages Resolution passed in 1973 by Parliament, with the support of all parties, which calls for achieving, within the merit principle, the "full participation in the public service by members of both the Anglophone and the Francophone communities".

It is important to note that where the linguistic composition of the public service is concerned, the terms "Anglophone" and "Francophone" are not limited to people whose mother tongue is English on the one hand, or French on the other. Thus "Francophones" include all Canadians of different ethnic origins and mother tongue (such as Polish, Italian, Portuguese, etc.) who are more at home in French than in English. In terms of the official languages policy, French is their first official language. Clearly then, to contact, recruit or train Francophones or Anglophones is also to do so for the above groups as a matter of course.

One of the means approved by the resolution for achieving the participation objective was "further recruitment efforts . . . ". Where in any federal department or agency, the participation rate is significantly different from either the general population figures or the more specific labour force statistics, the department concerned is expected to review its situation to ensure that its recruitment practices do not discriminate against qualified Anglophones or qualified Francophones, and within the merit principle, progressively eliminate the disparities observed.

In the Department of Transport's Ontario region, as in various parts of some other departments and agencies, it is the Francophone participation rate which is low. Where this is so, departments are expected to build up contacts with French language educational and professional institutions, resource pools and other sources in order to complement existing Anglophone sources upon which the federal public service has traditionally relied and which it continues to use.

Where Francophones are contacted for availability to fill positions, these positions are not closed to Anglophones, who may and do also apply, and are given equal consideration with Francophone applicants. The decision to employ a particular candidate is then based on his or her ability to meet the qualifications of the position.

"Training programs offered in the French language" are another means approved by the parliamentary resolution. Accordingly, training and development are among the measures proposed in the memorandum to which the question refers. Since these measures are also mentioned in the question itself, notably in part 20, it should be particularly remembered that training and development courses in French are open not only to Francophones but also to bilingual Anglophones, and the converse is true of courses in English.

Since, as stated, the policy makes no distinction between Anglophones whose mother tongue is English and those with other mother tongues, or between Francophones of French mother tongue and those with others, further distinctions between the specific language groups on which data are requested in the question are not relevant to the implementation of the official languages policy. Except as provided above, the following numbered parts of the question are therefore not applicable: 3, 4, 5, 6, 7, 8, 9, 10, 11 (b), 12, 13, 14, 15, 16, 17, 18, 20, 21, 22.

1. No. Although a statement to this effect was mentioned in the supporting paper as a possible recruitment strategy, it has not been implemented.

2. No.

11. (a) As required, the Department of Transport promotes career opportunities in educational institutions in all provinces and these campaigns are directed towards all Canadians.

19. The government has established no such projections for 1990.

SUICIDES IN FEDERAL INSTITUTIONS

Question No. 4,226—**Mr. Corbett:**

1. In (a) 1981 (b) 1982 to date, in each federal penitentiary, how many persons committed suicide?

2. For the same period, in each federal penitentiary, how many prisoners suffered bodily harm as a result of action by (a) penitentiary staff (b) penitentiary inmates?

Hon. Bob Kaplan (Solicitor General): In so far as the Correctional Service of Canada is concerned:

1. (a) In 1981, 12 inmates committed suicide. These suicides occurred at the following institutions: Laval Institution—1; Archambault Institution—2; Leclerc Institution—3; Regional Psychiatriac Centre, Ontario—1; Kingston Penitentiary—1; Collins Bay Institution—1; Warkworth Institution—1; Edmonton Institution—1; Kent Institution—1.

(b) In 1982, two inmates committed suicide. The two suicides occurred at Archambault Institution and at the Federal Training Centre.

2. (a) Information not available. Statistical data is not maintained on bodily harm suffered by inmates as a result of action by penitentiary staff.

(b) Between January 1 and December 31, 1981, there was a total of 56 major and 185 minor assaults committed on inmates by other inmates in maximum and medium-security institutions. Between January 1 and March 31, 1982, there was a total of six major and 42 minor assaults committed on inmates by other inmates in maximum and medium-security institutions. For detailed statistics by institution, please see table below.

A minor assault consists of an incident in which no bodily injury is incurred, or the injury is superficial as, for example, abrasions or bruises. A major assault consists of an incident where the injury results in hopsitalization or treatment which prohibits return to normal routine or where it is evident that the perpetrator intended to cause grievous bodily harm.

Assault on Inmates by other Inmates for the period January 1, 1981 to December 31, 1981:

Institution	Major Assaults	Minor Assaults
Dorchester	3	18
Springhill	1	7
Correctional Development Centre	0	12
Laval	1	26
Regional Reception Centre, Quebec	0	1
Archambault	1	13
Leclerc	1	5
Cowansville	0	1
Federal Training Centre	0	1
La Macaza	0	1
Millhaven	0	7
Kingston	0	3
Prison for Women	1	3
Collins Bay	5	19
Warkworth	1	0
Joyceville	8	8
Edmonton	2	5
Saskatchewan Penitentiary	2	8
Regional Psychiatric Centre	1	4
Drumheller	6	10
Stony Mountain	2	10
Bowden	2	2
Kent	4	7
Regional Psychiatric Centre, Pacific	1	2
Matsqui	7	5
Mountain	2	3
William Head	4	0
Mission	1	4
Total	56	185

For the period January 1, 1982 to March 31, 1982:

Institution	Major Assaults	Minor Assaults
Correctional Development Centre	0	1
Laval	0	4
Archambault	0	2
Leclerc	0	2
Millhaven	0	1
Collins Bay	1	5
Warkworth	0	1
Joyceville	0	7
Edmonton	1	1
Saskatchewan Penitentiary	0	1
Drumheller	1	12
Stony Mountain	2	2
Kent	1	0
Matsqui	0	3
Total	6	42

* * *

[*English*]

STARRED QUESTION

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, would you be so kind as to call starred question 4,317?

[*Text*]

*INFORMATION ON METRIC SYSTEM IN BRAILLE

Question No. 4,317—**Mr. Dinsdale:**

Did the Metric Commission provide information on the metric system in braille for the benefit of the blind and, if so, what was such information?

[*English*]

Mr. Gary F. McCauley (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Yes. Conversion charts prepared by the Canadian National Institute for the Blind have been provided by Metric Commission Canada on request. Metric Commission Canada is currently co-operating with the Canadian National Institute for the Blind in the production of additional materials in braille, in large print, and in audio cassette format for the visually impaired.

[*Translation*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered.

[*English*]

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

Madam Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

Mr. Beatty: Madam Speaker, last year on June 18, prior to the royal wedding, I put a question on the Order Paper numbered 2,644 in which I inquired whether or not the post

office intended to issue a postage stamp commemorating the royal wedding. In view of the fact that a year has come and gone since that time and that the stork has beaten the post office, could the parliamentary secretary indicate when the post office will be supplying an answer to that question?

Mr. Smith: Madam Speaker, I do not know the answer to that offhand but I will be happy to make inquiries on behalf of the hon. member.

GOVERNMENT ORDERS

[*English*]

ACCESS TO INFORMATION

MEASURE TO AMEND CERTAIN ACTS

The House proceeded to the consideration of Bill C-43, to enact the Access to Information Act and the Privacy Act, to amend the Federal Court Act and the Canada Evidence Act, and to amend certain other acts in consequence thereof, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs.

Madam Speaker: Just before the House enters into debate I would like to indicate the grouping and voting arrangement for the report stage. Motion No. 1 standing in the name of the Minister of Communications (Mr. Fox) should be debated and voted on separately. Motions Nos. 2, 3, 4 and 5 in the name of the Minister of Communications and motions Nos. 10, 21 and 22 standing in the name of the hon. member for Nepean-Carleton (Mr. Baker) concerning disclosure and access to information should be debated together but voted on separately. Motions Nos. 6, 9 and 18 should be debated together and, if required, voted on separately. Motions Nos. 7, 8, 19 and 20 should be debated together with a vote on motion No. 7 disposing of motion No. 8 and the vote on motion No. 19 disposing of motion No. 20.

Motions Nos. 11 and 12 should be debated separately and voted on separately. Motion No. 15 in the name of the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) gives the Chair some misgivings concerning its procedural acceptability. The motion appears to go beyond the scope of the bill. However, there is some doubt in the mind of the Chair in that Clause 3 to Schedule 2 defines personal information as "(c) any identifying number". Because of this doubt, and unless I am persuaded otherwise, it is the Chair's intention to give the hon. member the benefit of this doubt and to put the motion to the House.

Therefore, as motions Nos. 13, 14, 16, 17 and 26 are consequential and related to motion No. 15, it is my intention to group them for debate with a vote on motion No. 15 disposing of motions Nos. 13, 14, 16, 17 and 26.

Motions Nos. 23 and 24 should be debated separately and voted on separately. Motion No. 25 in the name of the hon. member for Wellington-Dufferin-Simcoe seeks to amend two acts which are not before the House. Therefore, in accordance with Beauchesne's Fifth Edition, Citations 792 and 773(8)(a), I must rule that motion No. 25 is not acceptable. However, the hon. member, if he so wishes, may present his arguments in favour of the motion when it is called.

[*Translation*]

Hon. Francis Fox (Minister of Communications) moved:

Motion No. 1

That Bill C-43, An Act to enact the Access to Information Act and the Privacy Act, to amend the Federal Court Act and the Canada Evidence Act, and to amend certain other Acts in consequence thereof, be amended by adding immediately after line 4 at page 2 the following

"AMENDMENT TO ACCESS TO INFORMATION ACT

6. If, during the first session of the thirty-second Parliament, an Act entitled the *Canadian Ownership and Control Determination Act* is assented to, Schedule II to the *Access to Information Act* shall be amended by adding thereto, immediately after the reference to the Canada Pension Plan, a reference to the Canadian Ownership and Control Determination Act and a corresponding reference in respect of that Act to section 49.

7. If, during the first session of the thirty-second Parliament, an Act entitled the *Energy Monitoring Act* is assented to, Schedule II to the *Access to Information Act* shall be amended by adding thereto, immediately after the reference to the *Defence Supplies Act*, a reference to the *Energy Monitoring Act* and a corresponding reference in respect of that Act to section 33.

8. If, during the first session of the thirty-second Parliament, an Act entitled the *Motor Vehicle Fuel Consumption Standards Act* is assented to, Schedule II to the Access to Information Act shall be amended by adding thereto, immediately after the reference to the Canada Labour Code, a reference to the *Motor Vehicle Fuel Consumption Standards Act* and a corresponding reference in respect of that Act to subsection 27(1).

9. If, during the first session of the thirty-second Parliament, an Act entitled the *Petroleum Incentives Program Act* is assented to, Schedule II to the *Access to Information Act* shall be amended by adding thereto, immediately after the reference to the *Petroleum Corporations Monitoring Act*, a reference to the *Petroleum Incentives Program Act* and a corresponding reference in respect of that Act to section 17."

and by renumbering Clause 6 as Clause 10.

● (1510)

He said: Mr. Speaker, this afternoon, the House will be asked to vote on an extremely important bill, perhaps one of the most important pieces of legislation to appear on the Order Paper of the House during this session. It is important, Mr. Speaker, because it will make changes in our parliamentary institutions, changes which will have long-term consequences for our democracy.

Briefly, Bill C-43 meets three major objectives:

[*English*]

First, it creates for every Canadian and permanent resident a right of access to the information held by more than 130 federal government institutions. It spells out the necessary limits of that right as well as the conditions under which it can be exercised. It makes this right of access meaningful by providing independent and external review over government

decisions to refuse access to information. In short, it sets forth the basic rules for obtaining access to government information, where none existed before.

Second, it significantly extends the protection that is now accorded to personal information under Part IV of the Canadian Human Rights Act. It establishes a comprehensive code of fair information practices governing the collection, the use, the disclosure and the retention of information concerning individuals. As well, it reinforces the right of Canadians to obtain information held by the government about themselves. It complements this right with a scheme of independent and external review.

Finally, it reforms the rules governing the privileges now vested in the Crown as regards evidence before the courts. Absolute privilege is retained only for cabinet confidences. All other matters which deserve to be protected on the grounds of a public interest are now reviewable by the courts and the courts will decide whether they ought to be produced or not.

As a result of this legislation, Canadians will be better informed of their government's decisions and actions. They will be better equipped to inquire into the reasons for a given course of government action. This bill—imperfect as some may find it—will make for better government in Canada.

The idea of enacting a statutory scheme of public access to government information has been with us for a long time. It is fair to say that it received its main impetus from members of this House of Commons. In the mid-sixties a member of the New Democratic Party, Barry Mather, sponsored a private member's bill on the subject. Later, Mr. Jed Baldwin of the Conservatives became a crusador for freedom of information, and although he is no longer a member of this House I know that he is still actively involved in promoting such legislation.

In 1977, at the initiative of the Hon. Ron Basford, then minister of Justice, Parliament adopted Part IV of the Canadian Human Rights Act, the present framework for the protection of personal information. At the same time, my colleague, the present Minister of the Environment (Mr. Roberts), authored a green paper on legislating public access to government documents. That document became the focus for the deliberations of the Standing Joint Committee on Regulations and other Statutory Instruments. The imprint of the committee's recommendations was to be found in both the Conservatives' Bill C-15 and in this government's Bill C-432. I am referring to the uniquely Canadian approach of having a two-tier review of government decisions on access requests. In 1979, the hon. member for Nepean-Carleton (Mr. Baker) sponsored the Conservative government's freedom of information bill. Then this government introduced in July, 1980, its own composite bill on access to information, privacy and public interest immunity.

[*Translation*]

In July 1980, not quite two years ago, I had the privilege of tabling Bill C-43 in the House. Since then, the Standing Committee on Justice and Legal Affairs has spent many hours considering this legislation. A host of associations came to express their views on various aspects of the bill. These associations came from every sector of our society and included: ecologists, consumer associations, several media groups, the Canadian Manufacturers' Association, the Canadian Association of Chiefs of Police, historians, archivists, the Civil Liberties Union, a number of education groups and so forth. Although they were not all in agreement on every single clause, and although they wanted certain changes, they did agree that the legislation should be passed by Parliament as soon as possible. In response to their representations, the government has proposed a number of amendments to its bill.

[*English*]

I would like to note in passing that if the standing committee had been allowed to deal with the bill with the usual dispatch, the access to information bill would be in force today; it would be reality today. We would not be debating it; we would actually be seeing it enforced across the country. That delay can be due to only one party in opposition, and that is the New Democratic Party.

[*Translation*]

Mr. Speaker, I should like to take advantage of this opportunity to express my appreciation of the work done by the committee members who examined this legislation. The committee met 35 times, it heard some 27 experts and interest groups and received 57 written submissions. I should like to mention by name the committee members who worked so hard to bring this bill to its final stage. First of all, the chairman, the member for Lotbinière (Mr. Dubois), and I also wish to stress the role played by my parliamentary secretary, the member for Thunder Bay-Nipigon (Mr. Masters) and the contribution made by the members for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand), Sarnia-Lambton (Mr. Cullen), Lévis (Mr. Gourde), Montréal-Mercier (Mrs Hervieux-Payette), Sault Ste. Marie (Mr. Irwin), Cape Breton-The Sydneys (Mr. MacLellan), Jonquières (Mr. Marceau), Willowdale (Mr. Peterson), Kenora-Rainy River (Mr. Reid), Etobicoke-Lakeshore (Mr Robinson) and Bourassa (Mr. Rossi). I know the member for Gloucester (Mr. Breau) was with us in spirit, since he sits on a number of House committees that are concerned with many other subjects.

I also wish to express my appreciation for the active participation of the hon. member for Nepean-Carleton (Mr. Baker) and the member for St. Catharines (Mr. Reid), who brought a very positive attitude to the committee's proceedings. The first component of Bill C-43 constitutes what will be known as the Access to Information Act. As I said earlier, this legislation gives Canadians and permanent residents the right to have access to information held by more than 130 government institutions. This access will be regulated by flexible procedures that will facilitate the communication of government information. A written application is to be sent to the government institution concerned, specifying the document requested. To help citizens exercise their rights in this matter, the bill

provides for annual publication of a compendium informing the public of the function and programs of every government institution. It will also include the various kinds of documents that may be found. The compendium will be updated twice a year and be available throughout Canada. In fact, its usefulness goes beyond the immediate purpose for which it is to be published.

• (1520)

[*English*]

I come now to the exemptions that may be invoked by the government to refuse access to information. The discussion in committee showed that there was unanimous agreement on the need for exemptions; a surprisingly wide consensus on the types of information requiring special protection was also seen. Differences that emerged had more to do with the approach chosen or the precise wording utilized. Our objective in devising the exemptions was to encompass only that information that had to be withheld from disclosure. I am referring to exemptions, not exclusions. Like its Conservative predecessor, Bill C-43 attempts to be precise and detailed. We did not think that adopting the U.S. approach of having very short but general exemptions was the best means of achieving the objectives of the legislation. The exemptions in Bill C-43 give a much better idea of what can be refused than the general and obscure wording used for the exemptions in the U.S. freedom of information act.

[*Translation*]

I would like to take a few minutes to talk about the independent review system proposed in this bill. Without independent review, the individual has no recourse against government institutions and his right of access will be a right in name only. Bill C-43 provides for a two-tiered independent review process. First, as I said earlier, the Information Commissioner is responsible for receiving and hearing, free of charge, complaints dealing with various aspects of the processing of requests. At the second level, a person who is refused access to a document, even after examination of his complaint by the commissioner, has the right to apply to the Federal Court for review of this refusal. The Information commissioner is not a member of government and is, above all, an agent of Parliament. The legislation gives him extensive powers for examining complaints, and he has access to all information covered by the bill. He may demand that officials explain their reasons for making a given decision. He may recommend that the institution change a decision that has already been made, and in that case, his recommendations are communicated to the complainant.

The commissioner may initiate an investigation without necessarily having received a complaint. He is empowered to go directly to the courts to obtain a review of a refusal to release information. Finally, he reports directly to Parliament and not through a minister. In fact, the commissioner's powers are very extensive and his main role will be to ensure that government departments and agencies abide by both the letter and the intent of the law. He will not act as a neutral ombudsman. I expect the Information Commissioner to take up the cause of persons seeking information and to defend their interests vis-à-vis ministers and officials. I feel that the Information Commissioner will be the linchpin of access to information.

[*English*]

It may be that the commissioner will not be able to bring a government department to share his view that a document should be released. In that case, the applicant can ask the Federal Court to have the department's denial reviewed. The court will also have extensive powers for the exerrcise of its functions. It will differ from the commissioner mainly in its ability to order the department concerned to release documents if it is determined that these should not be denied.

The court will be deciding on the validity of refusals according to two different sets of rules, depending on the exemption on which a refusal is based. Where a document is refused because its disclosure would prejudice the highest interests of the state—defence, national security, international relations—the court will determine whether the minister had reasonable grounds to come to that conclusion.

The reasonable grounds test review is very similar to the type of review undertaken by the courts under the U.S. freedom of information act when matters of national defence and national security are at stake. In Canada, this kind of review attempts to reconcile the concept of judicial review with the principle of ministerial responsibility.

In all other instances of refusal, the court will be undertaking what is called a *de novo* review. There was a suggestion made during the consideration of the bill by the Justice and Legal Affairs Committee that the *de novo* review does not exist under Clause 50 of the access to information portion of the bill. I sought the counsel of the Department of Justice on the matter. Their advice is to the effect that the Federal Court, in hearing an application brought with respect to a refusal to disclose a record based on exemptions on other than those involving the highest state interests conducts the *de novo* hearing in the traditional sense of the term.

The court is empowered to conduct a new hearing to determine whether or not a document for which an exemption is claimed is in fact an exempt document. If the court disagrees with the decision of the minister, it will substitute its opinion for that of the minister and order the document disclosed.

The American freedom of information act specifically requires that the court hearing a freedom of information case determine the matter by *de novo* review. The American case law has established that *de novo* review under the American freedom of information act amounts to the same type of review which exists under Clause 50 of Bill C-43. That is, the court reviews a document for which an exemption is claimed to determine whether or not it qualifies as exempt. The court will not, however, interfere with the discretion of the department or

agency involved in deciding whether, once a document has been determined to be exempt, the exemption should be claimed or waived. The American Supreme Court has made it quite clear that it considers judicial interference with such a decision to be inappropriate. I quote the case of *E.P.A. v. Mink* U.S. 73, at page 80, a court case going back to 1973.

To my knowledge, there has never been any suggestion that the type of review which exists under the U.S. act does not amount to *de novo* review. Nor can it be legitimately claimed that review under Clause 50 of this bill does not constitute *de novo* review.

The two-tier review system, which includes the act of participation of a powerful information commissioner and of an independent court, will ensure that no information that should be made available will be denied. It guarantees that the objectives of the legislation will be met, not in some vague and general way but in the day to day operation of the access to information act.

In concluding this description of access to information, I would like to mention two important features that were added in committee. The first has do to with the purpose clause. It will be made clear on the face of the act itself that this legislation is not meant to replace procedures now in place for providing access to government information. Nor is it meant to cut the flow of information currently available to the Canadian public. This clarification was made in response to the fears expressed in certain quarters, especially in the historical research community, that henceforth no access would be provided otherwise than by using the formal mechanism of the legislation.

The second important improvement relates to the requirement that a comprehensive review be undertaken of the access to information act with a view to determining whether it needs amendments. This review is to be conducted by the parliamentary committee that will be designated or set up to oversee on a permanent basis implementation of the legislation. This will ensure that the act we now have before us is but a first text, one that will be improved upon in the light of the experience gained over the years.

The second part of Bill C-43 will enact new privacy legislation. Under this portion of the bill Part IV of the Canadian Human Rights Act, the existing legislation dealing with the protection of personal information held by the federal government, will be repealed and replaced by more comprehensive legislation protecting government-held personal information.

Before elaborating on the ways in which the rights recognized under Part IV of the Canadian Human Rights Act will be extended, I would like to take a few moments to discuss the relationship between access to information and privacy legislation. Combining access to information and privacy legislation in one bill has permitted the complete integration of these two complimentary types of legislation.

Parallel rights of access to information held by the government and parallel rights of review of decisions to refuse access have been created. At the same time, however, the principle that the right to privacy takes precedence over the general right of access has been clearly recognized. This is a principle with which I am sure all hon. members agree. Thus the term "personal information" has the same meaning in both the privacy and access to information legislation.

Also the disclosure of information under the access to information portion of the bill is determined by the principles regarding disclosure of personal information to third persons set out in the privacy portion. This approach will ensure complete consistency between the treatment of personal information under both statutes, thus avoiding the situation which has developed in some countries where competing rights to privacy and to access to government-held information have been created.

Returning to the ways in which the rights currently recognized under Part IV of the Canadian Human Rights Act will be extended by the new privacy legislation, I would point out first, that a comprehensive code of fair information practices will be enacted. This will forbid the collection by government institutions of personal information which is not directly relevant to the operating programs or activities of the institution. It will also require that government institutions collect and retain only accurate, complete and up to date personal information about individuals.

Finally, and perhaps most importantly, a comprehensive code regulating the use and disclosure of all personal information by government institutions will be enacted. This code reflects the principle that the right to privacy involves the right to control the use and disclosure of information about oneself. This is a principle which is particularly important in today's age of rapidly developing computer technology.

• (1530)

One member of the opposition in particular criticized this code, suggesting that it is actually a mechanism to authorize unwarranted intrusion into the privacy of individuals, rather than a scheme designed to protect individual privacy. In doing so, I feel that the effect of the code has been misrepresented.

At present, there are two types of controls which exist with respect to the use of disclosure of personal information. The first are the controls of general application set out in Subsection 52(2) of Part IV of the Canadian Human Rights Act. These controls apply only to the personal information which an individual himself provides to the government and only where the information is to be disclosed for use in a decision-making process relating to the individual. These controls are much more limited in their application than those that are now included in Bill C-43. The second type of controls are those specific prohibitions against disclosure which exist under certain statutory schemes. One can mention Section 241 of the Income Tax Act as an example.

The code in Bill C-43 regarding use and disclosure necessarily recognized that there are some circumstances in which the right to privacy may have to yield to greater public or private interests. However, the situations in which this is the case are both limited and specific. Moreover, it is essential to understand that no right of access by a third party is created

under the code. The disclosure of personal information in the circumstances set out is always left to the discretion of the head of the institution. In exercising this discretion, he or she will be expected to weigh the interest in disclosing the information against the resulting invasion of privacy.

The disclosure of personal information by government institutions will be closely monitored by the privacy commissioner. And in instances where disclosure of personal information is most sensitive, such as a disclosure to the police, special controls have been included in the legislation to ensure that the privacy commissioner will scrutinize all disclosures carefully. The privacy commissioner can, of course, report to the head of the institution involved, and to Parliament, where he or she finds that a government institution has not complied with the code.

The second significant way in which the new privacy legislation expands the rights created under Part IV is the creation of a right of judicial review of refusals to provide access to personal information. This right is, of course, parallel to that granted in the access to information legislation and recognizes that the courts, and not the government, should be the final arbiter of disputes over access. In addition, the privacy commissioner has been given the specific responsibility to oversee the use of exempt banks. Where the commissioner finds that personal informatioan has been improperly included in an exempt bank, he or she can refer the issue to the Federal Court. The court, if it agrees, can order the information removed from the bank.

Finally, the number of government institutions to which the legislation applies has been considerably expanded. This paves the way for the next stage in the development of privacy legislation, extension of the principles respecting the protection of personal information to the federally regulated private sector.

[*Translation*]

Finally, the third component of Bill C-43 consists of new rules that will govern the privileges now vested in the Crown as regards evidence before the courts and also what is known as public interest immunity. These new provisions will supersede Section 41 of the Federal Court Act, according to which the Crown enjoys absolute privilege when a minister certifies that the production of information before the courts would be injurious to international relations, national defence or security, federal-provincial relations, or that it would disclose a cabinet confidence. The new clauses of the Canada Evidence Act will restrict absolute privilege to confidences of the Privy Council. This decision is the result of long and careful consideration by the government. Judgments handed down recently by the highest courts of British Columbia and Alberta have stated that cabinet confidences could, in certain cases, be disclosed in court. Such judgments run counter to a long tradition of legal precedent in Canada. The point is therefore that the position of our common law is still not quite clear on the court's obligation to protect cabinet confidences.

In the circumstances, the government thought it wiser to maintain absolute privilege in this regard and to simply withdraw such documents from the scope of the legislation on access to information and privacy. However, the Crown's absolute privilege has been repealed with respect to all other records. When a minister objects to the disclosure of information in court, he will have to certify that his objection is made on the grounds of a specified public interest. A justice of a superior court may examine or hear the information and order its disclosure, if he considers that the public interest in disclosure outweighs in importance the public interest grounds raised in the minister's objection. This new approach is therefore far more liberal than Section 41 of the Federal Court Act, and I am certain that it serves the interests of justice and the parties concerned.

[*English*]

Quite apart from the factual contents of the bill, I think it is important for the House to be aware of its broader significance. In a sense, this legislation sets out bottom line rules. It will be more in the nature of an appeal mechanism available to Canadians for the event where their informal requests for information are turned down. It is more than likely that people will continue asking for government information as they always have: outside the scope of this act. This is how it should be. Indeed, I do not anticipate, for instance, that the press will be using the legislation on a regular basis.

The mere fact, however, that the legislation is on the books will lead government officials to be as forthcoming and as responsive as they would be if the requests had been filed under the act. This brings me to my second point. The Access to Information Act will bring about a very major change of thinking within government. Departments and agencies will be far more sensitive to inform the public of what they are doing. At any rate, the bill contains such a wide array of checks against abuse that government will have no choice but to apply the legislation in a reasonable and open fashion. These checks will be embodied in the powers of the information commissioner, in the process of judicial review, in the regular reporting to Parliament by each government institution and the information commissioner and, lastly, in the permanent review of the act's operation that will be carried out by a parliamentary committee.

Finally, this legislation is not cast in stone. It is but a beginning—an important beginning. As I mentioned earlier, a parliamentary committee will undertake a comprehensive review within three years to find out how the legislation can be improved. The committee will be able to question experts and interested parties in order to evaluate how the legislation affects government operations, and to obtain the views of the information and privacy commissioners. It is with the benefit of practical experience that it will be recommending whatever changes are necessary. Canadians will draw maximum benefit from legislation which guarantees its own revision.

Some hon. Members: Hear, hear!

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I want to thank the minister for his kind references. I do so at the beginning of the debate. I want to say to him now that if there are any references which might be deemed to be unkind, I do not want him to accept them as personal references. I believe that when the minister made his statement way back in the spring of 1981, when the announcement of the government's bill was made at the Press building, the minister was speaking not just for the government but for himself, when he put forward and brought to the Order Paper for first reading the freedom of information bill—which was much better than the one we are dealing with today. I have to say that and I want to say it.

That does not in any way forgive the government for the position it has taken on some particular things. Nor do I want to say that I agree completely that Bill C-43 was the last word on freedom of information when it was presented. It was not, but I think it was a good beginning. At that time I thought it was a particularly good beginning for a Liberal government. In fact, it was surprisingly good for a Liberal government. I went home and said to my wife that I could hardly believe my eyes when I read the bill that evening. When I heard Mr. Ged Baldwin give it a B plus, I was prepared to agree with him, until we got into it. Then the mark fell somewhat, but still it was at least a B, in my judgment. However, unfortunately, certain things occurred during the course of the committee hearings which caused me great concern. I think it also caused Canadians great concern.

• (1540)

As the minister has said, this bill is very important, and it is the end of the beginning. That is what we are dealing with in this matter.

At the outset of my speech I want to pay tribute, if I might, to the people who came before our committee and contributed so greatly to the enhancement of the bill in many ways. I must, of course, pay tribute to a group known as Access, which has been a prime motivator behind the rush for freedom of information, joining with Mr. Ged Baldwin in the course of the matter. I think their leadership in the private area brought other people into it, people who had been interested in it for many years but required a focal point. Access provided that.

We heard from the Social Science Federation of Canada, the Canadian Association of University Teachers, the Canadian Library Association, the Canadian Teachers' Federation, the National Action Committee on the Status of Women, the Canadian Civil Liberties Association, the Canadian Daily Newspaper Publishers Association, the Canadian Labour Congress, the Centre for Investigative Journalism, La Fédération professionnelle des journalistes du Québec, the Writers Union of Canada and many, many others who were interested on all sides of the issue of freedom of information.

Each one of them should take some pride, and the members of those organizations should take some considerable pride in the fact that, squeezed as we are between last weekend and the momentous events of this evening at eight o'clock, we have been granted, more or less on a take-it-or-leave-it basis, an opportunity to deal with report stage and third reading of a bill which turns a page in the legislative history of the country. For that small mercy, that half day which runs from 3.15 to 5.45, I want to express the grateful thanks of all Canadians who are interested in openness and freedom of information.

There is another tribute I wish to pay. I do not believe we would be dealing today with Bill C-43 or any bill on freedom of information if there had not been some leadership taken in another part of this House. I hope the House will understand and agree with me that when he was the Prime Minister of this country, the Leader of the Opposition, the right hon. member for Yellowhead (Mr. Clark), advanced the cause of freedom of information to a tremendous degree. As Prime Minister and as the head of a government, he took an initiative with respect to freedom of information and the process of openness. I was the minister piloting the bill at that time, and I can attest now—and my colleagues in the then ministry can attest now—to the primacy he gave to the proposition of openness in government and freedom of information.

It is no accident that the bill advanced in the fall of 1979 was called a bill respecting freedom of information rather than a bill respecting access to information. There is just a slight difference in emphasis. I wanted to say that because quite often the contributions public men and women make when in office are forgotten after they leave office. It was the Prime Minister of that day in 1979 who put his personal *imprimatur* on that piece of legislation and gave leadership within the government with respect to that bill.

What was the result of that? The result was a good one. In the throne speech which began the first session of the Thirty-second Parliament the government under the Right Hon. Prime Minister (Mr. Trudeau) made reference to the bringing in of a freedom of information bill. I do not think that would even have appeared in the throne speech but for the fact that there had been a momentum generated in 1979. As a result of that this government brought forward the bill. I remember when the Minister of Communications (Mr. Fox), who was then also Secretary of State, introduced that bill at a press conference. I had the privilege of being there and speaking about the bill, after the press conference and from the back row of the theatre. I remember the minister patting himself on the back—justifiably, I think, given the traditions of his party—to the extent that he nearly broke his arm! Nonetheless, it was there, and we would not have had that day but for the fact that the government realized that there is in the Canadian public a feeling of suspicion, distrust and cynicism about government. There is a feeling that it is a closed shop and that the people who pay the bills do not have access to it. There is a feeling they do not have a way into it, and freedom of information would provide that way. I think there was a realization by the government. It obviously had done some polling, so we had the bill.

However, what happened in the course of the bill is epitomized in the amendments brought forward at the last moment.

Clause 68 deals with confidences of the Queen's Privy Council, whatever that means. That removed from the bill the idea of cabinet documents being judicially reviewed to see whether there is some reason—some good and valid reason from time to time—that they should not be brought forward. If we take the skin off and get down into the meat, I believe what happened was that suddenly the government was cornered. Having said that this new-found freedom of information devotion was the next best thing to sliced bread, the government moved along and developed a constituency and a momentum for freedom of information. It was finally caught between the hammer and the anvil it had devised. As a political answer it suddenly became a very real legislative possibility.

What did the government do? It said it must take Clause 21 out of the bill. Clause 21 was to provide for the protection of cabinet documents, but subject always to a legitimate review by the courts. The government said: "No, we cannot have that; all these confidences of the Queen's Privy Council must be kept secret and not even subject to the scrutiny of the courts". The government became so paranoid about this that it brought in that clause.

Among other things, the government has left open the opportunity for one of the first initiatives of the next Progressive Conservative government. The Leader of the Opposition has said that it will be one of the first priorities of a Progressive Conservative government after the next election—and I ask the House to note my words—to reopen the whole question of access to information and to go back, hopefully, to the provisions of Bill C-15 so that we can do a number of things. We want to remove Clause 68 and reinstate Clause 21, with appropriate amendments, to reflect the relevant section in Bill C-15. We want to look at each one of the exemptions to see where they can be narrowed to bring them back at least to the position of Bill C-15. We should bear in mind that under Bill C-43 perhaps there will be a short period to gain experience that we can draw on. That is a priority. The Leader of the Opposition said that during the course of the annual meeting in my riding and I was delighted that he did. In other places across the country he has said, as I have, that it will be a priority of this government when it returns to office. If the Minister of Communications is still with us then, he will have an opportunity to use the improved legislation. In some ways the legislation was better. It was different in the broadness of the exemptions.

• (1550)

Having said that Bill C-43 at report stage is not as good as it was when it went to committee, I must say that I think the bill, with all its deficiencies, ought to be supported by the House. We ought to begin a process of openness in the legislative sense. We have talked about it long enough. The bill is a beginning—though not the most perfect beginning. I could say of it as some wives say of their husbands—they are not the most perfect of husbands but they manage to live with them. I think we should say that about the bill.

We must bear two things in mind, however, Mr. Speaker. The first is the commitment I have made on behalf of my party, reiterating the commitment made by the leader of this party with respect to change after a change of government; and, second, the important thing that was mentioned by the minister is the opportunity for parliamentary review. It is a unique thing for any legislation that by statute there will be a provision for review of the freedom of information and matters that relate to it.

The committee accepted an amendment which provides that the annual reports of committees will automatically be referred to a parliamentary committee and that is a good thing. That will allow Parliament to keep the process open.

I regret that I have to join in the statement made by the minister about the effect the delay in bringing the bills forward is going to have. The first meeting of the Standing Committee on Justice and Legal Affairs was held on March 3, 1981. Thirty-four meetings were held between that time and the time when the government bill was put on ice as a result of the government getting cold feet after consulting with other governments which also got cold feet. It was a complicated bill but there was nothing in it that could account for the delay except, perhaps, a wavering commitment with respect to freedom of information from time to time or a commitment that was not certain. We have taken the position that because of the provision for parliamentary review, the process in committee did not seem to be urgent as there would be the opportunity to deal with it later.

For some reason or other, however, the New Democratic Party decided to debate every point, cross every t and dot every i, to make things perfect. That took time. By itself it is not sinful, although it is regrettable. The by-product of delay was sinful, however. By that delay they allowed the Roy Romanows and the Roy McMurtrys of this world and other levels of government to conspire together to devise a scheme whereby the principle of freedom of information could be "unsold" to this government, which was only politically, and not intellectually, committed to freedom of information and openness in government. That is exactly what happened. They had time to muster their forces and they did. In that period of time, believe it or not, they attempted to say that it was appropriate that we deal with freedom of information in a universal bill and that all 11 governments in Canada would agree on freedom of information. I could not believe what I heard, Mr. Speaker. The Prime Minister used to say that they fought over the Constitution for 54 years for an amending process which came to nothing. As a matter of fact, the debate on the Constitution went on for 115 and more years and there was never any agreement. How could anyone possibly believe that the two levels of government could get together and agree on a universal bill? That idea fell apart.

I hope that when we review the bill again there will not be this delay. We cannot legislate perfection, especially when there is a danger of losing something that the people mentioned by the minister who have gone before us tried to bring about. We ought not to lose through delay. I do not say that to the New Democratic Party unkindly, but I think the record should be clear that that was the result of what happened. To

this day I cannot understand why it occurred, given the fact that the NDP knew, as I did, that there would be a parliamentary review of the matter some time later. That should be remembered, Mr. Speaker.

Finally, Mr. Speaker, this bill means the beginning of a new era. It will challenge various parts of the Government of Canada, and first of all I should like to deal with the cabinet.

Heretofore, Conservative and Liberal cabinets have grown out of the British parliamentary system. There is no more secretive place than the Parliament at Westminster and its traditions, which we have adopted as our own. It is still that way. I gather that there will be impetus for change in the law in the United Kingdom as a result of what happens here. People from the United Kingdom have written to me and talked to me about the process of this bill and a consensus seems to be developing—

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member but his time has expired. He may continue if there is unanimous consent.

Some hon. Members: Agreed.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I want to thank my hon. friends for allowing me time to finish my remarks.

There is a history of secretiveness and closeness in the British parliamentary system and we have adopted it. Ministers will have to realize that for the first time in a broad area of information which comes under their control, the public will be entitled to know the facts. I hope an attitude will develop like that which exists in Sweden which has had freedom of information for 200 years. Unless the answer to a request would harm the state, the information is available. It is important that that occur at the political level.

• (1600)

I suspect it is going to take some time, but it is important that it begin because the most important change is going to be in the day-to-day work of the Public Service of Canada. They have been operating under some doubt as to where or how far they can go, and I hope the working groups in each of the departments, and the government itself, are considering the kind of message which will go to the public service. Just as it will take ministers time to get used to it, so will it take the public service a great deal of time to get used to it.

I suspect that we are likely to see some rather startling cases arising out of refusals to give information. It is because of this fear and worry that there must be in the minds of public servants looking ahead to legislation that there is a part which will protect them in the event they give out information inadvertently in good faith. There must be an educational process because the penalties are going to be quite severe. There will be the possibility of being part of a court action. There is certainly going to be the possibility of being part of an examination by a special commissioner who is now an ombudsman. There will be the possibility of an annual report to Parliament by the commissioner.

As I said earlier, a legislative page will be turned when this bill finally receives royal assent and is proclaimed. I understand from the minister that will take place in approximately six months. We talked about this for years and it had to begin somewhere.

I would like today to have been in the position of the minister to be finishing a bill on third reading. I wish the bill was C-15 and this could be transported back a year and a half. I congratulate him on being the minister bringing it in. I know he feels badly that his colleagues were afraid to do the decent thing and allow him to have Section 21 and the matters that followed stay in the bill. I know it must be a matter of personal regret for a lawyer, as the minister is, to say that we trust the courts with our Constitution, with arbitrations, we trust them to deal with public matters of all kinds, yet we will not trust them to use their heads as to what should be released and what cannot be released. Under this bill we trust them with vital matters of defence and national security, and documents relating to external affairs, but we do not trust them with our cabinet documents. I am sure it must be a matter of regret for the minister to say that everyone is subject to judicial review except that group of 30 ministers. Even though the minister cannot say it—he looked embarrassed in committee when he had to give the reasons, and I sympathize with him because I would be embarrassed too—I am sure that in his heart of hearts one of the first priorities will be to open that legislation and get back to the position he himself put in Section 21 of the original Bill C-43, and he will silently say: "Hear, hear, good for this new Conservative government which is going to do this and I wish I could have joined them in 1982".

This bill, Mr. Speaker, is a new beginning, but just a beginning. All of us are going to have to adjust to it. I believe this bill is absolutely vital with respect to parliamentary reform. The fact that it comes so close to the day that the committee dealing with parliamentary reform was established heightens and accentuates the relationship of parliamentary reform to openness.

We in this House are going to have to find ways to handle the tremendous deluge of information which is going to come to us. There will have to be adjustments in government, the public service and in Parliament. So, Mr. Speaker, I want you and members of the House to know that, as much as we regret the form of the bill—and we have proposed some amendments at report stage to clean it up a little bit, which I hope will be acceptable to the government—in the end we want to see the bill go on as a beginning and we pledge to improve it at the first opportunity.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise on what certainly must be considered an historical occasion, the third reading of Bill C-43, the long-overdue legislation respecting access to information and protection of privacy. The two previous speakers have given us something of the history of the legislation. As we know, the original impetus for this bill came from the U.S. freedom of information legislation passed in

1964. Following that a former member of the New Democratic Party, Barry Mather, the member for Surrey-White Rock-North Delta, tabled a private member's bill which was followed in a very outstanding way by the work of Ged Baldwin who for many, many years with Mr. Mather prodded the government into finally bringing forward legislation respecting access to information. As well, the Standing Joint Committee on Regulations and other Statutory Instruments examined this question. Indeed, many organizations and individuals have urged the government to enact this legislation which is so important in a democratic society.

Other speakers have referred to a number of the organizations involved, and I want to single out just three of many. First, of course, Access, which has been the primary lobby group in this area, has done an outstanding job in ensuring that finally we do see legislation on the books in this important area. I want to single out particularly the work of Roland Gaudet of Access, who has singlehandedly been involved in extensive lobbying in this area for many years.

Also the Canadian Bar Association, and in particular Murray Rankin, the author of the definitive report on freedom of information in Canada, must in my view take a good deal of the credit for the legislation which was initially tabled in this House.

Finally, from the Civil Liberties Association, Mr. Ken Rubin, who in particular has focused on the privacy sections of the bill.

We know as well that the hon. member for Nepean-Carleton (Mr. Baker), as minister in the previous government, brought forward a bill which certainly in many instances paralleled Bill C-43 and must be recognized, I believe, to have provided an impetus to the Liberal government to move forward in this area.

Finally, I should note that at the time of the constitutional discussions I supported, as did members of the official opposition, an amendment to the Constitution of Canada which would have recognized the fundamental right in a democratic society of access to information as the basis of calling our governments to account.

We know, Mr. Speaker, there is still a great deal of work to be done in this area. The Official Secrets Act is still on the books and it must be significantly overhauled. This must be a priority in coming months. I would hope also that this government would look very seriously at the question of sunshine laws which would open up meetings at which fundamental and important decisions are being made.

Once again we have seen a situation where the U.S. is far ahead of us in bringing in legislation in a number of respects to open up all meetings at which important decisions are being made. Rather than just obtaining information after the fact, it is essential that these meetings should indeed be open to the public.

• (1610)

I note in passing that I believe at this time there is a discussion as to whether or not Members of Parliament can take part in the examination of budget documents. How ironic it is, as we discuss freedom of information and access to information today, that there is still a serious question as to whether or not Members of Parliament can have an opportunity to review this important material ahead of time.

The Standing Committee on Justice and Legal Affairs spent many, many hours on this legislation. Of course, sometimes it appeared that the bill was dead, but in the end, despite the fact that in my view there had been some very destructive and regressive amendments to the bill, we have it before us today at third reading.

The original bill which was presented to Parliament some two years ago now has been very significantly watered down as a result of the amendments which were brought forward by the government. I intend to touch upon them in a few moments. Also, it is important to recognize that we heard from many witnesses. We received scores of written briefs and, almost without exception, witnesses pointed out that the original legislation presented to the committee, Bill C-43, was a weak bill in many respects. While they supported the broad thrust of openness and accountability, they noted many flaws. In my view, the committee did the right thing in taking its responsibilities seriously and in seeking to improve this legislation. We examined the bill clause by clause in committee.

There has been some reference made both by the minister and by the hon. member for Nepean-Carleton to delays and the responsibility for these delays has been placed at the feet of the New Democratic Party. I think the record should be set straight in this area because I do not believe the public should be unintentionally misled as to what actually took place in committee. In fact, members of the committee would be well aware that in late June I made a proposal to the committee, when there was still a good deal of time left to finish the bill before the summer, that we conclude our consideration of the bill in ten hours of debate, in a further ten hours of debate.

What was the response of the Conservative Party and of the hon. member for Nepean-Carleton? He said, "No, no, we may need more time. I am not prepared to see any kind of limitation on the debate at this point". At that point as well—and the minister has conceded this—Liberal members of the committee lost interest in the bill and were not able to show up to form a quorum. Meeting after meeting of the justice committee was cancelled because Liberal members of the committee—and I regret to say Conservative members as well, with one or two exceptions—did not even bother showing up for committee meetings in late June and July. I believe the record should be set very clear here. In fact, I proposed on behalf of the New Democratic Party a limitation at that point which was rejected by members of the official opposition.

The second point in this area is that if one looks at the record of amendments to the legislation originally presented to the committee, it must be noted that two very significant

amendments which I proposed on behalf of the New Democratic Party were accepted at that late stage in June. I should like to make brief reference to them and to point out that these amendments in these two critical areas were sought by many witnesses. In fact, the amendment in the area of the length of transition period was deemed to be absolutely essential, indeed critical, to passage of the bill by Access, among other witnesses. Those two amendments were in the area of the results of product and environmental safety testing. The original bill was very weak in this area. I proposed an amendment which was accepted by the committee that would make public the results of all product and environmental tests in Canada. This, perhaps more than any other section of the bill, has a very significant impact upon the general public. I was very pleased that the government and the committee moved to accept this amendment which was proposed.

As well, the transition period, the period within which the bill was to come into effect, was very significantly shortened as a result of an amendment upon which I insisted at committee. The bill as originally worded would have meant information would not have been disclosed in some instances, in fact in many instances, until January 1, 1988; that is assuming the bill was proclaimed within six months as the minister indicated. The amendment which I proposed on behalf of the New Democratic Party means that in most instances information will be available as of January 1, 1985; in other words, three years earlier than the bill would have originally made information available. I proposed both of these critical amendments on behalf of the NDP and they were accepted by the committee.

There were other improvements made to the bill in the course of its clause by clause consideration—the power to extend access beyond Canadian citizens and landed immigrants, for example to foreign journalists on a reciprocal basis, and the fact that fees which were originally proposed to be charged for search and review were eliminated. I proposed an amendment to the committee which was accepted that would restrict the absence of disclosure in respect of police investigations to those investigations which were lawful. I proposed another amendment which was accepted by the committee that would basically implement a public interest disclosure test in the key areas of public health, safety and protection of the environment. The three-year review provision was added during the course of committee deliberations. Of course, this provision was sought by all members of the committee and pursued, particularly vigorously, by members of the official opposition and by members of the New Democratic Party. The amendment with respect to the referral of annual reports to the committee was one which I was pleased to be able to propose and was accepted by the committee.

Indeed, the bill was improved in a number of respects, but I think it should be noted—and this is the final point I will make—that with respect to the actual progress of the bill through committee, the record should be examined carefully by those who are interested in legislation respecting freedom of information and respecting the protection of privacy.

I have been gently criticized by the hon. member for Nepean-Carleton and the minister for perhaps taking some time im the committee, but I would point out that many of the amendments in key areas which I proposed on behalf of the New Democratic Party where in fact accepted by the committee. I challenge those members of the Conservative Party and of the government to come forward to the public and indicate a single amendment to which the official opposition is able to point as having been achieved as a result of their work on the committee. I say gently that not one amendment of substance was proposed by the official opposition and accepted by the committee. When we look at the work which was done by the committee to improve the bill, I think the record speaks for itself.

As this point I want to turn to some of the weaknesses of the bill as I see it and as reported by the committee. I suggest that this bill, both in the access part of it and in the privacy section, has been so watered down and is so weak and ineffective that it must be opposed on third reading. I do not believe that government should be allowed to travel from coast to coast and give Canadians the illusion that it has an effective freedom of information bill. I do not believe that the government should be allowed to travel from coast to coast and suggest that it has strengthened the protection of the privacy of Canadians when in fact it has done precisely the opposite.

We know that the United States legislation on freedom of information, particularly as amended and strengthened in the post-Watergate period of 1974, is far stronger than the Canadian legislation in a number of respects. Canadians still have to travel to the United States to obtain a lot of information about Canada—for example, the salaries of top businessmen and other information. We are still in the ludicrous position of Canadians having to travel to the United States to obtain information which the RCMP has given to the CIA. As we have seen in recent weeks, they have a very co-operative working relationship. We in Canada will still have to travel south of the border to obtain that kind of information.

My colleague, the hon. member for Winnipeg North (Mr. Orlikow), has given me a number of examples of the areas in this bill in which the doors are still slammed shut and that are still far weaker than the legislation in the United States. Unfortunately, I do not have the time to document them. Indeed, as my colleague for Winnipeg North has said, passage of this bill may prove to be another of those hoaxes for which the Liberal Party is so famous.

• (1620)

The access part of the bill contains many flaws. I would like to focus upon three of those flaws. There are three critical areas of this bill which, in my view, are fundamentally defective. They are the sweeping exemptions provisions, the provisions, for judicial review which, in many instances, are a sham and, of course, the last minute amendment which effectively constitutes the Mack Truck clause of this bill. It is the amendment which allows the government to proclaim that any document is a confidence of the Queen's Privy Council and precludes any information in the form of judicial review. I predict that those who expect the floodgates to open to allow a

mass of previously confidential information to be made public will be sorely disappointed because that is not the case.

I would like to give an example of that. In September of 1980, the Prime Minister (Mr. Trudeau) gave instructions to all ministers to respond as if the Freedom of Information Act was in effect. They were to respond as if that act was in effect and to answer requests for information from journalists, Members of Parliament or other individuals. It has been two years now. Journalists would be able to attest to the fact that things have not changed very much. How much new information have we had access to in the last two years, supposedly when the government has been operating as if this bill were in effect? It has been a trickle and perhaps nothing at all.

We had one hope that perhaps the offensive Section 41(2) of the Federal Court Act might not be invoked, but we have seen that even that section has been invoked on a number of occasions by the Solicitor General (Mr. Kaplan).

I suggest that the exemptions in this bill are so broadly worded that they basically amount to a licence to conceal information whether under federal-provincial affairs, exemptions on subversive and hostile activities which was heavily criticized by the McDonald Commission, the exemption respecting law enforcement investigation which effectively denies any access to information about the activities of the RCMP security service or the new civilian security service, and even fundamental information such as the size of that service and its mandate. As well, there is the clause respecting economic interests and the sweeping provisions on third party information.

There are those provisions in the bill relating to government operations which means that we will, in effect, know nothing more than the government already wants us to know, except perhaps for some information of historical significance.

The judicial review provisions basically amount to a second class form of judicial review and not at all the *de novo* review on the merits that the minister promised on second reading. The amendments to this legislation which watered down Clauses 50 and 51 that relate to judicial review by changing the word "entitlement" to "authorized" weaken those sections of the bill considerably.

Surely the most offensive amendment of all is the one that was inserted during the dying hours of committee deliberations. That is the amendment respecting Crown privilege. We now have a situation where the government or a minister simply has to stamp a document as being the confidence of the Queen's Privy Council and that is the end of the matter. There is no opportunity for judicial review and no opportunity for the courts to determine that, in fact, there has not been an abuse of this provision. This gaping hole in the bill effectively means that the government is asking us to trust that it will not abuse its right to conceal information.

In my view, the record of this government certainly leaves a great deal to be desired when it asks us to trust it. In my opinion, this amendment has dealt a body blow—a fatal blow—to a bill which was already weak in many areas. The government has bowed to the advocates of secrecy, among them the Prime Minister and the Clerk of the Privy Council, Michael Pitfield, and the doors remain tightly shut.

I noted with interest that the hon. member for Nepean-Carleton indicated that his party would be supporting this bill on third reading. I find that rather incongruous in view of the fact he is quoted as saying in the committee that this particular clause gutted judicial review, as indeed it did. He went on to say that judicial review is, in fact, the cornerstone of this bill. If the cornerstone of this bill has been removed, how can any party in the House that genuinely believes in freedom of information support the bill after such a weakening?

In the remaining minutes I have I would like to turn to the privacy act portion and the provisions of this legislation which allegedly protects the privacy of Canadians. In my view, this part of the bill is nothing less than a giant con job on Canadians. Far from protecting the privacy of Canadians, far from protecting intrusion into the private lives of Canadians, this part of the bill amounts to nothing less than an attack on their privacy. If anything, I suggest it should be called an attack on privacy act, instead of protection of privacy act.

This portion of the bill should have been separated, as was urged by the Canadian Civil Liberties Association and other witnesses. Instead, we were asked to swallow the entire package. While I do not intend to go into the weaknesses of this privacy act in depth, I would note that there is no doubt whatsoever that this bill gives sweeping new powers to the heads of government institutions and to the RCMP and the new civilian security service in particular to intrude into the most confidential and personal aspects of the lives of Canadians.

The existing provisions that protect the privacy of Canadians which are contained in Part IV of the Canadian Human Rights Act are being repealed. In their place we have a so-called privacy act which has been severely condemned by the McDonald Commission, which was prepared to concede a great deal in terms of powers to the government, under normal circumstances. The commission said this about Bill C-43:

> The legislation does not provide a clear enough test of necessity for access to personal information for security intelligence purposes. It leaves the prior approval of all access, including access to details of a person's life far beyond what is needed for the purposes of identification, to Ministers, and it provides no role in approving requests for information to the Minister responsible for the security intelligence agency.

The McDonald Commission points out that at the present time the RCMP security service and the criminal investigation side of the force have been denied access to virtually all personal information possessed by other federal government institutions. Of course, I emphasize "denied legal access". We all know the record of abuse of power that has taken place and which was documented by the McDonald Commission. The present commissioner of the RCMP has said that he believes that the RCMP need the right to break the law.

I realize that my time is running out, but perhaps I might seek the indulgence of the House for another few minutes.

The Acting Speaker (Mr. Ethier): That could be granted with unanimous consent. Is it agreed?

Some hon. Members: Agreed.

Mr. Robinson (Burnaby): I will be brief, Mr. Speaker. The present commissioner of the RCMP said that he could not understand why policemen should not have access to all information gathered by the government. He said that this was because both the government and the police have the best interests of the citizens at heart. Mr. Simmonds said he could not understand why it was wrong for policemen to get information from government computer banks. He said, "It makes absolutely no sense to me, especially when all these data banks are put together at taxpayers' expense". Well, the commissioner of the RCMP will be happy today with the passage of this so-called privacy act. He will have his way because this bill does nothing less than provide carte blanche access for members of the RCMP security service and the civilian security service, and all, of course, in the best interests of the nation.

As I have said, to suggest that since the bill was called a privacy bill it is protecting their privacy constitutes nothing less than a gigantic con and a hoax on the people of Canada.

There are other weaknesses in this legislation. For example, the provision which denies access to the salaries of many of the most senior appointees of the Government of Canada. If we want to know the salary of Mitchell Sharp, the northern pipeline commissioner, do you think, Mr. Speaker, we will have access to that information under the privacy legislation? Of course not. I proposed an amendment which would have made it public but it was defeated.

• (1630)

As well, we see that there is a sweeping provision which grants access for any purpose whatsoever when, in the opinion of the head of the government institution, disclosure in the public interest clearly outweighs any invasion of privacy which could result from the disclosure. That is a purely subjective test. In other words, whenever disclosure in the public interest, whatever that may be, in the opinion of the head of the government institution outweighs the invasion of privacy, that is the end of the matter. Confidential information, whether medical records, taxation records or personal financial records, will all be made available to members of the public or, indeed, to members of the security service.

There are a number of other weaknesses in the privacy section. For example, the increasingly important question of trans-border data flow has not been addressed. Once personal, very confidential, private information crosses the Canadian border, as it does frequently, and goes into data banks in the United States, there is absolutely no control over the use of that information.

As well, the issue of the abuse of social insurance numbers has been totally ignored by this bill. I am pleased to say that we will certainly be supporting amendments to this bill which would include reference to the social insurance number abuse.

In closing, I say again that this government should not be allowed to perpetrate this kind of hoax on Canadians at a time when, perhaps more than ever, Canadians should be granted access to information and should be given a genuine freedom of information bill. At a time when there should be strong and effective protection of the private lives of Canadians, a bill has been presented to Parliament which is an illusion. This government will no doubt be travelling coast to coast, waving copies of the legislation, proclaming that nirvana has arrived and that Canadians now have a strong and effective freedom of information bill, and that their privacy is being enhanced. We in this party do not intend to take part in that fraud. We do not intend to support a bill which does not enact genuine freedom of information legislation and genuine protection of privacy. I say in closing that that will only be the case when we form a government after the next election.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Robinson (Burnaby): Only then will we have genuine freedom of information legislation and legislation which will really protect the privacy of Canadians on the books. Not until that day will we see that legislation because we know, and it is very clear, that Bill C-43 was patterned after Bill C-15 and that many of the weaknesses in Bill C-15 were contained in Bill C-43. So naturally, the hon. member for Nepean-Carleton has a certain proprietary interest in Bill C-43. We know as well that the privacy act was largely modelled after the bill of the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty), an hon. member for whom I have a great deal of respect but who was unfortunately taken in by the siren song of the RCMP security service. We certainly do not intend to emulate that bill.

I say again that, on a day which should have been a proud day for Canadians, we must only express our sadness and disappointment that the kind of effective legislation which should have been brought before Parliament is indeed not being voted on today.

Hon. Bud Cullen (Sarnia-Lambton): Mr. Speaker, I think one can see, from the words of the hon. member, why we almost did not have an access to information bill at all. His is typical of the approach which was taken throughout the committee hearings—that if we do not get it our way we will delay and delay; we will cross t's and dot i's and then, at the last minute, have the gall to come before the committee and say, "If you adopt our procedure, if you will do it all in ten hours, if you will deal with all our amendments, then we are prepared to let this bill go ahead."

I frankly do not blame the opposition for saying, at that particular stage, "We are sorry, but we will not play that particular game. We will debate this bill as it should have been debated, but we will not participate in the game-playing which is going on here". Hour after hour of the time of the committee was taken up with much discussion and many questions

which really did not go to the meat of the bill but, rather, were calculated, I gather, to tire out members of the committee so that they would get to the stage where they were sick of saying, "Well, we will not sit here for another two and a half hours tonight; our constituents expect us to be doing a little more than that".

I say thank God for the political, moral and intellectual commitment of the minister to this particular bill, or it would not be seeing the light of day today.

Some hon. Members: Hear, hear!

Mr. Cullen: I was frankly surprised that the hon. member for Nepean-Carleton (Mr. Baker) made the suggestion that the minister was not intellectually committed to this particular bill.

Mr. Baker (Nepean-Carleton): I said that he was.

Mr. Cullen: I think, in fact, that the party, and particularly this minister, were intellectually committed to it. The hon. member for Nepean-Carleton, having been a minister, will know of the difficulty facing a minister dealing with a piece of legislation which is controversial, when he is endeavouring to get time in the House of Commons so that his particular bill can be debated, a bill as important as this one, only to find that hour after hour is spent at the committee stage. When the amendments of the hon. member for Burnaby (Mr. Robinson) were not allowed, we then heard the threat: "We will bring them all back in at the report stage and go through them again".

What kind of commitment could the Minister of Communications (Mr. Fox) bring to his House leader at that time? We have held a long, thorough debate. God knows, we have been here for a year or a year and a half. We have had lots of time. But the minister had no guarantee that the hon. member for Burnaby would not raise all the amendments that were considered by the committee and not accepted.

The hon. member for Nepean-Carleton had the role of a House leader, but what House leader in his right mind would say to the minister: "Go ahead, we will take our chances; we will use up all our time in the House on your bill while we listen to the hon. member for Burnaby come out with his pet theories as to how this particular bill should be passed"?

I say thank God not only for the minister but also for the media, because if there was a role played by the media on this issue, it was a positive one, and that was to highlight the fact that the bill might be dropped and that there might be difficulties in getting parliamentary time for the bill. They attacked the attorneys general for the provinces when they came up with what I believe has been called an omnibus bill by the hon. member for Nepean-Carleton, but who are suggesting almost an impossibility if we are ever to get an access to information bill through the House. The media highlighted the difficulties, the stupidity and the manner by which this could never be made to work.

There is another hurdle for the minister to overcome, because now we hear the opposition parties saying: "Forget the provinces; act unilaterally". It is all right when they are in favour of the piece of legislation, but it was not so hot when we were dealing with the Constitution. But they wanted us to go ahead unilaterally. So the minister, to his credit, when back to the fight and said; "This bill is important; we are committed to it".

Many meetings were held with the Liberal caucus where we discussed some of the amendments. We quite candidly said that we would allow a few of the amendments, for which the hon. member for Burnaby is prepared to take credit, and maybe we could get on with the bill. They could just as easily have been moved by the minister or by someone picked from this caucus as they had already been thoroughly discussed and debated by the caucus. But rather than do that, we said let us give the hon. member some credit, let us give him some kudos, if that is what he wants; but for heaven's sake, let us get this bill passed.

I recently had the privilege of speaking with Ged Baldwin, whose name has been mentioned here, and he indicated that this bill is not perfect. Nobody suggests that it is perfect. The minister himself has said that it is not cast in stone. There are some changes which can be made, and there will be a review; but we need this bill and we are not just taking a timid, tender step at this particular stage. We have, in effect, two bills in one. We have the access to information section and we have the privacy section initiated, I believe, by the hon. member, who will probably be speaking next on that particular subject. So I say full marks to the minister and full marks to the government for bringing this particular bill forward.

I was a little surprised to hear the hon. member for Nepean-Carleton say, "we will form the government after the next election". First and foremost, he is making a big mistake. Once again, the Conservatives are underestimating the strength and resilience of the Liberal Party. So I do not think he should prejudge. I was also surprised that the hon. member for Burnaby had the gall to suggest that his party would form the government. They will be lucky if they have a rosy blue rump down here in the Tories if they ever get to be in power, because that is not the party which will win the election.

I heard the hon. member say: "My leader when in my riding said that when we come back we will have this judicial review". Well, that is a nice promise to make during the election, but let us judge it by the facts. The Leader of the Opposition (Mr. Clark), the former Prime Minister, said the same sort of thing: "We will move the embassy, we will dismantle Petro-Canada, we will fire 20,000 civil servants".

Mr. Baker (Nepean-Carleton): Sixty thousand.

Mr. Cullen: Sixty thousand, or 20,000 a year I am sorry. The hon. member for Nepean-Carleton would like to think it is only 20,000, but I thank him for correcting me. It was 60,000 civil servants.

Then there was mortgage insurance protection. Mr. Leonard Shifrin has gone over the figures as to what that would have cost. It is now up to $6 billion on an annual cost basis.

• (1640)

These are all promises made during the election campaign. I suggest with respect that if the Conservatives were elected, and I do not think they will be because I think they are underestimating the opposition they would be facing, none of those four promises would be kept. Why should we think that this one about a judicial review will be kept so that it will be there to the advantage, as has been said, of the Minister of Communications?

I have dealt at some length, maybe too much length, with the time available aspect. However, it is rather ironic that if it had not been delayed in the committee, this bill might very well have seen the light of day in July. There might have been a judicial review today, the sort of thing that the hon. member for Nepean-Carleton was talking about.

Because it had to go back, because compromises had to be made, because other ministers had to be convinced, because attorneys general have brought forward their opposition, because police forces in some instances have brought in objections, we have what the hon. member for Nepean-Carleton called a watered down bill. I say thank God for this bill and thank God for the fact that it can be reviewed in three years. We will be able to make changes at that time when we once again form the government.

If this is a hoax on the Canadian people, it is not something that at long last the NDP can say we are using our majority to force on the Canadian public. This bill is going to be supported by the vast majority of the members of the House of Commons, people very knowledgeable in this field. Some people initiated part of this legislation when they were the governing party. Therefore, there is no hoax here. It is all out there for the people to read, to use and take advantage of to see how well it works. Where there are flaws, the flaws can be picked up and corrected.

Mr. Baker (Nepean-Carleton): It is a good beginning.

Mr. Cullen: It is not a good beginning, it is an excellent beginning. It is a beginning. It is an important piece of legislation.

With regard to the aspect of privacy, I was surprised at the hon. member for Burnaby cataloguing and heaping abuse on the Royal Canadian Mounted Police. In my opinion, the Royal Canadian Mounted Police have one of the finest commissioners it has been my privilege to know in the time that I have been in the House of Commons. In attending committees and answering questions, never has there been any fuzzing of answers on the part of that individual. His answers have always been straightforward. If he believes that the police need a particular power, he is not only prepared to come forward but to explain why they need that particular power, what job they have to do and what sorts of things must be done. A general blanket condemnation of the RCMP is inappropriate at this time. Certainly there should be no attack on this commissioner who is doing an excellent job. He has a very difficult role at the present time.

The privacy bill will repeal and replace the existing privacy legislation, Part IV of the Canadian Human Rights Act. This is something the Canadian public wants to know. It is not that there is no privacy legislation. The fact is it will create a comprehensive code of fair information practices with respect to personal information held by the federal government. This code will deal with the way in which personal information is collected, used, disclosed, retained and disposed of by institutions of the federal government.

It will extend and reinforce the right of access to information about oneself held in federal files. The right of access will now apply to all personal information held by the government. The exemptions to the right of access will be more specific and, in many cases, narrower than under Part IV. A right of judicial review of refusals to provide access will be created. That part of the bill is something that warrants commendation rather than criticism.

Much of the strength of the privacy bill lies in the greatly expanded role of the privacy commissioner. The commissioner will not only be empowered to investigate and make recommendations with respet to refusals to provide access, but she will also be responsible for overseeing the way in which government institutions collect, handle, use and disclose personal information to ensure they comply with the code of fair information practices.

I do not think I have to elaborate much more on the privacy legislation. It is good legislation. I am sure the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty), who initiated a lot of what is the privacy legislation, will speak in much more glowing terms than I could ever hope to do because of his background and research on this part of the bill.

Rather than knocking, let us praise this bill. When we go across the country, let us talk about access to information. Let us also tell the Canadian public to try it out to see how it works. They can tell us where the flaws are and where we can improve it. We have the commitment that in three years those changes will be made.

I do not say we will go across the land screaming, yelling, jumping and praising this piece of legislation, but by God we should certainly get this information to the Canadian public so that they will know it is there and that they have access to it. If there are some roadblocks, they can be removed in three years.

I once again compliment the minister for having the intellectual integrity to press forward with this bill, unilaterally as it turns out, notwithstanding a lot of the criticism from the attorneys general from across the country.

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, there is a timeliness about this bill. This evening the House of Commons will be entertained by the Minister of Finance (Mr. MacEachen) as he introduces his second budget in less than a year. We understand from leaks that at that time the government will be announcing what it intends to do about job creation.

I suggest that the Minister of Communications (Mr. Fox) has already done his part. He has brought with him some 16 officials to sit in the gallery and grace us with their presence. One wonders what they will be doing once the legislation is passed and how we will be able to function without their assistance in the gallery.

I must say that in a time of restraint the Minister of Communications has shown a far greater example of restraint than his colleague, the Minister of Employment and Immigration (Mr. Axworthy). The Minister of Communications brought only 16 officials with him. If we look at page 52E of the government telephone directory for May of this year, under Employment and Immigration it lists this Privacy and Access to Information Bill, C-43. There are some 27 names listed under this bill. It has already helped to create jobs in the country. If we have done something constructive here already in terms of putting Canadians to work, I am sure the minister will want to take his fair share of praise for that.

I listened with particular interest to the hon. member for Burnaby (Mr. Robinson) who was very flattering. He said that usually he has a very high regard for me. I must thank him for that. I must say that I usually have a very high regard for his remarks as well. However, this was perplexing. It was a surprise. I think every Member of Parliament was surprised by the hon. member's speech today because he is normally extremely sensible. The positions he takes are usually well-reasoned and sound. He often has a very significant contribution to make. However, I think each of us in the House of Commons was a little bit shocked to discover the reason the leader of the New Democratic Party on May 18 got up in the House of Commons to demand that the government bring this legislation back.

Let me read what the hon. member for Oshawa (Mr. Broadbent), the leader of the NDP, said as reported at page 17527 of *Hansard*. My colleague from Nepean-Carleton (Mr. Baker) had called upon the Prime Minister (Mr. Trudeau) to agree to bring the bill back for an expeditious debate. The leader of the NDP said:

> Madam Speaker, first of all, in response to the question raised by the Prime Minister I should like to say that we join completely with the Official Opposition in offering assurances that there would be most speedy debate on the freedom of information bill if the government would only bring it forward.
>
> AN HON. MEMBER: One day?
>
> MR. BROADBENT: There would be a one-day debate if the government would produce that bill.

I suppose members of the public who are interested in freedom of information and privacy could be forgiven if they thought that this commitment to a one-day debate, this pleading by the leader of the New Democratic Party to bring this bill back for speedy passage, was a sign that the NDP thought it was a good bill, that it was better to have privacy legislation and freedom of information legislation than not to. One would have thought they would have given their enthusiastic support. Now we know the reason for the pleading by the leader of the NDP on the floor of the House of Commons to bring the bill back. They wanted it brought back so that they could vote against it. That was their goal. They wanted to be sure that when the history of freedom of information and privacy legislation is written, they will be recorded as saying they are opposed to the legislation.

The hon. member for Burnaby went on at some length heaping praise on himself and, as I say, often the praise that he would pour on to his own head would be merited. He went on at considerable length to say that he had on behalf of his party secured significant amendments which vastly improved the legislation, that it was much better than it otherwise would have been. He thought that this was very significant, that members of the House should be appreciative and that the Canadian people should be appreciative of this achievement which he had won on behalf of the NDP.

• (1650)

If these improvements were so significant, if the efforts of the NDP were so successful in committee, in terms of making improvements to the bill, in terms of winning a significant victory for Canadians, then why are they going out of their way this afternoon at 5.45 to vote against the bill? What is their purpose? Can he have been serious when he said that they made substantial improvements, that the bill is much better? By voting against the bill, the NDP will be recorded for all time as saying that they believe that the status quo is better than the legislation which is being brought in. They will be saying that they believe that having no freedom of information legislation is better than what will happen after this bill comes to a vote. They will be saying that they believe that Part IV of the Human Rights Act, which is seriously flawed, which has done nothing to protect the privacy of Canadians, is better than having the provisions in this bill.

Mr. Speaker, it may very well be that members of the NDP will be called away, that they will not be able to be in the House at 5.45 when the voice vote is taken. I want to indicate to my friend from Burnaby that members of our party, the Progressive Conservative Party, will be able and be very willing to assist in assuring that he can get his five members to have a recorded vote, to ensure that the NDP position on freedom of information and privacy is recorded as voting against the legislation, and as saying that they believe that the status quo is better than the improvements which a parliamentary committee and Parliament itself laboured itself to bring in on behalf of Canadians.

Let us have no confusion about it, Mr. Speaker. We believe, as my friend from Nepean-Carleton said, that there are flaws in the bill. We are disappointed that the minister chose to water down the bill, as related in particular to cabinet documents. We believe that the bill must be amended and improved. But we believe one other thing as well, and that is that this is a significant step forward. It is a step in the right direction. It does not go as far as we would like to see it go. It does not go as far as legislation will go when we have the opportunity to make amendments. But it is a vast improvement over what we have today.

How can anyone seriously say that having no freedom of information legislation is better than what is before us today?

How can any Member of Parliament or any Canadian say that Part IV of the Human Rights Act is better than what we will have after the passage of this bill?

Surely what we should be doing as Members of Parliament is applauding the fact that through consistent pressure which started back with Mr. Barry Mather of the NDP and Mr. Ged Baldwin of this party, we have been able to put pressure on the government to move in the right direction and begin to open government up, begin to give Canadians some control over information about their now lives. Surely that is the step we should be taking at 5.45, rather than grandstanding and saying "Record me as against it; it does not meet my standards that I have set, so I am going to vote against it. I would rather have nothing; I would rather go back to the status quo." That is what they are saying, rather than have these improvements made.

Members of this side, Mr. Speaker, feel that improvements can be made. We feel that improvements should be made. We are committed to the intention that improvements will be made when we have the opportunity as a government to do that. But we believe that what is before the House today is better than nothing, and we believe it is significantly better than nothing.

What is significant here, Mr. Speaker, perhaps more than anything else, is that this bill may do something about the climate of secrecy in bureaucracy. What we are saying is that for the first time there is a change in the philosophy on information. As things stand today, if a citizen wants to know about how a decision was made which affects his life or how his tax dollars were spent, if he wants to have access to that information or if he wants to withhold from the government information about his personal life, today the government says that it has control over information, that it has the right to decide in all instances whether an individual should be entitled to see information which he asks to see. The government says that it has the right to compel, under pain of penalty, from Canadian citizens information which they might otherwise choose to withhold.

What this legislation does for the first time is to turn that onus around, to say that information is the property of the people of Canada and not of the government. It says that the burden of proof in most instances must be put upon the government. If the government wants to withhold information about its activities, the burden of proof has to be on the government to justify that withholding. Or if the government wants to compel the giving of personal information about individuals, the burden of proof has to be on the government to demonstrate that that information should be provided and that the individual should not have the right to withhold it or to change it. That is a significant change.

It is important that we may start finding more openness in government, that we may start finding more respect on the part of government for the rights of Canadian citizens. If that is all that is achieved, if we begin to move that climate of bureaucracy, that culture that exists within the public service, toward more openness, toward more respect for the rights of Canadian citizens, then we can be reported as having taken a very significant step today. Then Parliament's time today and Parliament's time over the course of this debate will have been well spent.

The hon. member for Burnaby made reference to the fact that in large part the privacy portion of this bill is patterned after legislation that was drawn up when the Conservative administration was in office. That is completely correct. Senator Flynn and I jointly introduced private members' bills, one in the House and one in the Senate, which included the draft of the legislation which was prepared by the Conservative government when in office. If you compare that with what is before us today, it is substantially the same.

Perhaps, Mr. Speaker, the most significant change that has been made between that draft bill and the bill that has been put before us by the Minister of Communications is that the Minister of Communications has simply ripped out the portion of the bill which deals with the abuse of social insurance numbers. You will remember that it was the intention of the Conservative government to act to roll back the use of social insurance numbers to a limited number of uses where an individual would be required to produce a social insurance number. In any other instance the onus would be on the government first of all to indicate to the individual whether or not any law of the land required that he supply his social insurance number; and if it was not mandated by law, and if he refused to supply it, the government would be stripped of its right to deny services to an individual who had not produced a social insurance number or to penalize him in any way.

We asked that the privacy commissioner conduct a study as to the use of the social insurance number in the private sector and in the provinces and to make recommendations as to what action could be taken there. We felt that we did not have the information at that time. We did not know how extensively social insurance numbers were being used. We did not have the information and we felt it would be prudent to regulate the federal government's use of it first and then to act to restrict their use in the private sector and at the provincial government level. My colleague from Perth (Mr. Jarvis), however, as minister of state for intergovernmental affairs, did write to each of the provincial governments to ask them to restrict the use of the social insurance number at the provincial level, and by and large that request was met with considerable enthusiasm at the provincial level.

When this government came into office, what they did was simply to rip out the rest of the provisions dealing with the social insurance number that would restrict it at the federal level and simply throw it in the lap of the privacy commissioner and say: "Make a report; we are not prepared to take a position." Ultimately the privacy commissioner reported. Frankly, it was a disappointing report. It did not address many of the issues which were of concern to people worried about the abuse of social insurance numbers. It went so far as to include in the back in a little pocket a brochure about how to apply for social insurance numbers. It was not very reassuring for

Canadians who felt that the social insurance number was being abused.

Some hon. Members: Hear, hear!

Mr. Beatty: What those of us who talked to constituents about social insurance numbers have found is that there is a profound concern among Canadians about the potential abuses which can be made of them. We found concern about the threat to privacy, about infringement upon religious freedom that results from excessive use of social insurance numbers. Just this past week, Mr. Speaker, I had a call from a constituent, an old age pensioner, who said that when her pension cheque comes through, the government has so programmed its computers that it writes her name and address on the cheque, and because there is a see-through portion of the envelope, you can see the individual's social insurance number. That is how they respect the privacy of information. That is how they deal with senior citizens' social insurance numbers. They are visible from outside of the envelope.

The social insurance number is increasingly being used as a means of filing. Increasingly, both in the private sector and in the public sector, organizations are using the social insurance number as a way of filing information about individuals. To abuse social insurance numbers in this way, to give out an individual's confidential information, his social insurance number, is tantamount to having a row of houses each of which has the same lock on the front door, each of which has the one master key to open the door. It does not mean that if you changed the locks, it would be impossible to break into the house. What it does mean is that they all have the same key, they all use the same key, and once you get your hand on that key it makes it that easier to get into all of the houses. That is precisely the great danger that there is in abuse of the social insurance numbers. What the government is doing is to ignore that problem.

• (1700)

That is why I have moved a series of motions which would attempt to restore that portion of the bill which would restrict the use of the social insurance number and respect people's rights to privacy.

There has been an ominus development which I think should be of concern to Canadians. The government has said that even if we were to abolish the social insurance number, that would not guarantee privacy. That is absolutely right. No one has ever made the claim that invasions of privacy would go away if we were to do away with the social insurance number entirely. However, the real issue is whether the government should be encouraging the proliferation of single identifying numbers and their use in both the private and public sectors, considering the consequences it has for personal privacy.

One issue which has not been dealt with in the House of Commons which seems to have escaped public attention was an announcement by the Secretary of State (Mr. Regan) that he was spending $15,000 to commission a survey of the acceptability of wallet-sized citizenship papers for Canadians. If anyone has attended a citizenship ceremony for new Canadians, he or she would be aware that each new Canadian citizen is given a wallet-sized Canadian citizenship paper to carry around. Most Canadians do not realize this, but these are also available to Canadian citizens born in this country. I believe the cost to get one at the present time is $8.

What information does it contain? First, it gives an individual's full name; second, it says he is a Canadian citizen; third, it includes a photograph of the individual; fourth, it gives any other names, if there are any others not included on the front; fifth, it gives the date of birth of the individual; sixth, it gives the individual's sex; and seventh, it gives the individual's height, weight and eye colour. According to the Secretary of State, each of these citizenship cards is individually numbered to make it discrete from others.

One's mind goes back to 1971 when the Prime Minister (Mr. Trudeau) was questioned in Saskatoon. According to *The Globe and Mail* of October 25, 1971, under the headline "Use of ID cards forecast by PM":

> Saskatoon—Prime Minister Pierre Trudeau yesterday indicated his personal belief that at some point in the future compulsory identity cards will be required by all Canadians.
>
> "But I don't look forward to it, if for no other reason than the sheer mechanics involved in issuing and maintaining the cards. I hope we can retard the day as long as possible."
>
> A system of compulsory personal identity cards would inevitably entail, he suggested, special powers for the police to permit them to stop people to check their identity. People would also inevitably be required to produce them whenever they checked into a hotel, applied for a job and so on.
>
> For all these reasons, he said, he finds such an infringement of the personal rights of Canadians repulsive and would prefer to see individuals continue free to walk about unhampered by such a requirement.
>
> The Prime Minister made his remarks on the eventual need for the cards at a student question-and-answer period on the campus of the University of Saskatchewan. A student had asked Mr. Trudeau for his personal views on the desirability and necessity of such a system.
>
> The Prime Minister did not expand on why he felt ID cards would be required by Canadians in the future.

The government will respond by saying that these ID cards are voluntary, that there is nothing mandatory about them and that we need not produce them as identification if we are going to cash cheques, if we are going to check into hotels or if we are going to apply for some service. However, that is precisely the same argument we have heard time and time again about the use of the social insurance number. If a person wants simply to do without services, he can do without them. He could simply choose not to produce his card and drop out of society. If this government is allowed to go forward unhindered and if the government goes ahead encouraging Canadians to take out such numbered cards and encourages their proliferation, we will find ourselves—not by plan, not by design, but by default—backing into the sort of citizen identification papers the Prime Minister said he saw as inevitable in 1971.

I see, Mr. Speaker, you are about to indicate that my time is up. Let me simply conclude by saying that the government had the opportunity in this legislation to do something about invasions of privacy as they relate to the social insurance number. The government had the ability to act with this

legislation to prevent this sort of development from taking place. It chose not to act. The bill is mute. As a result, while the bill is a significant forward in a number of areas, I think there is a serious deficiency in it. I think Parliament should be called upon to improve the bill and to do away with the deficiency without further delay.

Mr. Bill Yurko (Edmonton East): Mr. Speaker, it is indeed a pleasure for me to make a few comments on Bill C-43 at the third reading stage. I want first of all to congratulate all those who have been responsible for bringing this bill before the House with the intent of passing it during this session.

I particularly want to congratulate a person who is not in the House today and has not been for a couple of years. In the fall of 1967 I returned from Arizona to Edmonton with some interest in political matters. A political meeting was advertised to be held at the MacDonald Hotel in the latter part of September, 1967. It was stated that a fellow by the name of Ged Baldwin would be speaking at this meeting and that someone by the strange name of Dalton Camp would also be there. I decided to attend that meeting because I was interested particularly in what one of those people had to say, that person being a Member of Parliament from northern Alberta representing the region of Peace River. I went to that meeting and heard a very eloquent speech given by the Hon. Ged Baldwin on the need for open government and access to information in government.

Having worked for some time in the United States and having experienced the difficulty a person in the engineering world experiences in getting information from government, that speech impressed me very much and, indeed, helped me in my subsequent years in politics to a very great degree.

I should say that the other fellow who spoke at that meeting did not overly impress me with what he said because he did not say very much at that time. However, Mr. Baldwin impressed upon me the need for open government and access to information to such a degree that when I became minister of the environment in the province of Alberta, which was a whole new area, we declared as a policy that all environmental information was public information. We followed that policy implicitly for the four years I was minister. We brought information into the legislature by the wheelbarrow load. Everything was public, and that had several effects. The first was that suddenly the news media and the people trusted the government fully in that area. They knew we were not hiding anything and that we would table everything. Whether it was derogatory to a company or a government, we simply put it on the table. As a government, we became trusted in that area.

The second strange thing was the effect on the news media. Up until that time, if there was a rumour that a document was being held secret, that became the issue. The issue was that something was being held secret and away from the eyes of the public. An interesting development happened in environmental matters. When we started to table everything and bring everything forward, it was not "newsy" any more. It was news only when there was a suspicion that something was being held under the table or confidential, and the news media would play it up to the nth degree. Indeed, information was brought forward without any difficulty. It served a very useful purpose. There was demand for this information from companies and from local levels of government, and it was provided without any difficulty whatsoever. It was a pity the same policy was not followed in other departments in the province of Alberta or that we did not bring forward a freedom of information act, because we should have, seeing it was an Albertan who worked so hard at the national level to get such a bill into the House of Commons. I might also say that I was very impressed with Mr. Baldwin's role.

• (1710)

Personally, I feel very strongly that the correspondence of ministers should also be made public, although I know that is a very sensitive issue. I spent seven years as a minister in the provincial government of Alberta and when I quit I gave all my correspondence to the archives of Alberta to be made public when they felt it was appropriate or when I gave permission to do so. I believe that cabinet documents and ministerial correspondence should be made public soon after a government is defeated or a minister leaves office. Such correspondence is pertinent to the political life and the growth of a nation.

I believe that this bill, although it is important and an excellent start, should go further. I fully support it. This is a good, sound initiative. In closing, again I wish to give credit to Mr. Ged Baldwin for all the work he did on this subject during the years.

Mr. Jack Masters (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I too rise in this House with a feeling of pride today. This has been a very busy Parliament and it has handled some very important pieces of legislation, but this is one of the most important. I am proud to have had some small part in it through my membership on the committee.

This work is rather new to me, Mr. Speaker, but I have enjoyed it. As a Canadian citizen I have always been interested in access to information and seeing that the rights of the individual are protected at the same time. As a former member of the media, I know how important it is that information be available and I applaud the government and all members of the House for their part in bringing forth this important piece of legislation.

The bill tries to put in place a mechanism that will ensure access to information which should be properly available to us. Obviously some information, for one reason or another, cannot be accessible. In this electronic age it is most important that privacy be assured as well. This bill incorporates accessibility to information and ensures the right of the individual to privacy without impeding law enforcement or jeopardizing the common good.

As a non-legal member of the committee, I was intrigued by the intricacies of the bill. Access to information and right to privacy are matters that have been discussed for a long time. I

think it is quite proper that it has taken so long for the bill to appear in its present form because the matter is complex. The federal and provincial jurisdictions were involved and this is a complicating factor.

Sometimes the right to privacy gets in the way of competition and this is a difficulty for the commercial sector where people must be free to do business without giving aid and comfort to their competition.

The whole process seems simple until you get into it. It has involved a great deal of consultation over the years. There have been other attempts to bring forward an access to information and right to privacy bill and we have benefited from earlier studies in the private and public sectors. As well, we have the advantage of seeing how such legislation has worked in some provinces and in other countries.

It would be a great thing if we could pass this bill unanimously this afternoon. Much has been said about the fact that it is not perfect, and there is no doubt that it has its limitations and could be improved. It is important to get it through so we can see it in operation, however. We will be able to see whether the judicial reviews work and whether the commissioner is doing a good job, whether information is as accessible as it should be and if privacy is being protected. The subject has been examined thoroughly by many sectors in the country over the years. Its strength lies in the fact that a parliamentary committee must review the bill in three years' time. By then we will have had a chance to see how it works.

This review is an absolute necessity, Mr. Speaker. It ensures that we will not just forget about the whole subject but will monitor and observe the process and make corrections where necessary. We have to start somewhere, Mr. Speaker, and I feel that we have made a grand beginning.

I am very proud to have had some small part in this process along with an excellent group of parliamentarians. I compliment the government for bringing to fruition something that has been desired by so many people for so long and for recognizing the very good work that preceded the work of the committee. I wish the bill could be approved this afternoon by unanimous consent.

• (1720)

So, Mr. Speaker, I have no hesitation in saying that, while I know it will not go through by unanimous consent, unfortunately, I am proud that most of us at least have recognized the need for the bill and the fact that it is really a magnificent beginning.

Mr. Bill Kempling (Burlington): Mr. Speaker, I want to say a few words on Bill C-43, particularly as it pertains to social insurance numbers. I want to relate to the House, the minister, and to his officials in the gallery, an incident where a citizen of Canada, a constituent of mine, was terribly abused because of misuse of his social insurance number by someone else. I think it would be worth while for the minister to listen to this and realize that sometimes these numbers and government documentation can work against the individual.

One Sunday morning, Mr. Speaker, a university student—studying, coincidentally, computer sciences—came to my door. My family and I were just on our way to church, but I stayed behind to talk to him because I perceived that he was in difficulty. In fact, sir, as I spoke to him I found that he was contemplating suicide. We sat down and spent the rest of the day together. My wife came back from church with the children and he had lunch and dinner with us.

What happened was that he had attended a circus and someone stole his wallet containing his social insurance number, driver's licence and birth certificate. The thief began to use this young man's identity and used it for a number of years. He took employment in this university student's name so that come income tax time my constituent had the Minister of National Revenue (Mr. Rompkey) telling him that he had not remitted all his taxes because he had worked for this company, that company and the other company. Of course, the young man said "I did not work there at all". "It does not matter, we have your T4 slips with your social insurance number, therefore you must pay." So he paid tax for four years on income that he did not earn.

In addition to that, the thief used this man's identity all across Canada. He bounced cheques in every province so that the RCMP had a file on him and were looking for him. This individual also went down to the United States, committed a crime in Texas, and the FBI had a file on him. The province of Ontario suspended the student's driver's licence because this individual had committed so many traffic offences that he had used up all his points.

The student came to me because he had graduated from university and had applied for a job where confidentiality was required. The prospective employer had made the usual check and found out that the applicant had a criminal record. This individual who was using the young man's identification had stolen a car, been caught and gone to jail in my constituent's name, using his social insurance number. How shocking for the young man to find out that he had just graduated from university and had a criminal record, was wanted by police for bouncing cheques, and could not drive a car, all because of this individual using his identification and social insurance number.

I wrote all this down in a statement, the young man swore to it, and we began our investigation. I went to the police in Hamilton and found that indeed he had reported his wallet stolen, so we began to look from there. I came back to Ottawa and said that we must give this man a new social insurance number so that we can separate him from the individual who is using his number fraudulently. I went to the central records of the department which produced the social insurance number, and what do you think they told me? They said: "We cannot issue another number to your constituent; the computer is not programmed that way". "Well, what are we supposed to do", I said. They said they would seek legal advice from the legal officers within the department. They then called me back and said the only way they can issue a new social insurance number

to my constituent is if he legally changed his name. Can you imagine anything more ridiculous than a citizen being asked to change his name so that the computer can issue him a new number? What a ludicrous situation! Can you imagine this young man at a family gathering where his mother says: "This is Bill Smith, Tom Smith, Joe Smith and Mary Smith, but this is Bobby Brown because he cannot get along with the computer program and they cannot issue two social insurance numbers"!

We had quite a little time with that, Mr. Speaker. I checked with the official several times, made notes on his comments, and finally, through a stroke of luck, we found that the chap who was fraudulently using my constituent's name was in jail in Woodstock. Why was he there? He had been working in a gas station and when a customer came in for gasoline, say $10 worth, if the customer paid by credit card this man would carefully tear off the customer's copy, leaving the carbon in place, then he would change the zero to a five so that it now read $15. He would then take $5 out of the till, the till would balance, and he would be $5 in pocket. Well, eventually the police caught up with him and threw him in jail. We found him by running his name through the RCMP computer and up came a set of fingerprints. We then ran those through the computer and up came a different name. That is how we found out who he was.

I then went up to the jail and interviewed this individual. He was fantastic as far as numbers were concerned; I never met a man like him. He repeated my constituent's social insurance number, which he was using, backward and forward. He did the same with his driver's licence number. He had an unbelievable memory for numbers. I asked him what he was going to do when he got out of jail. He said he was just going to go down to the post office and order another social number, go to the records department in Toronto and get another driver's licence, and go to the necessary department and get another birth certificate and start all over again. So he was going to continue to use this young man's identification.

I came back to Ottawa and spoke to the minister in charge. He said there was nothing he could do. I spoke to the Minister of National Revenue, the Solicitor General (Mr. Kaplan) and the Minister of Justice (Mr. Chrétien), and they said there was nothing they could do. Finally I asked the Prime Minister (Mr. Trudeau) if a citizen had to comply with this computer program in order to get this matter sorted out, and he said of course not. It was only the pressure of editorial writers across the country that really got this thing out in the open. Every major newspaper in Canada ran an editorial on it and the pressure was really on. Jokingly I said to the Minister of Finance (Mr. MacEachen) one day in the House, when we were awaiting a vote, that if he ever had trouble with his social insurance number, he should come to me and I would sort it out. He said that they had talked about it in cabinet and that instructions went out to get that matter settled.

• (1730)

Here is what happened. I had a meeting with the minister and his officials. They wanted me to attend the minister's office. I am a fledgling Member of Parliament, so I said that I would not go to the minister's office because I would be standing in front of the minister and all his officials. I told them that if they wanted to settle this matter, they could come to my office. I wanted to sit behind the desk and have them stand out in front. The parliamentary secretary, who is now the Secretary of State for External Affairs (Mr. MacGuigan), said that the minister would not come to my office. I said that he did not have to come, that his officials could appear. This is exactly what happened. They all appeared. They brought a secretary, their legal advisers and the deputy minister. I was sitting behind the desk and they were out in front.

I want to say that it was quite a difference because I was more or less sitting in the driver's seat, so to speak. First of all, the chap at central records denied outright that he had even told me that my constituent would have legally to change his name. But I had made various notations as to the date, the times, the questions I had asked and so forth. I folded them up, gave them to him and said, "Put them in your scrapbook; I realize that what you have to do now is to save your job, and that you will not admit anything". Finally the deputy minister said that the only way this could be solved would be to change the act. They expected that I would say that I did not want them to go to all that trouble, but I said, "That is the very least I will accept; you must change the act".

So it began, and 18 months later, with an election in between, I finally received a new social insurance number for this young man and gave it to him as a Christmas present. It was the beginning of a new year and a new life for him, but he had gone through hell for five years because of the intransigence of the bureaucracy of government. People were saying that this could not be done, and the ministers were saying that they did not want to become involved. No one would move, but thank God for the police, for the RCMP and others who helped me. We finally got the job done.

Let me conclude by saying that after we had agreed to all this, the minister's executive assistant wrote a letter to *The Globe and Mail* trying to take credit for it. Can you imagine that? We replied to it, and I think he was let go shortly after that because it was a shabby trick. He even said that the minister's officials had found this dastardly individual who was fraudulently using my constituent's social insurance number, name and identity, in jail in Woodstoock, when in fact they had not. I went so far as to check the visitors' record of the jail to be sure that I was right on that point. Certainly no one had been there from the government, from the RCMP or anyone else, until I had visited the individual and raised the matter on the floor of the House of Commons.

I thought this would be a worth-while contribution to Bill C-43. I know my colleagues on this side have laboured hard and long on the bill. It is not everything that we want, but it is a beginning. We will certainly support it, and we hope that at some later date we will have an opportunity to amend it and see that it is improved further. I wanted to put on the record what can go wrong when bureaucrats become insensitive to citizens and the difficulties they have with simple matters such as assigning a number to an individual. It is a tragedy. This

man suffered for five years out of his life. We finally got back his income tax; National Revenue gave him back the money. The province of Ontario gave him back the money they had taken for the fines and returned his driver's licence. Finally, we got his wallet back with his original documents from the FBI, believe it or not. He went back into the work force and now he is gainfully employed with a new social insurance number. He is a very happy young man today. I thought it would be worthwhile to put those few remarks on the record for the benefit of my colleauges who were not here at the time and for the benefit of the officials of the minister who are sitting in the gallery.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, a few moments ago the parliamentary secretary expressed a wish that this bill would pass unanimously. I want to take just five minutes to indicate a few examples of what is wrong with the bill and to show why we cannot vote for it.

Members will know that under the provisions of the United States freedom of information act, FBI and CIA files from the 1950s and the 1960s have been made available to people and to organizations. In a recent autobiography which John Kenneth Galbraith published, it is obvious that he had access to the FBI files on his own records. We know from the McDonald Commission that the RCMP has 700,000 files on individuals. Also we know from experience that some Members of Parliament, many trade union leaders and many farm leaders are among the people in those files. On one occasion I asked the Solicitor General (Mr. Kaplan) privately whether after this bill was passed people could obtain access and see what was in the files about them. He told me that they could not. I am talking about after this bill is enacted.

Professor Jim Penton of the University of Lethbridge was writing a book about religion a couple of years ago. He wanted to report in the book about the Doukhobors and about the assassination of Peter Veregin, the then leader of the Freedomite Doukhobors. Peter Veregin was assassinated in the early 1920s, more than 60 years ago. Professor Penton went to the RCMP asked for and was refused access to their files. Professor David Bercuson of the University of Calgary, a well-known labour historian in this country, told me this morning that one of his M.A. students was working on the history of the communist party in Alberta in the 1920s. It is common knowledge that the RCMP at that time had infiltrated and was keeping a very close tab on radical organizations in those days, on the communist party, on trade unions and on farm organizations. I am not questioning what they did, but we are talking about a period more than 50 years ago. When this student asked the RCMP whether she could look at the files concerning what was done in the 1920s, she was given access to only 15 or 20 pages of material. Professor Bercuson said that what amazed him and his colleagues was that she obtained that much. We can compare that with the tens of thousands of pages of recent FBI and CIA files from the 1950's and 1960's which were made public; people who felt rightly or wrongly that they had been mistreated by government agencies were given access to the files. One of the reasons we considered this bill not to be a good beginning was that it does not give Canadians these same rights.

We consider the bill to be largely a hoax. The Liberal government is doing as it so frequently does—it is giving the appearance of giving people what they want or giving people what there is a broad consensus on, when in fact it is doing nothing of the kind. We are not prepared to vote for a bill which we believe to a large extent to be a hoax. The Conservative Party opposed important provisions of this bill when it was in government and in opposition. We are surprised that members of that party will now vote for it.

I should like to refer for a moment or two to a committee report of this year wherein the hon. member for Nepean-Carleton (Mr. Baker) referred to this bill. He said, "You have gutted judicial review and you should know that." He ended by saying, "You have poisoned it. It is a body blow to access of information." If I had more time I could go into greater detail about what the hon. member for Nepean-Carleton said. However, having said all that, and having shown how inadequate the bill is, the member for Nepean-Carleton, as well as other members of the official opposition, are prepared to vote for the bill.

• (1740)

We in our party are not prepared to vote for a bill which will not accomplish anything. It will only give the ministers of the government and the senior bureaucrats about as much power as they have always had to keep from the public whatever information they desire secret. We are not prepared to cooperate with the government or the official opposition to allow them to do that.

The Acting Speaker (Mr. Ethier): Is the House ready for the question?

Mr. Nielsen: Mr. Speaker, I rise on a point of order. There have been some discussions, albeit inconclusive, between myself, the government House leader and the acting House leader for the New Democratic Party. We discussed deferring the votes at report stage and third reading on this measure until next Monday, and, in addition, that we defer the vote on the NDP amendment on the budget, which is ordinarily to arise on Wednesday next, also until next Monday.

I would hope that that proposal could find some responsiveness in the spirit of co-operation with the government House leader. We made that proposal because if we get into a long voting procedure tonight—by my calculation there are some 17 votes that are possible—it would manifestly eat into the time available to us, thus delaying the eight o'clock commencement of the budget statement by the minister of Finance (Mr. MacEachen). We do not want to do that. We want to hear that statement at eight o'clock. If we commence the voting procedure now, I do not know how many votes the NDP will be standing us on.

To me, it would seem that the reasonable and logical course to follow would be to defer all votes until next Monday, in the

hope as well that the vote next Wednesday could also be deferred until a week today, the latter in order to enable western members to be in their ridings by July 1. I understand that it is somewhat easier to do for Atlantic members but it is absolutely impossible for western members to be home if we vote at the usual time next Wednesday on the New Democratic Party amendments.

I make that proposal in the spirit of co-operation and in the hope that the government will find it acceptable and agree to it.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, I am very disappointed in the attitude of the Progressive Conservative House Leader, because he has decided to negotiate publicly, in the House, instead of privately as is our custom. He knows perfectly well that we cannot agree with suggestions he made earlier, for the simple reason that when we decided to consider the Access to Information Bill today, there was a tacit agreement with his party critic to have this evening's votes dealt with quickly and sensibly.

Some moments earlier today, when the hon. member was absent from the House, I had an opportunity to talk to his party critic who is here in the House, the member for Nepean-Carleton (Mr. Baker), and with representatives of the New Democratic Party. We reached an agreement whereby the entire body of amendments and third reading would be disposed of very quickly in not more than three votes. And now, just because I did not agree right away—I was not in a position to do so—to have Wednesday's vote, the first no-confidence vote on the budget, deferred to next week—I told him I was not in a position to give him an answer at this time, perhaps this evening or tomorrow morning—now he is trying to use this kind of pressure to destroy the tacit agreement reached with his party critic and the New Democratic Party critic, to obstruct the proceedings of Parliament once more and deliberately delay this evening's budget speech. His attitude is: All the government has to do is to agree to have the votes on the Access to Information Bill deferred until Monday evening, which happens to suit the hon. member a bit better.

Mr. Speaker, I am sorry but this is no way to run Parliament, and I deplore the destructive attitude of the member for Yukon (Mr. Nielsen) who does not even have the decency to keep our discussions private. If we do reach an agreement, fine, that will be raised on the floor of the House in any case, but when we do not, in that case, we simply agree to deal with the motions before the House, as provided under the rules of Parliament. However, the major spokesmen for each party on this bill have made a tacit agreement. I would never have proceeded with this bill today if I had not obtained this tacit agreement from the assistant of the hon. member for Nepean-Carleton (Mr. Baker), who is the official critic of his party for this bill, last Friday when the hon. member was absent, and from the hon. member himself today. I hope that the hon. member for Yukon will reconsider the questionable tactic he has used today.

Moreover, I hope that he will change his mind in the next few minutes and abide by the gentlemen's agreement made by the critics for his party and the New Democratic party so that we may dispose quickly of the Freedom of Information Act in the next few minutes. This will have no bearing on my decision concerning his other suggestion to dispose of the vote at another time next Wednesday. This is a totally separate question to which I shall be able to reply later today or tomorrow morning, as I have indicated. If the hon. member is determined to paralyse Parliament and to delay the speech of the Minister of Finance (Mr. MacEachen) which is scheduled for this evening at eight o'clock, if this is his tactic or his plan and if he is acting in good faith, the best way to put this good faith to the test, if he refuses to stand by the agreement made with the official critic for his party, he can simply as a last resort, so as not to delay the speech of the Minister, accept that the votes be deferred to a time which is considered appropriate by all House leaders.

This would be much more in agreement with our rules than setting the date in advance for next Monday, Tuesday or Wednesday. However, I still find it repugnant to give my consent, but perhaps he will not leave me any choice if I am to see to it that the Minister of Finance can make his speech at eight o'clock. I may be forced very inappropriately to give my consent. I shall perhaps be forced to agree to defer these votes to a mutually acceptable date within a reasonable time, but I am not able to agree immediately to deferring the votes to Monday evening, and I would much prefer that he stand by the gentlemen's agreement made by the critics for his own party and the New Democratic party and by his own deputy House leader in his absence last Friday and confirmed today.

[*English*]

Mr. Nielsen: Mr. Speaker, I very much regret that the government House leader has taken that belligerent attitude to what I considered to be a very reasonable suggestion. I did so on the basis that we do not want to delay at all the statement of the minister at eight o'clock tonight. We are not going to do that. He does not appear to want to accept that reassurance, but I give it to him again. I based my suggestions to him also on the assurance given to me by our critic for this bill, the member for Nepean-Carleton (Mr. Baker), that no agreement was made that there would be only three votes. That is what the government House leader said. I asked a direct question of the hon. member for Nepean-Carleton, our critic, and he said that was not an agreement whatsoever.

I make that appeal to the government House leader in all reason. The members of the New Democratic Party are prepared to go along with it. I cannot see any reason for its not being acceptable to him. We could defer all votes until Monday and also defer next Wednesday's vote to Monday, without any intention of putting any pressure on the government House

leader whatsoever. It is simply made to him in the best possible faith. If any member over there can find any motive for my making this reasonable suggestion, I would like to hear it.

Some hon. Members: Oh, oh!

Mr. Nielsen: I hear all sorts of laughter. However, no hon. member is courageous enough to stand in his place to make an accusation as to my motivation.

I make the offer in good faith and I make the suggestion in good faith. We can be out of here, vote on all the votes that are necessary to clear the matter up next Monday, and also defer next Wednesday's vote until next Monday. I put that to the government House leader in the best possible faith.

• (1750)

Mr. Deans: Mr. Speaker, I just want to make clear where we on this side stand. I understand from speaking with my critic, and I understood half an hour ago, that some work had been done to narrow the number of votes down to a maximum of two. We are of course prepared to vote since the House already called for it. I am always interested in accommodating what common sense would dictate. Your Honour may, in fact, recall that last Monday evening at about two o'clock in the morning I was still begging for common sense. However, without choosing sides on this matter, we are ready to vote. But if it were to be decided to defer the votes, then that will not cause us any great pain.

Mr. Pinard: Mr. Speaker, the hon. member for Nepean-Carleton is in the House. A few minutes ago I spoke to him, along with the Minister of Communications (Mr. Fox) who is here in the House. Very clearly he told us that his party would not request any recorded division on any vote and that, in fact, he did not want any vote to be recorded at this time. He is here. That is what he told me and that is what he told the Minsiter of Communications. I ask him to confirm that, if he is an honest man.

Mr. Baker (Nepean-Carleton): Mr. Speaker, just so the air will be cleared, it was not our intention to call votes on the report stage amendments. That was the discussion. But in the intervening debate, the New Democratic Party critic indicated to me that his party intended to call one vote at report stage, and during the course of the debate, the party indicated it would vote against the bill. The hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty) clearly stated the position of our party in discussions with me, confirming what I had said in the course of our own speech that if a vote were called, we intended to suppport the bill. Therefore, it looks as though we are faced with two votes. That is the situation, as I understand the matter, which is well within the three votes which have been mentioned by the House leader for the official opposition. That is the position as it stands.

I have just one observation. There is a House order that calls for a vote at 5.45 p.m. It is now 5.50 p.m. and I presume that we should get on with the voting. If there can be no arrangement to dispense, then we must get on with the voting. If an arrangement cannot be made to dispense, I will naturally have no difficulty in that respect, but that is the situation. We are bound by order.

Mr. Pinard: Mr. Speaker, the hon. member for Nepean-Carleton has acknowledged that what he has in mind, as he had in mind when we reached the understanding, is that there will be two to three votes as a maximum. He even mentioned two votes. That is fine. We should just put the questions as we are ready to vote now.

The Acting Speaker (Mr. Ethier): Order, please. It being 5.45 p.m., pursuant to an order made Wednesday, June 23, 1982, it is my duty to interrupt the proceedings and put forth every question necessary to dispose of the bill now before the House.

Accordingly, the question is on Motion No. 1. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the yeas have it.

Some hon. Members: On division.

Motion No. 1 (Mr. Fox) agreed to.

The Acting Speaker (Mr. Ethier): The question is on Motion No. 2. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the yeas have it.

Some hon. Members: On division.

Motion No. 2 (Mr. Fox) agreed to.

The Acting Speaker (Mr. Ethier): There seems to be an order that when the question is put on motion No. 3, it will dispose of Motions Nos. 4 and 5. Is that agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): Therefore, the question is on Motion No. 3. All those in favour of the motion will please say yea.

• (1800)

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the yeas have it.

Some hon. Members: On division.

And more than five members having risen:

The Acting Speaker (Mr. Ethier): Pursuant to Standing Order 75(11), the recorded division on the proposed motion stands deferred.

The question is on Motion No. 6. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the yeas have it.

Some hon. Members: On division.

Motion No. 6 (Mr. Fox) agreed to.

The Acting Speaker (Mr. Ethier): The question is on Motion No. 7, which also disposes of Motion No. 8. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Motions Nos. 7 and 8 (Mr. Fox) agreed to.

The Acting Speaker (Mr. Ethier): The question is on Motion No. 9. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the yeas have it.

Some hon. Members: On division.

Motion No. 9 (Mr. Fox) agreed to.

The Acting Speaker (Mr. Ethier): The question is on Motion No. 10. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will pleased say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the nays have it.

Mr. Baker (Nepean-Carleton): On division.

Motion No. 10 (Mr. Baker (Nepean-Carleton)) negatived.

The Acting Speaker (Mr. Ethier): The question is on Motion No. 11. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the yeas have it.

Some hon. Members: On division.

Motion No. 11 (Mr. Fox) agreed to.

The Acting Speaker (Mr. Ethier): The question is on Motion No. 12. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the yeas have it.

Some hon. Members: On division.

Motion No. 12 (Mr. Fox) agreed to.

The Acting Speaker (Mr. Ethier): The question is on Motion No. 15, which will also dispose of Motions Nos. 13, 14, 16, 17 and 26. All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the nays have it.

Some hon. Members: On division.

Motions Nos. 13, 14, 15, 16, 17 and 26 (Mr. Beatty) negatived.

The Acting Speaker (Mr. Ethier): The question is on Motion No. 18. All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Motion No. 18 (Mr. Fox) agreed to.

• (1810)

The Acting Speaker (Mr. Ethier): The question is on Motion No. 19, which will also dispose of Motion No. 20. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the yeas have it.

Some hon. Members: On division.

Motions Nos. 19 and 20 (Mr. Fox) agreed to.

The Acting Speaker (Mr. Ethier): The question is on Motion No. 21. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the nays have it.

Some hon. Members: On division.

Motion No. 21 (Mr. Baker (Nepean-Carleton)) negatived.

The Acting Speaker (Mr. Ethier): The question is on Motion No. 22. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the nays have it.

Some hon. Members: On division.

Motion No. 22 (Mr. Baker (Nepean-Carleton)) negatived.

The Acting Speaker (Mr. Ethier): The question is on Motion No. 23. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Motion No. 23 (Mr. Fox) agreed to.

The Acting Speaker (Mr. Ethier): The question is on Motion No. 24. All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Ethier): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Ethier): In my opinion the yeas have it.

Some hon. Members: On division.

Motion No. 24 (Mr. Fox) agreed to.

The Acting Speaker (Mr. Ethier): For the record, when Motion No. 7 was put, the Chair did not mention that it would also dispose of motion No. 8. Shall we take it that the vote which was taken on Motion No. 7 will apply to motion No. 8?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): The House will now proceed to the taking of the deferred division.

Call in the members.

The House divided on motion No. 3 (Mr. Fox) which was agreed to on the following division:

(*Division No. 225*)

YEAS

Messrs.

Allmand	De Bané	Hudecki
Axworthy	de Corneille	Irwin
Bachand	Desmarais	Isabelle
Baker (Gander-Twillingate)	Dion	Johnston
Beauchamp-Niquet (Mrs.)	Dionne (Chicoutimi)	Joyal
Bégin (Miss)	Dubois	Kaplan
Berger	Duclos	Killens (Mrs.)
Blais	Dupont	Lajoie
Blaker	Dupras	Lalonde
Bloomfield	Duquet	Lamontagne
Bockstael	Erola (Mrs.)	Landers
Bossy	Ethier	Lang
Breau	Evans	Laniel
Burghardt	Ferguson	Lapierre
Bussières	Fleming	Lapointe (Charlevoix)
Caccia	Flis	Lapointe (Beauce)
Campbell (Miss) (South West Nova)	Foster	LeBlanc
Campbell (LaSalle)	Fox	Leduc
Campbell (Cardigan)	Francis	Lefebvre
Chénier	Garant	Loiselle
Collenette	Gauthier	Lumley
Comtois	Gendron	MacBain
Cosgrove	Gourd (Argenteuil-Papineau)	MacGuigan
Côté (Mrs.)	Gourde (Lévis)	Mackasey
Cousineau	Gray	MacLaren
Cullen	Guilbault	MacLellan
Cyr	Henderson	Malépart
Daudlin	Herbert	Marceau
	Hervieux-Payette (Mrs.)	Massé
	Hopkins	Masters
		McCauley
		McRae

Messrs.

Munro (Hamilton East)	Pinard	Schroder
Nicholson (Miss)	Portelance	Smith
Olivier	Regan	Tessier
Ostiguy	Reid (Kenora-Rainy River)	Tobin
Ouellet	Roberts	Tousignant
Parent	Robinson (Etobicoke-Lakeshore)	Trudeau
Pelletier	Rompkey	Turner
Penner	Rooney	Veillette
Pepin	Rossi	Watson
Peterson	Roy	Weatherhead
		Whelan
		Yanakis—122.

NAYS

Messrs.

Andre	Halliday	Murta
Baker (Nepean-Carleton)	Hamilton (Qu'Appelle-Moose Mountain)	Neil
Beatty	Hargrave	Nickerson
Benjamin	Heap	Nielsen
Blaikie	Howie	Nystrom
Bradley	Huntington	Oberle
Broadbent	Jarvis	Orlikow
Cardiff	Jelinek	Paproski
Clark (Yellowhead)	Jewett (Miss)	Parker
Clarke (Vancouver Quadra)	Keeper	Patterson
Coates	Kempling	Reid (St. Catharines)
Cooper	King	Riis
Corbett	Korchinski	Robinson (Burnaby)
Crombie	Kushner	Sargeant
Crosby (Halifax West)	Lawrence	Scott (Hamilton-Wentworth)
Dantzer	Lewis	Scott (Victoria-Haliburton)
Darling	Lewycky	Shields
Deans	MacDonald (Miss)	Skelly
Dick	Malone	Speyer
Domm	Mazankowski	Stevens
Ellis	McCain	Stewart
Elzinga	McDermid	Taylor
Forrestall	McKinnon	Thacker
Fraser	McKnight	Thomson
Fretz	McLean	Towers
Friesen	Miller	Vankoughnet
Fulton	Mitchell (Mrs.)	Waddell
Gamble	Mitges	Wise
Gilchrist	Munro (Esquimalt-Saanich)	Wright
Gurbin	Murphy	Young—91.
Gustafson		

● (1820)

Madam Speaker: I declare the motion carried.

Motions Nos. 3, 4 and 5 (Mr. Fox) agreed to.

Hon. Gerald Regan (Secretary of State) moved that the bill be concurred in.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: On division.

Motion agreed to.

Mr. Regan moved that the bill be read the third time and do pass.

Madam Speaker: It is the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Madam Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five members having risen:

Madam Speaker: Shall we dispense with the ringing of the bells?

Some hon. Members: Agreed.

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

(*Division No. 226*)

YEAS

Messrs.

Allmand	Daudlin	Hopkins
Andre	De Bané	Howie
Axworthy	de Corneille	Hudecki
Bachand	Desmarais	Huntington
Baker (Gander-Twillingate)	Dick	Irwin
Baker (Nepean-Carleton)	Dion	Isabelle
Beatty	Dionne (Chicoutimi)	Jarvis
Beauchamp-Niquet (Mrs.)	Domm	Jelinek
Bégin (Miss)	Dubois	Johnston
Berger	Duclos	Joyal
Blais	Dupont	Kaplan
Blaker	Dupras	Kempling
Bloomfield	Duquet	Killens (Mrs.)
Bockstael	Ellis	King
Bossy	Elzinga	Korchinski
Bradley	Erola (Mrs.)	Kushner
Breau	Ethier	Lajoie
Burghardt	Evans	Lalonde
Bussières	Ferguson	Lamontagne
Caccia	Fleming	Landers
Campbell (Miss) (South West Nova)	Flis	Lang
	Forrestall	Laniel
Campbell (LaSalle)	Foster	Lapierre
Campbell (Cardigan)	Fox	Lapointe (Charlevoix)
Cardiff	Francis	Lapointe (Beauce)
Chénier	Fraser	Lawrence
Clark (Yellowhead)	Fretz	LeBlanc
Clarke (Vancouver Quadra)	Friesen	Leduc
Coates	Gamble	Lefebvre
Collenette	Garant	Lewis
Comtois	Gauthier	Loiselle
Cooper	Gendron	Lumley
Corbett	Gilchrist	MacBain
Cosgrove	Gourd (Argenteuil-Papineau)	MacDonald (Miss)
Côté (Mrs.)	Gourde (Lévis)	MacGuigan
Cousineau	Gray	Mackasey
Crombie	Guilbault	MacLaren
Crosby (Halifax West)	Gurbin	MacLellan
Cullen	Gustafson	Malépart
Cyr	Halliday	Malone
Dantzer	Hamilton (Qu'Appelle-Moose Mountain)	Marceau
Darling	Hargrave	Massé
	Henderson	Masters
	Herbert	Mazankowski
	Hervieux-Payette (Mrs.)	McCain
		McCauley
		McDermid
		McKinnon

Messrs.

McKnight	Penner	Shields
McLean	Pepin	Smith
McRae	Peterson	Speyer
Mitges	Pinard	Stevens
Munro (Esquimalt-Saanich)	Portelance	Stewart
Munro (Hamilton East)	Regan	Taylor
Murta	Reid (St. Catharines)	Tessier
Neil	Reid (Kenora-Rainy River)	Thacker
Nicholson (Miss)	Roberts	Thomson
Nickerson	Robinson (Etobicoke-Lakeshore)	Tobin
Nielsen	Rompkey	Tousignant
Oberle	Rooney	Towers
Olivier	Rossi	Trudeau
Ostiguy	Roy	Turner
Ouellet	Schroder	Vankoughnet
Paproski	Scott (Hamilton-Wentworth)	Veillette
Parent	Scott (Victoria-Haliburton)	Watson
Patterson		Weatherhead
Pelletier		Whelan
		Wise
		Wright
		Yanakis
		Yurko—193.

NAYS

Messrs.

Benjamin	Lewycky	Riis
Blaikie	Miller	Robinson (Burnaby)
Broadbent	Mitchell (Mrs.)	Sargeant
Deans	Murphy	Skelly
Fulton	Nystrom	Waddell
Heap	Orlikow	Young—21.
Jewett (Miss)	Parker	
Keeper		

● (1830)

Madam Speaker: I declare the motion carried.

Motion agreed to, and bill read the third time and passed.

[*Translation*]

It being 6.30 p.m., I do now leave the chair until 8 p.m. when the business before the House will be a ways and means motion in the name of the hon. Minister of Finance (Mr. MacEachen).

At 6.32 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance) moved:

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

INTRODUCTION

He said: Canadians want to know how we can get our economy growing again, how we can get industry to invest, expand and provide the jobs our people need. A million two hundred thousand among us are unemployed. Still more are struggling to make ends meet in the face of high inflation and high interest rates. We are all suffering, one way or another, from the recession that is battering our economy. We are all searching for a way out of it.

It is no comfort to know that the United States is a victim of the same recession. So are all the industrial countries of Europe and, even more cruelly, the developing world. The recession is international. Some of our problems are of our own making, but a large part comes from abroad. That is why the speed of our move towards recovery cannot be determined by Canada alone.

My purpose tonight is to offer Canadians a way to end the recession, and to speed our progress towards recovery through immediate action.

First, I will ask Canadians to participate in a strategy to make Canada a tougher, more resilient society. The way out of the recession is to bring down inflation and increase productivity. We must all share the burden and responsibility.

The government will take a leading role in this strategy. It will limit pay increases in the federal public sector. It will act to lower inflation-related increases in other spheres of government responsibility.

If all of us—governments, business, labour and individual Canadians—rally to greater discipline in our income demands and other inflationary behaviour, prices will at long last go down, and so will interest rates. The economy will start growing again. Industry will be able to make a decent profit and to increase production. Laid-off workers will be recalled. New jobs will become available

Second, a dynamic, confident business sector is essential to our economic recovery. Confidence depends on real economic opportunity. It also depends on effective interaction between governments and the private sector.

I will table tax proposals that would reduce significantly interest rates for home buyers and small business, and create new incentives for investment in Canadian corporations. I will propose the resolution of outstanding taxation issues from the November 1981 budget. I will address issues of concern to international investors.

Third, many Canadians and specific sectors of the economy need additional support and assistance in this time of recession. I will announce this evening initiatives totalling $2.3 billion for that purpose. Major actions will be targetted to employment creation, housing, small business, farming and fishing.

● (2010)

Fourth, these actions will be taken within the very limited room for manoeuvre imposed by the deficit. Recession has resulted in a serious worsening of the government's financial position. Tax revenues have fallen, while expenditures have risen. This has imposed severe limits on new spending. The government cannot responsibly add to the deficit. It has to reallocate resources. The action plan will therefore be carried out within the framework of current monetary and fiscal policy.

THE ECONOMIC AND FINANCIAL SITUATION

The recession has been abrupt and severe. Unemployment has reached record levels. Business profits have fallen dramatically. Bankruptcies have increased. Demand for goods has shrunk, both at home and in our markets abroad.

The economic woes of the United States and all the industrialized countries of Europe have caused additional hardship for Canadians. Unemployment in all those nations has reached record levels. Their industries and their consumers are suffering from high interest rates and lower output, just as ours are. They cannot afford to buy as much of our natural resources and manufactured products as before. Their governments are unable or have not chosen to design their economic policies to help us get out of the recession.

The persistence of the U.S. recession and of high interest rates in that country are the foremost international obstacles to a resumption of growth in Canada and the rest of the world. There are signs that the recession in the United States may soon bottom out and that a modest recovery may begin shortly, but production for all of 1982 is still expected to be 1½ to 2 per cent below the 1981 level. Moreover, high real interest rates in the United States remain a barrier to strong recovery. They are also keeping interest rates higher than domestic circumstances require in other countries, including Canada. In recent months, money has flowed toward high U.S. interest rates in such magnitude that the U.S. dollar has risen strongly against every major currency. Its rise against the Canadian dollar has been less than against other major currencies.

Though our economy has been seriously affected by these international forces, its fundamental strengths remain. Canada's resource wealth is undiminished. Canadians are as trained and capable as ever. Our corporate sector has to cope with depressed markets, falling profits and serious cash problems, but it has the capacity to weather the storm. Our financial institutions are well managed and prudently regulated. Our small business and housing sectors are facing greater difficulties, but the actions I am announcing tonight will provide them with substantial assistance. The stabilizers built into our tax and public expenditure systems help sustain incomes in the face of the decline in economic activity.

However, there is a major risk that we will let our competitive position slip. We are now doing much worse on inflation than our key trading partners. Our productivity performance has also been very disappointing. That imposes costs on all of us right now. But the consequences for the future are even more menacing if our performance does not improve. We would be priced out of foreign markets. That would cost us dearly in jobs and growth.

We should all be concerned about our slow progress in bringing down inflation. The increase in the consumer price index was 11.8 per cent in May. If present trends continue, our rate of inflation will not fall much below 11 per cent for 1982 as a whole. This would be 4 to 5 percentage points higher than in the United States, and about 6 points higher than increases in Germany and Japan. Clearly this is not good enough. Wage settlements in Canada also increased by 12¾ per cent in the first quarter of this year. Our wage settlements are therefore running about 5 percentage points higher than the trend in the United States. How can we expect to compete if this persists?

The recession also has caused a serious worsening of the government's fiscal position. The sharp fall in federal revenues is the inevitable consequence of the decline in production, employment and income. I estimate the revenue loss attributable to the recession to be about $4.5 billion in 1982-83. Lower international oil prices, and the lowering of energy taxes recently announced by the Minister of Energy, Mines and Resources (Mr. Lalonde), have also reduced federal revenues by another $1.5 billion in the current fiscal year. I now expect total budgetary revenues of $58.6 billion in 1982-83, $6.4 billion less than my November forecast of $65 billion.

Federal spending has also been affected by the recession. Higher interest rates add to the costs of governments as well as firms and individuals. Public debt charges are expected to be $1.1 billion higher than originally forecast. The deferral of some energy expenditures to the current fiscal year have reduced our outlays by $1.1 billion in 1981-82 and raised them by a similar amount in 1982-83. Over and above that, the government has approved few additional expenditures, and most are also related to the recession. Earlier this year $400 million were allocated to direct employment support and the extension of variable entrance requirements under the unemployment insurance program. The higher payments to provinces to which I agreed during negotiations on the fiscal arrangements will add $200 million to our outlays this year. The net effect of these and other minor changes has been to raise total budgetary expenditures to $78.1 billion in 1982-83. This is $2.6 billion higher than my November forecast of $75.5 billion. In addition, the rise in unemployment insurance payments will add an estimated $2.0 billion to our financial requirements.

The result is that the projected budgetary deficit for the current fiscal year is very much higher than that forecast in the November budget: $19.6 billion, compared to the $10.5 billion initially projected and to the $12.9 billion estimate for 1981-82. Our financial requirements are now projected at $17.1 billion, instead of the November budget forecast of $6.6 billion.

These increases reflect mainly the automatic response of our tax and expenditure systems to the recession. These automatic stabilizers must be allowed to operate to avoid making the recession worse. This is not the time to do away with these stabilizers, not the time to cut unemployment insurance or slash expenditures that provide income to Canadians.

• (2020)

The last budget put in place a structure of revenues and expenditures that should, when recovery gets fully under way, gradually lower the deficit and avoid putting excessive pressures on capital markets as private borrowing picks up to finance investment. I am introducing new tax and expenditure initiatives to respond to pressing needs, but I am not adding further to the deficit already facing us in 1982-83. The cost of

new measures will be more than offset by reductions in planned expenditures and a modest tax increase.

The onslaught of recession has triggered demands for a fundamental reappraisal of our economic policies. The government has examined very carefully alternative policy options. The actions we have decided to take reflect the broad consensus emerging from suggestions made by various groups, individuals and Members of Parliament. In this regard, I am particularly grateful to the Member of Parliament for Trinity (Miss Nicholson) and her committee who have contributed so much to the elaboration of current policy. Any departure from our broad policy approach has been rejected.

[*Translation*]

We have rejected massive fiscal stimulus and the abandonment of monetary restraint because this would only worsen inflation and aggravate unemployment. We have rejected broad mandatory controls of prices and incomes. Broad controls are opposed almost unanimously by business and labour. On no other issue have I received stronger representations from the private sector. Controls would merely postpone the basic shift in economic behaviour that is needed—a shift to discipline and restraint, self-willed and self-imposed. It is to that basic change, rather than to massive government intervention, that the government has decided to devote its energies.

[*English*]

A STRATEGY TO BRING DOWN INFLATION

Moving toward recovery requires that we take immediate action to bring down inflation. The central difficulty in reducing inflation is to break expectations that inflation will remain high indefinitely. Such expectations tend to be self-fulfilling: incomes chase prices, which in turn chase incomes in a vicious spiral. No one wants to be the first to accept a lower increase in pay than the next person. Unions are busy catching up with the ones that just settled for 12 or 14 per cent a year. Businesses and firms are busy raising their prices to catch up with or anticipate cost increases. Governments are also busy raising their taxes to catch up with the inflation of their expenditures. So the spiral goes on.

It is critical that we break that vicious circle. And when I say "we", I mean all Canadians, not just wage-earners and not just unions. I stress that our efforts to bring down inflation are not directed against labour or any other group in society. We are all caught in the spiral and, more often than not, against our will or our better judgment.

It is within our power, through deliberate and concerted action, to bring down price inflation much more quickly. We can do this by accepting, for the time being, income increases that are lower than the current rate of inflation. A reduction of income demands will lower cost and price increases. In this way we can stop feeding the spiral of inflation.

This strategy will lead in the short run to a lowering of our real income. But it will soon slow the process that is eroding our pay cheques. It will stop the rise of unemployment. And it will establish a firm basis for resumption of real income growth throughout the economy.

That is the first immediate action that I am proposing.

I am urging Canadians to lower their demands for income increases to 6 per cent during the 12 months ending in July 1983, and to 5 per cent in the following 12-month period. I am also urging businesses to lower price increases as costs go down and profit margins are restored over this two-year period. I am calling on everyone to help Canada make the difficult change-over from the 12 per cent world that has mired us in recession to the 6 per cent world that will bring recovery.

Solidarity and sharing built Canada. That sharing is what the unemployed, the many firms in trouble, and the thousands threatened by lay-offs now need. I count on the willingness of all Canadians to bear their share of the collective effort to bring down inflation. Commitment to restraint and discipline in our income demands is the price we must pay to get the economy growing again and to make it possible for all eventually to benefit from rising employment and real income.

The government will seek consultations with business and labour to determine the best ways of implementing this strategy. We will also examine with the provinces how the efforts of all might best be co-ordinated.

PAY RESTRAINT IN THE FEDERAL PUBLIC SECTOR

The private sector and the provinces could not be expected to accept income restraint unless the Government of Canada showed leadership in the conduct of its own affairs. The government has therefore decided to lead the way by implementing the proposed strategy in the federal public sector for a period of two years.

First, legislation will be introduced this week in Parliament to cut pay increases for ministers of the Crown, Members of the House of Commons and Members of the Senate from 11 to 6 per cent for the rest of this year. The limit will be 6 per cent next year and 5 per cent the year after.

Second, increases in the rates of pay of all deputy ministers, heads of Crown corporations and senior executives of the public service will be limited to the same targets of 6 per cent and 5 per cent for the next two years. The advisory group on executive compensation in the Public Service recently recommended that the rates of pay of deputy ministers and senior executives be raised by 9½ per cent as of April 1 of this year. Instead, they will be limited to 6 per cent effective July 1.

Third, increases in the rates of pay of other employees in the federal public sector will be constrained to no more than 6 per cent in the first year of the application of the program to them and 5 per cent in the second year.

• (2030)

The coverage of the program will be broad. In addition to the ministry, Members of Parliament, the judiciary and the public service, the program will apply to the Canadian Forces, the Royal Canadian Mounted Police and Crown corporations.

It will cover more than 500,000 federal employees. However, only ministers, MPs and Senators will be subject to actual cuts in pay.

The details of the public sector compensation restraint program will be announced shortly by the President of the Treasury Board (Mr. Johnston), who will be responsible for its administration.

In addition to the leadership it will provide in our collective effort to bring down inflation, the pay restraint program will lower federal expenditures by some $250 million this year, and $550 million next year, relative to the provision in our fiscal plan. This will provide financial resources for reallocation to the high priority needs for direct assistance to other Canadians.

I would like to emphasize that in the government's view federal public sector employees are no more responsible for inflation than any other group in the society. They too have been trying to catch up with rising prices, but their incomes have risen no more, and often rather less, than those of employees in other sectors. This is not a punitive program. If other sectors follow our leadership, federal employees will fare as well as others. The government believes that it is reasonable to impose a limited measure of pay restraint in the federal public sector at a time when others are bearing a severe burden arising from unemployment, pay cuts and business losses.

Pay restraint is also needed in the provincial and local public sectors. Several provinces have already announced measures to limit the pay increases of some categories of public sector employees under their jurisdiction. The Prime Minister (Mr. Trudeau) will meet with the Premiers on Wednesday to urge that all provinces take similar actions.

[*Translation*]

LIMITING GOVERNMENT INDEXATION

The actions I am now about to announce are being taken only after the most careful consideration. The government is deeply committed to lifting the burden of inflation from those least able to protect themselves. But it is calling upon all Canadians to share in a determined effort to bring inflation down. It is calling upon all to reduce their income demands well below the present rate of inflation. It would be inconsistent with the government's determination to see income demands reduced to 6 per cent and 5 per cent not to ask taxpayers and recipients of some transfer payments also to carry part of the burden.

With regard to the income tax system, the indexing factor applicable to personal exemptions and tax brackets will therefore be limited to 6 per cent for the 1983 taxation year and to 5 per cent for the 1984 taxation year.

[*English*]

Effective January 1, 1983, indexation of the pensions paid to former Members of Parliament and public servants will be limited to 6 per cent. The indexing factor will be lowered to 5 per cent as of January 1, 1984.

Effective the same dates, the indexing factor applicable to family allowances and old age security will also be limited to 6 per cent and 5 per cent. To ensure that the limitation of the indexing factor does not hurt families with modest incomes, the child tax credit will be increased by $50 for the 1982 taxation year and will continue to be fully indexed. The increase will raise the credit from $293 to $343 for each child.

Pensioners most in need must also be fully protected from the limitation on the indexing factor. The guaranteed income supplement for senior citizens with lower incomes will continue to be fully indexed. In addition, everyone receiving the GIS will get a supplement to the GIS payment offsetting fully the limitation on indexation of old age security payments.

Veterans' pensions will continue to be fully indexed.

ADMINISTERED PRICES

The government, while asking that a measure of protection against inflation be temporarily sacrificed by public servants, taxpayers and many recipients of transfer payments, is obligated to do all it can to ensure that prices established under federal jurisdiction are similarly restrained.

Accordingly, I am asking that federal agencies which regulate the prices for such vital goods and services as public transportation, public communications and foodstuffs, adhere to the objectives established tonight and depart from them only in exceptional circumstances.

The government will monitor the price decisions of the regulatory agencies within its jurisdiction and take appropriate actions where exceptional increases cannot be justified.

As well, the government will ask the provinces to take similar action in those areas of regulation within their jurisdiction.

Through these actions on earnings, on indexing, on administered prices, the government is providing leadership in a two-year national effort to break inflation. These are exceptional actions required by exceptional circumstances.

ACTIONS TO SHORE UP INVESTMENT AND CONFIDENCE

I now move to the second thrust of the government's action plan, which is the shoring-up of investment and confidence. Idle capacity, falling profits, heavy interest costs and expanding debt have combined to make businesses reluctant to expand. Consumers also hesitate to commit themselves to major purchases, particularly for housing. The government is therefore taking action to reduce uncertainty and boost confidence.

PROPOSALS TO REDUCE THE TAXATION OF INVESTMENT INCOME AND INTEREST RATES TO BORROWERS

Tonight, I am tabling a consultative document containing proposals which, if implemented, would have the following major effects:

—Canadians investing funds in a new form of term deposit would not be taxed on that part of interest that only reflects the rate of inflation.

—Canadians investing funds in new plans for purchase of common shares of Canadian corporations would not be taxed on that part of the capital gain on such shares that only reflects inflation.

• (2040)

—Buyers of new homes would be able to secure mortgages at significantly reduced interest rates—3 to 6 percentage points lower than prevailing rates.

—Small businesses, farmers and fishermen would be able to secure loans for new capital investment at similarly reduced interest rates.

—Canadian corporations would have improved access to risk capital.

These proposals would introduce major innovations in our tax system as well as in financial markets. The government intends to implement them quickly once their feasibility has been confirmed.

I am creating immediately a committee of prominent Canadians from the financial, legal, accounting and economic communities to examine the proposals and advise me on their feasibility not later than September 30. I also invite interested Canadians to forward their comments to me directly. I want to make it clear that this consultative process reflects the more open process on major tax initiatives which I advocated in my green paper on the budget process. I regard this kind of major tax initiative with far-reaching consequences explored by a prominent group of Canadians from the financial, legal, accounting and economic communities.

NOVEMBER 1981 BUDGET MEASURES

I am tabling today a comprehensive notice of Ways and Means motions relating to the November 1981 budget. The notice contains the income tax legislation in draft form to allow for a review of the draft amendments by those affected before the final tax bill is introduced.

The proposed legislation will go a long way to improve our tax system. The November measures have been far-reaching and controversial. Since November, I have attempted, after extensive consultations, to accommodate legitimate concerns that have been raised. I have already announced a number of changes to my original proposals. The notice I am tabling reflects these changes. I am also making further modifications, including the following:

—The 12½-per-cent corporate distributions tax applicable to small business will be postponed for one year to January 1, 1983.

—The proposals related to the deduction of interest expense will be reviewed, and their effective date will not be before 1983.

—The proposed automobile standby charge has been reduced from 2½ per cent to 2 per cent.

—The rules on the restriction of interest expense will not apply to commitments relating to employee share-purchase loans undertaken prior to November 12, 1981.

—Modifications have been made to the proposals relating to forward-averaging for artists and athletes.

—Other changes have been made relating to corporate reorganizations and loans to non-resident corporations.

The draft legislation does not contain provisions affecting life insurance or charitable foundations. The precise drafting of these income tax amendments has been delayed because of extensive and successful discussions with representatives of these groups. I have already announced a mutually satisfactory solution on the taxation of charitable foundations. I am also making public today a revised approach which preserves the objectives of the November measure relating to life insurance which is acceptable to the life insurance companies.

This disposes of tax issues arising from the November budget. With these uncertainties removed, it will be more evident that the taxation of business and investment income in Canada compares favourably with that of any other country in the world.

FOREIGN INVESTMENT

Last November, I made public a budget paper in which the government outlined its approach to economic development. The directions set out in that paper continue to guide government policy. As was stated in the budget paper, the objective the government is pursuing through the Foreign Investment Review Act is to ensure that foreign-controlled corporations serve the Canadian interest by contributing fully to the development of an innovative and internationally competitive industrial structure. This is a reasonable goal to which the government remains fully committed.

At the same time, the Foreign Investment Review Act must be administered to adhere to the objectives established by Parliament. Its procedures must be timely and efficient. In particular, efforts must be made to avoid red tape and extended delays.

With this in mind, the government has decided the following:

First, the threshold for review under the small business procedures will be raised from $2 million and 100 employees to $5 million and 200 employees for new investment or direct acquisitions in Canada.

Second, where a foreign-controlled Canadian company is acquired in the course of the acquisition of its parent or another foreign-controlled company, the small business procedures threshold will be $15 million and 600 employees.

Third, small business investments will not be subject to the full review procedure except in exceptional circumstances, where the investment appears to raise important policy issues.

For applications which are subject to a full review, other administrative measures will be introduced to provide greater clarity about the interpretation of the Act and to simplify the internal decision-making procedures. The agency will confine its examination of undertakings to the key elements of an investment proposal.

On a related subject, the government is aware that international investors are concerned about the capacity of the Canadian balance of payments to absorb the pace of Canadianization in the energy sector under the National Energy Program. I would like to note, as the Minister of Energy, Mines and Resources did in his recent NEP update, that we are ahead of our Canadianization goals. The 50 per cent target for 1990 remains, but we do not need, and do not intend, to press the pace of Canadianization of foreign energy holdings in the years immediately ahead.

I also wish to announce our intention to extend for three years the exemption from the non-resident withholding tax on interest paid abroad. This removes an element of uncertainty that might have impeded capital inflows.

ACTIONS TO CREATE JOBS AND SUSTAIN ACTIVITY

The third thrust of this budget is action to reduce unemployment and to provide support to sectors hard hit by the recession and by high interest rates. Unemployment is imposing high costs in human, social, and economic terms. Sectors such as small business, housing, farming and fishing are deeply affected by weak demand and by the high cost of borrowing. The government is responding to these needs.

EMPLOYMENT AND ECONOMIC PROGRAMS

The government will use direct employment and economic programs to provide jobs this year and next.

—I am announcing a $200 million allocation to direct employment programs.

—I am announcing $150 million, which was allocated earlier, for increased spending on localized, employment-intensive projects under existing government construction and other programs.

Together with more than $100 million available from existing Employment and Immigration allocations, this will provide more than $450 million for direct job creation.

• (2050)

—I am also announcing the allocation of a further $300 million to economic development programs that create permanent private sector jobs through levered investment incentives.

This expenditure of more than $750 million will ensure that additional jobs are created quickly, and targetted especially to areas which have been particularly hard hit by the recession or by longer-run adjustment problems.

HOUSING

I am announcing a five-point package of new and expanded housing programs. These programs will stimulate residential construction and job creation.

First, the government will provide grants of $3,000 to all purchasers of new houses on which construction starts before December 31, 1982, and to first-time buyers who purchase an existing house before that date. It is estimated that 100,000 purchasers will be eligible for this grant. The total cost of this new program is $300 million.

Second, the initial $30 million allocation to the home renovation plan will be doubled to $60 million.

Third, I announce that the annual allocation for non-profit and co-operative housing will be increased from 25,000 units to 27,500 units in 1982. This is in recognition of the fact that the housing needs of low-income Canadians deserve special attention.

These initiatives are expected to generate some 65,000 jobs over the next two years.

Fourth, 54,000 additional jobs are expected to result from the Canada Rental Support Plan for the construction of new rental units in tight markets. This program was introduced last November and doubled in size to 30,000 units in March. It has been suggested that the $7,500 interest-free loans offered under this program may not be high enough in some markets. The government is prepared to show some flexibility on this matter. Project commitments under this program will soon be announced.

Finally, I announce that the Canada Mortgage Renewal Plan introduced last November will be extended to December 31, 1983. All home owners having to spend more than 30 per cent of their gross income as a result of renewals taking place after tonight will be eligible for a grant of up to $3,000. It will no longer be necessary to defer interest before becoming eligible for a grant.

The Minister responsible for the Canada Mortgage and Housing Corporation will shortly provide the details of these housing initiatives.

INTEREST ASSISTANCE FOR SMALL BUSINESSES, FARMERS AND FISHERMEN

I am announcing an important new program to reduce interest costs for small businesses undertaking new investment. $400 million are being allocated to this program.

The expansion of many small businesses has been halted by high interest rates. Grants will therefore be made to cover 4 percentage points of interest charges, over a period of two years, on loans extended by financial institutions to both incorporated and unincorporated small businesses. The eligibility rules will be similar to those for the Small Business Development Bond.

The Small Business Development Bond program that expired at the end of last year exempted financial institutions from tax on interest on loans for new investment or financial difficulty. In order to target available tax benefits to those small businesses most in need of assistance, the November 1981 budget confined the tax exemption to loans made to small businesses in financial difficulty. Eligibility was also extended to farmers, fishermen and other unincorporated businesses.

This small business bond tax provision continues. The program now being introduced is a new direct expenditure program. It will supplement the financing available under the small business bond program to firms in financial difficulty. It will not be constrained by the tax position of financial institutions. Farmers and fishermen, whether incorporated or not, will be eligible for the new small business investment grants.

In addition, the government is providing $100 million more for assistance to farmers in financial difficulty. This allocation from the government will permit the Farm Credit Corporation to make loans totalling $200 million over and above those provided for in the November budget. The loans will carry the regular rate of interest of the FCC, but a rebate amounting to 4 percentage points will be extended for a period of two years.

The details of these programs will be announced shortly by the Minister of Industry, Trade and Commerce (Mr. Gray), the Minister of State for Small Business (Mr. Lapointe), and the Minister of Agriculture, (Mr. Whelan).

CONTAINING THE DEFICIT

As I indicated at the outset, I was determined to find ways of creating jobs and sustaining economic activity without adding to the deficit. This goal has been achieved. The actions I just announced will be costly, but they will be more than fully covered by reallocations of expenditures and tax changes.

[*Translation*]

Let me sum up by listing the items on both sides of the balance, We are providing:

—an additional $200 million for direct job creation programs,

—an additional $300 million for job creation through economic development programs,

—$400 million for housing stimulus and mortgage assistance,

—$500 million for interest assistance to small businesses, farmers, and fishermen.

In addition:

—the increase in the Child Tax Credit will reduce revenues by $250 million,

—the adjustments to the November budget will reduce revenues by some $325 million,

—$350 million should be allowed for the first-year revenue reduction from the proposals on taxation of investment income.

These additional expenditure initiatives and revenue reductions total $2.3 billion over this year and next.

Offsetting these costs are:

—the $800 million savings from the public sector compensation restraint program,

—the $360 million savings from limiting indexing on expenditure programs,

—the $580 million in savings from other expenditure reductions and deferrals, and

—the $1.3 billion from limiting indexation of the personal income tax system.

[*English*]

Together, these savings and revenue measures provide $3 billion. In 1982-83, the costs of new initiatives and the funds made available are both about $800 million. In 1983-84, funds made available exceed the costs of new initiatives by almost $800 million. These savings will be taken into account when we reassess the economic and fiscal situation next fall.

• (2100)

This method of financing the government's actions is a concrete application of the principles of solidarity and sharing. Some Canadians are being asked to give up certain benefits to help the unemployed and troubled sectors of the economy.

I would like now to table the comprehensive notice of Ways and Means motion related to the November, 1981 budget as well as a notice of ways and means motion related to the measures announced this evening. I would ask for the consent of the House to table the budget papers and paper for consultation entitled "Inflation and the Taxation of Personal Investment Income". I also ask for the consent of the House to include in *Hansard* the standard table which provides the projections of the government's fiscal position.

Madam Speaker: Does the House give its unanimous consent to the tabling of the documents mentioned by the Minister of Finance (Mr. MacEachen)?

Some hon. Members: Agreed.

GOVERNMENT OF CANADA

Summary Statement of Transactions[1]

		November 1981 Budget		June 1982 Budget	
	1980-81	1981-82	1982-83	1981-82[2]	1982-83
			(millions of dollars)		
Budgetary transactions					
Revenues	45,398	54,310	64,960	53,765	58,550
Expenditures	-58,066	-67,650	-75,450	-66,700	-78,100
Surplus or deficit (-)	-12,668	-13,340	-10,490	-12,935	-19,550
Non-budgetary transactions					
Loans, investments and advances	-523	-650	-850	-1,335	-700
Specified purpose accounts	2,781	3,720	3,550	3,285	1,065
Other transactions	293	495	1,205	2,645	2,085
Net source or requirements (-)	2,551	3,565	3,905	4,595	2,450
Financial requirements (excluding foreign exchange transactions)	-10,117	-9,775	-6,585	-8,340	-17,100
Total outlays[3]	58,589	68,300	76,300	68,035	78,800
Percentage growth	13.0	16.6	11.7	16.1	15.8
Percentage of GNP	20.1	20.6	20.2	20.5	22.0
Program outlays[4]	47,902	53,605	59,535	52,965	60,900
Percentage growth	10.6	11.9	11.1	10.6	15.0
Percentage of GNP	16.4	16.2	15.7	16.0	17.0
Budgetary revenue					
Percentage growth	16.6	19.6	19.6	18.4	8.9
Percentage of GNP	15.6	16.4	17.2	16.2	16.3
Budgetary deficit					
Percentage of GNP	-4.3	-4.0	-2.8	-3.9	-5.4
Financial requirements (excluding foreign exchange transactions) as percentage of GNP	-3.5	-3.0	-1.7	-2.5	-4.8
GNP (billions of dollars)	291.9	330.8	378.5	331.3	358.9

[1]For comparability, budgetary revenues and expenditures for 1980-81 and 1981-82 are adjusted to treat Canada Post revenues and expenditures as if the corporation were under Crown corporation status throughout the period. The budgetary deficit and financial requirements are unaffected as a result of these adjustments.
[2]Estimates.
[3]Budgetary expenditures plus loans, investments and advances.
[4]Total outlays excluding public debt charges.

THE ROAD TO RECOVERY

Mr. MacEachen: To break inflation, to boost confidence, to create jobs, to hold the line on the deficit: these are the goals of the action plan the government is proposing to Canadians.

The recession compels us to face reality. Too many of us, one way or another, have been taking too much out of the economic system for too long. This is hurting all of us. Now we must take less so that the economy may grow again.

Even in the best of circumstances, recovery will take time. And the government alone cannot do the job.

Some say the government should print more money. Others say it should let the deficit rip.

But that would fail miserably. Inflation and unemployment would get worse. Interest rates would rise even more. Canada would price itself out of world markets. Recovery would be postponed.

Still others say the government should order every detail of everyone's economic life, fix every price and set every wage bargain.

But is that what Canadians want?

The choice is ours. On the one hand, the road to recovery; on the other, a further slide into recession or a controlled economy.

The government has pointed the way to recovery, but it alone cannot get Canada on the move. We must tackle this task together.

That is why the Prime Minister has proposed to meet with the Premiers later this week to seek their support and participation in the action plan I have announced tonight.

That is why the government will seek consultations with business and labour on implementation of the strategy to break inflation and get the economy growing again.

That is why ministers and Members of Parliament will be enlisting the support and participation of all Canadians in moving from the 12 per cent world of recession to the 6 per cent world of recovery.

Some hon. Members: Hear, hear!

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, this is not a budget. It is another update of a budget which failed last November, and this one is going to fail again. We have a patchwork quilt of certain changes in the November budget plus a few other things the minister has brought in to try to address the very serious problems of the economy, but the solution is just not there. There is a crisis of confidence in this country, and this is not an action plan, as the minister has said. It does not address the crisis of confidence which is so serious in this country today.

Let me address some of the changes in the budget. The minister has brought in this budget eight or ten more changes in the November budget. I believe that totals somewhere between 35 and 40 changes the minister has brought in since the November budget. He has acknowledged the fact that that budget was a mistake and a failure, but he has not withdrawn the balance of the budget. That balance should have been withdrawn in total.

Some hon. Members: Hear, hear!

Mr. Wilson: This budget does not address the most important problem facing the country today. The minister has shown no understanding of the very serious nature of our economic problems. The budget deficit is $20 billion, and the minister says this budget is brought in to address the problem of the size of the budget deficit. That means no more to Canadians than the fact that the minister has said that the November budget was a budget of restraint, and then went on to increase public spending by 22 per cent.

There were major mistakes in the 1980 budget and in the 1981 budget, and there are still mistakes in the 1982 budget. The problems have not been solved, but the damage which has been done to the economy by the changes brought in in the National Energy Program in 1980 and in 1981 by tax reform has been absolutely immense, but still the minister does not have the courage to say to Canadians: "I made a mistake—the last time around, and there are things in that budget I have had to change". Canadians were looking for that. They were looking for an opportunity to feel some sense of kinship with the minister. People do make mistakes, but the minister has not acknowledged that he has understood where he went wrong in that last budget, so he has robbed Canadians today of the hope they were looking for that there will be some turn around and some recongition by the government that there are policies which will bring us to the recovery the minister says is possible. Unfortunately, that recovery is a long way away.

The size of the budget deficit in itself will have a great impact on the confidence of people in the Canadian economy. The $17 billion of cash requirements means that there will be $17 billion worth of competition by the federal government for the very limited sources of capital available for small businessmen, home owners, fishermen, farmers and so forth. That is an immense problem. It will lead to higher interest rates. There is no doubt about that. There is also no doubt, as even the Prime Minister (Mr. Trudeau) will acknowledge, that high levels of government spending and large government deficits lead to inflation.

Let us look at the saddest element of this budget, and that is the heartless impact it has on the average Canadian. Canadians are being asked to pay for the mistakes of this government in a very major way. There will be a personal tax increase next year of $1.3 billion. There will be a 6 per cent personal tax increase through the loss of half of the indexation Canadians would have expected next year. In addition to that, through the change in the indexation factor in government spending, those who are on spouses' allowances and those who have disability pensions are being asked to pay for the mistakes of this government. That is a shocking answer the minister has given to Canadians. Less than two years ago the minister said to me, in answer to a question in this House: "I will not fight my battles against inflation on the backs of those who cannot afford it and on the backs of those who cannot fend for themselves". That is the type of minister that we have today. The minister has put forward a few job-creation programs, a number of which are a rehash of programs already announced. The fundamental message is that these are short-term programs, although there are not too many details so it is difficult to tell whether they will be effective. They have no relationship to training or to research and development in the ways that we know from work that has been done which show that they will provide lasting answers to job creation in this country. We need long-term job-creation programs directed at the long-term problems of the economy, but they were not in the budget.

• (2110)

Much damage has been done by the delays that this minister has allowed to take place since his 1981 budget. For instance, 224,000 people have lost their jobs. In the six months since the last budget about 6,000 businesses have gone bankrupt and about 11,500 people have gone into personal bankruptcy. Behind those statistics are people who, in effect, have been excommunicated from our system because there is no new employment in the country. That is the cost of the delay and lack of understanding by the Minister of Finance (Mr. MacEachen) of the basic problems of the country today.

Let me comment now on some of the positive elements of the minister's speech, Madam Speaker. Since last November we have been asking the minister to bring in these positive measures. The Small Business Development Bond comes back in a new form. The mortgage tax credit program, which would have cost Canadians $125 less per month on their mortgage payments, was defeated in the last election but now it is proposed to bring it back in an amended form. It will have basically the same impact. A proposal that was defeated in the 1979 budget would have helped Canadian companies broaden their ownership base in this country without having to go to

foreign markets for their investment money. That appears again.

Many of the tax reforms proposed in this budget which are changes from the 1981 budget, appear basically because of pressure from the Conservative opposition, day in and day out, over the last seven months. The proposal to withdraw the small business dividend of 12½ per cent, for instance, is one. Interest deductibility is now in limbo because the minister knows it is not workable, although he has tried ways to make it work. He has tried to find ways of doing it but he knows that it will just not work. The standby charge on automobiles, the employee share purchase plan and the forward-averaging program as well as five or six other changes in the budget that we have been pressing for now appear. We knew they would not work but much damage has been done by the hiatus that resulted from the inactivity when instead, jobs could have been created in the country. Many parts of that budget still stand. We say that the previous budget should have been withdrawn in total when the minister made his statement tonight.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Wilson: Canadians have lost faith in their government. Because of the government's policies the economic situation in Canada has deteriorated to such a degree that the Minister of Finance (Mr. MacEachen) has had to put forward a new budget. We said that the November budget was wrong; it was disastrous for the economy because the approach and the policies were wrong. We were right because tonight, just eight months later the Minister of Finance is presenting a new budget. In fact, the Minister went to great length to embellish the horrors in his November budget.

Now, this budget does not solve all our problems. The deficit will reach $20 billion, and with personal income tax indexing, next year taxes will go up 6 per cent. There is no program for economic growth. In fact, this budget is long in words and short on ideas. The government must resign and give Canadians an opportunity to make their wills known through the electoral process.

[*English*]

In closing may I just comment on the fact that in 1980 the government began to move this country in a different direction, toward more regulation, more intervention and more involvement in the lives of Canadians and individual Canadian companies. That direction still stands in this budget. In fact, certain parts of this budget move us toward more and more involvement of the government in the lives of Canadians. That must be reversed, Madam Speaker. The only way the Minister of Finance can expect to regain the confidence of individual Canadians and businessmen in the policies of the government will be if he puts more reliance, more understanding and creates more confidence in individual Canadians through their own initiative and desire to create a better life for themselves. If the minister cannot understand that and continues to bring in budgets which ask individual Canadians to pay for the mistakes he is making, then he must resign.

Some hon. Members: Hear, hear!

Mr. Wilson: There is only one answer, Madam Speaker. The minister laughs. The fact that he is asking Canadians to pay six per cent more in taxes, is asking people on spouses' allowance and those who are disabled to pay more through the loss of indexation, and is asking Canadians who cannot afford it to pay for his mistakes—that is why the minister must resign.

Madam Speaker could I move:

That the debate be now adjourned.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, under the Standing Orders I move:

That this House do now adjourn.

Madam Speaker: Does the House agree to the said motion?

Some hon. Members: Agreed.

Motion agreed to.

[*Translation*]

Madam Speaker: Accordingly, this House stands adjourned until tomorrow at 2 p.m.

On motion of Mr. Pinard, the House adjourned at 9.19 p.m.

END OF VOLUME XVI